



Musicians on Jamendo: a new model for the music industry?

Research report

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Introduction

The survey presented here was conducted during the autumn of 2012 in a cooperative project between GREQAM (economics research unit of CNRS/Aix-Marseille University) and JAMENDO, within the framework of the research programme PROPICE.¹

PROPICE (*Propriété Intellectuelle, Communs et Exclusivité* - Intellectual Property, Commons and Exclusivity) is a research programme supported by the ANR, chiefly involving economists and jurists, but also some sociologists, historians and anthropologists. This programme is motivated by the observation of two phenomena. The first is the extension and strengthening of intellectual property rights characterised by exclusivity and supported institutionally by the international TRIPS agreement associated with the establishment of the WTO and the reinforcement of national (and European, in our case) legislation for the protection of intellectual property. The second phenomenon is the formation of commons in the fields of scientific, technological and artistic creation, accompanied by the desire to build suitable legal and organisational tools. These two phenomena, relatively paradoxical, generate strong tensions in the world of business and innovation and engage the communities of innovators and creators. By combining empirical studies in relevant fields (ICT, biotech, pharmaceuticals and cultural goods) with the corresponding economic, legal and historical approaches, the objective of the PROPICE project has been to shed light on the profound nature of these movements and to analyse their significance and future prospects.

Jamendo (<http://www.jamendo.com/>) is a website for the legal, free downloading of music. This platform of “free” online music, the biggest in the world, operates on the basis of Creative Commons licences, in which the artists can choose the level of protection they want, particularly as regards the right to commercial exploitation or modification of the music. This is a whole new model that gives a legal dimension to the principle of free distribution and sharing of musical creations on the internet. It concerns both a new business model whose viability is demonstrated by the dynamism of the enterprise and a new sociology of musical creation, which allows artists to create a “buzz” on the internet, to gain visibility without having to go through the record label system. Artists who so desire can receive payment for the commercial use of their music through the PRO service, by the sale of licences to professionals at very attractive prices. At the time of writing, Jamendo has a catalogue of 416,000 tracks, with 2 billion listens and 154.8 million downloads.

1. <http://www.mshparisnord.fr/ANR-PROPICE/>

Creative Commons covers a range of licences designed to allow artists to subject their creative works to less restrictive conditions than those of standard intellectual property rights. The details of these licences are presented in section 8 of this report. Their status is often compared to that of open source software in the field of computing. Creative Commons was developed in the United States by a group led by the jurist Lawrence Lessig, specialist in constitutional law and intellectual property and professor at MIT. Several platforms on the internet offer creators the possibility of posting their works under the Creative Commons regime (CC). In the field of photography, the site Flickr proposes CC licences to its artists, but allows them to choose a standard copyright solution if they so wish. YouTube also allows its users to attach a CC licence to their videos. In the field of music, on the contrary, Jamendo, which is the leading platform of “free music”, obliges its artists to use one of the forms of CC licence. Depending on national legislation, this choice of CC may conflict with the existence of part of the work under a standard copyright regime, which may compel Jamendo to refuse certain artists wishing to place some of their work under CC. In France, however, an agreement has recently been reached with the SACEM (society of music authors, composers and publishers), whereby members of the SACEM can place part of their work under CC, provided it is not used for commercial purposes.

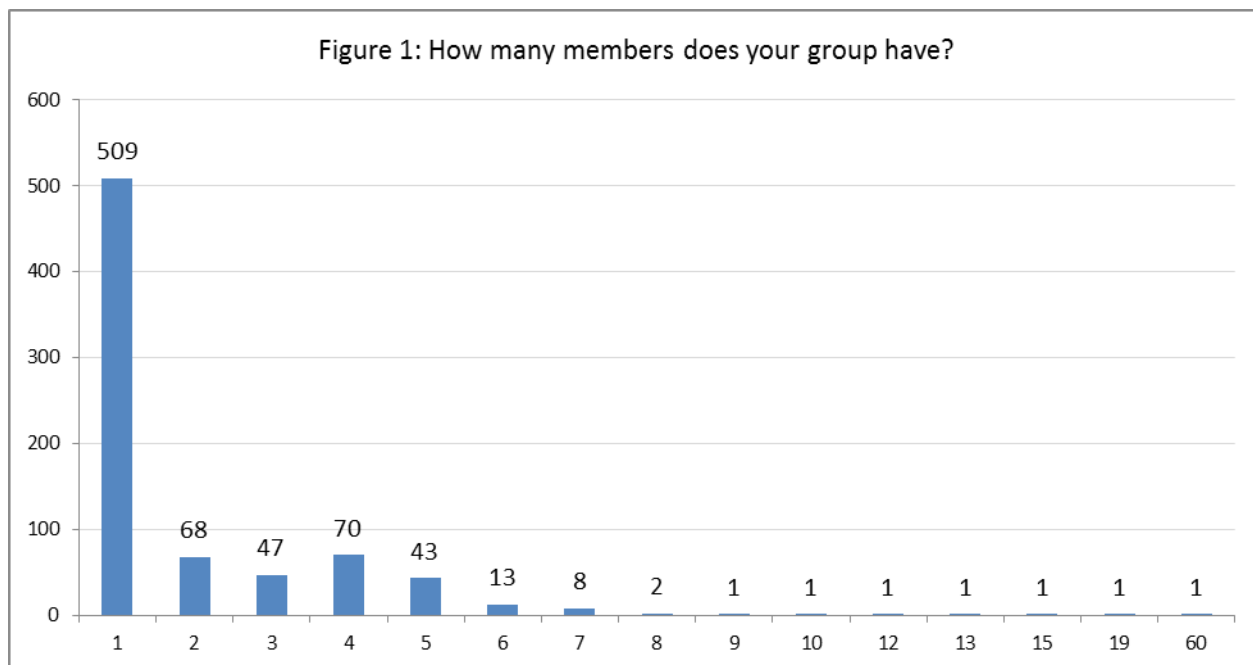
The survey presented here was carried out on a sample of 767 artists (solo musicians or groups) who are members of Jamendo. It was implemented on the internet with the help of “Lime Survey”, a free, web-based survey tool.

Our purpose in carrying out this survey was to identify as precisely as possible the characteristics of the artists present on Jamendo and the type of CC licence they choose in order to better understand the motives for their choices. To go further, the question is that of the Jamendo business model from the artists’ point of view. Does Jamendo simply represent a great opportunity for amateurs to showcase their music and win an audience? Or is Jamendo also capable of attracting professional artists, for whom earning an income from their music is essential ? To put it another way, the underlying question is whether platforms like Jamendo constitute a possible alternative model for the music industry of tomorrow.

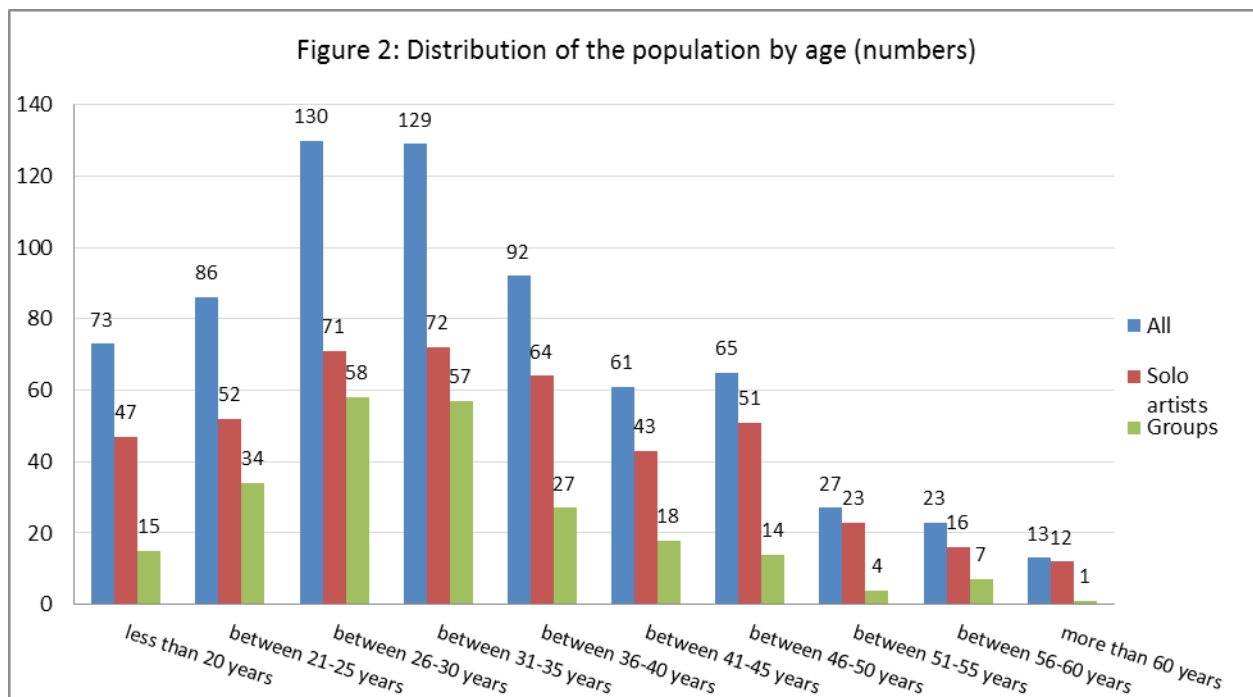
1. General profile of the sample

Our sample of artists is composed of 767 respondents: 509 solo artists (66%) and 258 groups (34% of the population). 88% of these groups have between 2 and 5 members.

In what follows, we use the term “artist” to denote a respondent to the survey, whether a solo artists or a group.



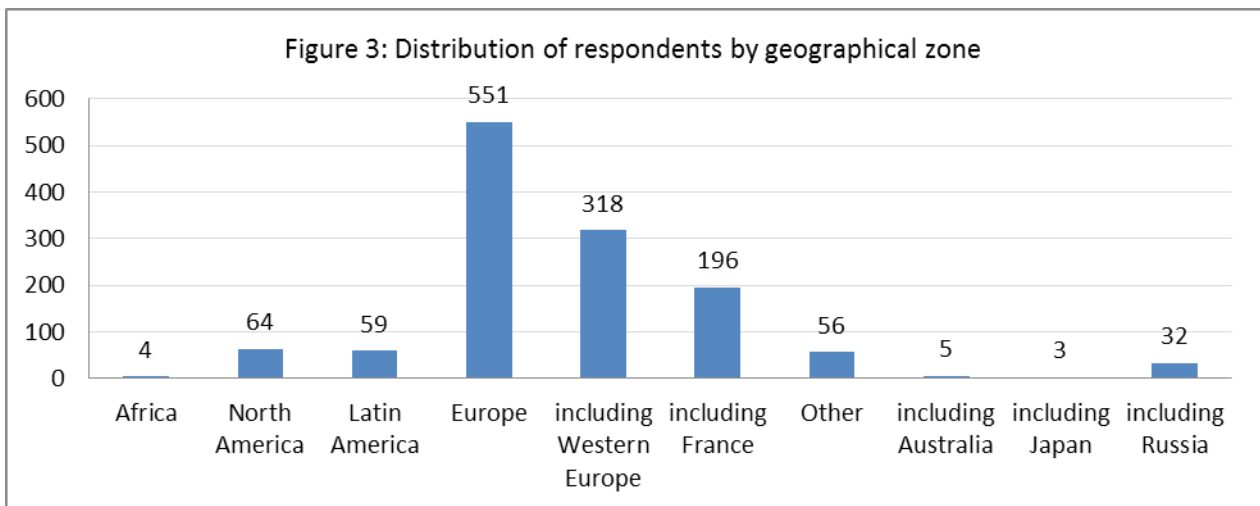
In terms of age (average age of the group), the population present on Jamendo is quite young, with a peak between 25 and 35 years old. This distribution profile is the same for solo artists and groups.



It can also be noted that the proportion of groups is highest among the young (40% between 21 and 25 years

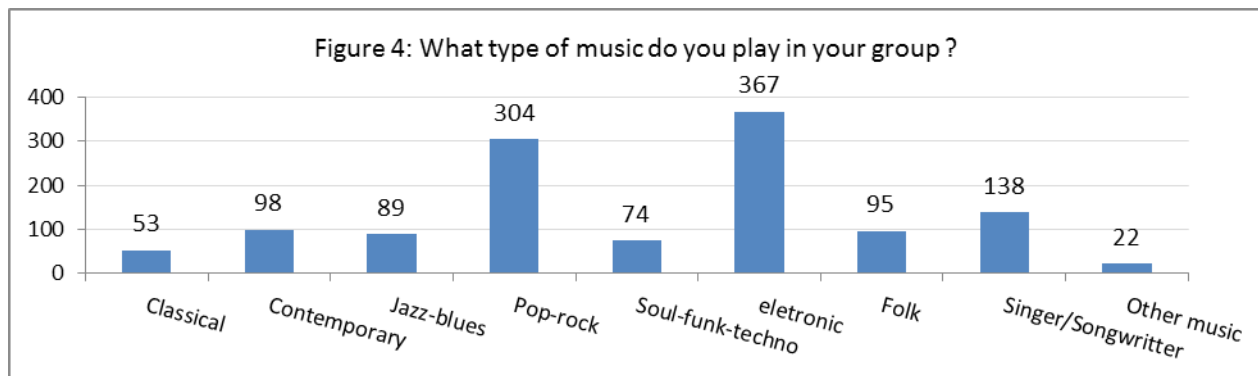
old, 45% between 26 and 30, and 44% between 31 and 35) and much lower among the very young (21% of the under 20-year-olds) and older artists (8 to 30%).

Geographically, our sample is quite strongly centred on Europe, especially Western Europe and France. Nevertheless, 25% of the sample is located outside Europe, with 17% in the Americas and 17.5% in Central or Eastern Europe.

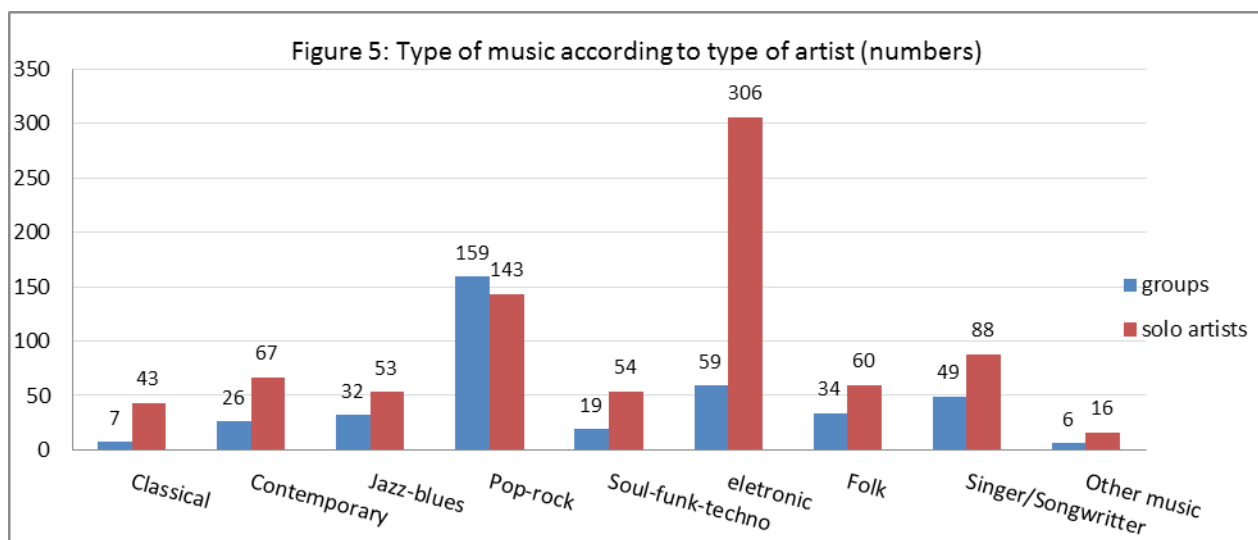


2. Types of music

Two types of music are largely predominant in our sample: “electronic music” is played by 47% of the artists and “Pop-Rock-Reggae” by 39%, bearing in mind that each artist may declare more than one type of music.

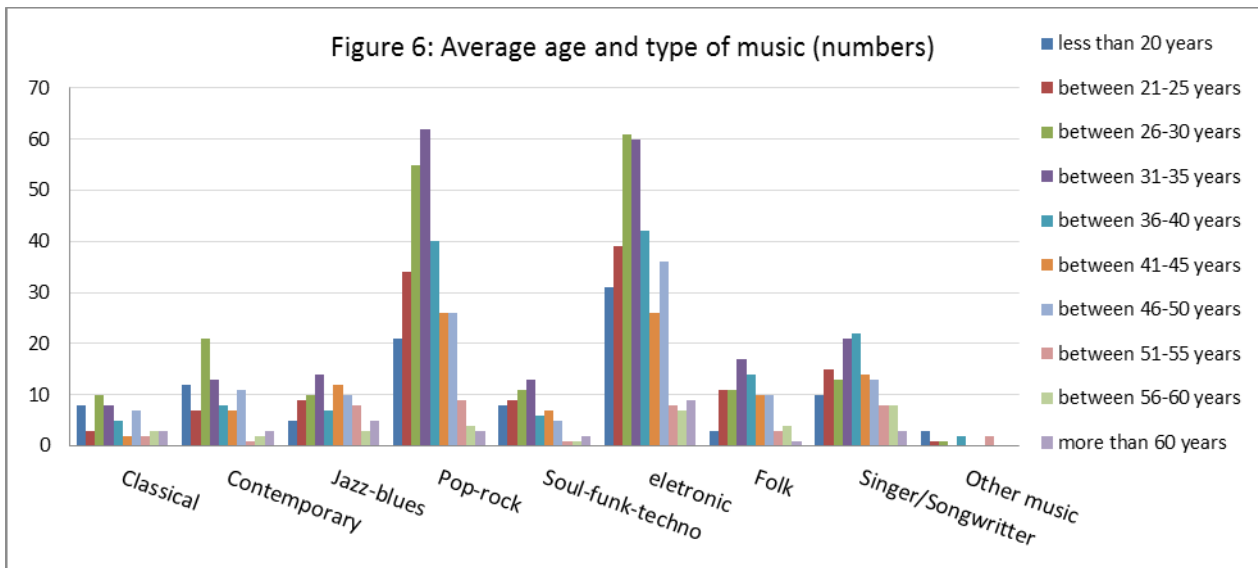


Solo artists are more numerous than groups over the whole sample, and this tendency is present in every type of music except the category “Pop-Rock-Reggae”, where 53% of the artists are groups. In the other categories, the proportion of solo artists varies from 62% to 86 % with a peak in “classical music” (86%) and “electronic music” (84%). This last type of music, which is also the most frequent in our sample, is probably the one that lends itself best to working alone, not needing any particular space like a studio or rehearsal room, and easily uploaded to the internet because of its inherently digital nature.



Quite logically, these two categories also play a symmetrical role in the concentration of the two types of artists, since “electronic music” accounts for 60% of solo artists (and only 23% of groups), while “Rock-Pop-Reggae” accounts for 62% of groups (and only 28% of solo artists).

In terms of age, the distribution peak in the 25 to 35 year-old age range is also found in the two dominant categories of “Rock-Pop-Reggae” and “electronic music”, but with flatter distributions or a larger share of older musicians than the other types of music.

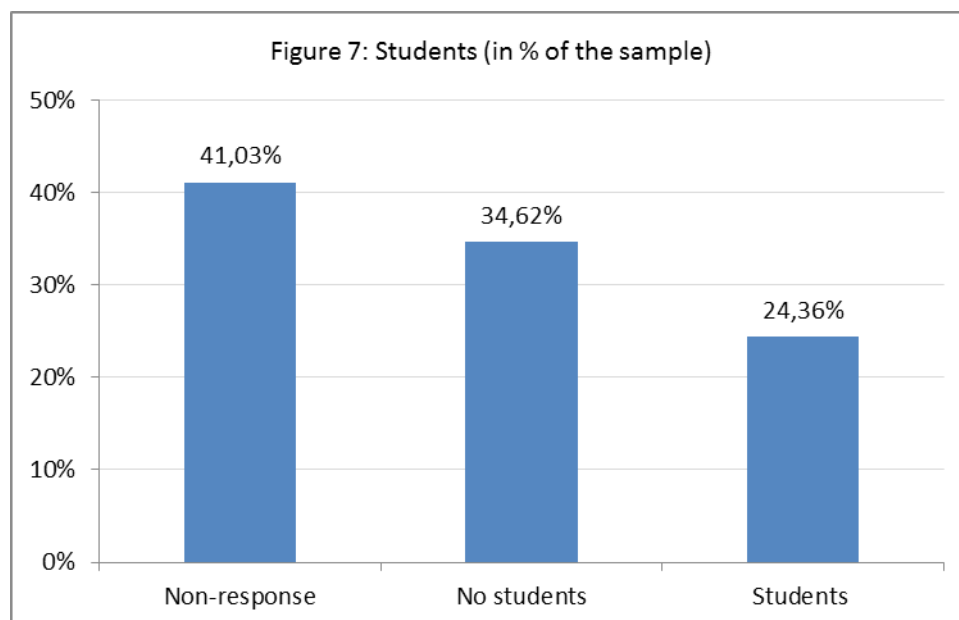


3. Group structure and members' activities

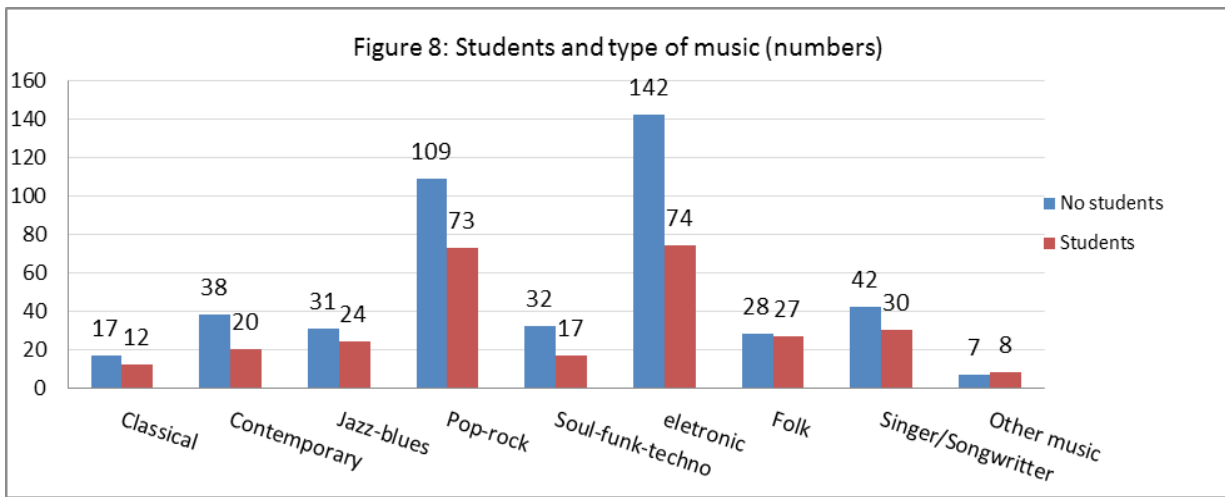
We now turn to three aspects of the attitude these artists have towards their activity. To put it briefly, is the music for which they are present on Jamendo related to a professional activity or project, or is it, on the contrary, more of a hobby with no profit-making intent?

We start by measuring the presence of university and high-school students among the artists. We then analyse whether or not the activity is of a professional nature, and then relate this aspect to the structure and organisation of the group and in particular (except for solo artists) the existence and role of leaders.

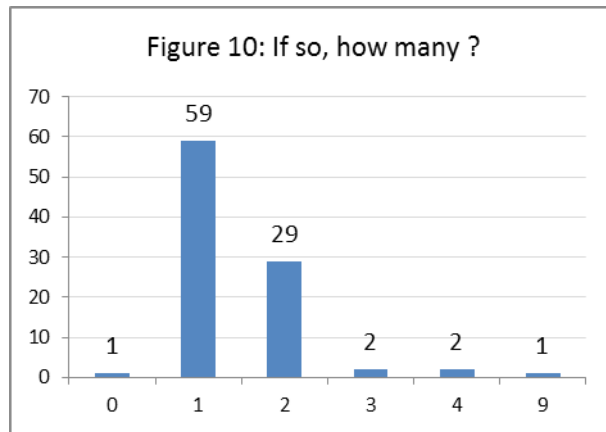
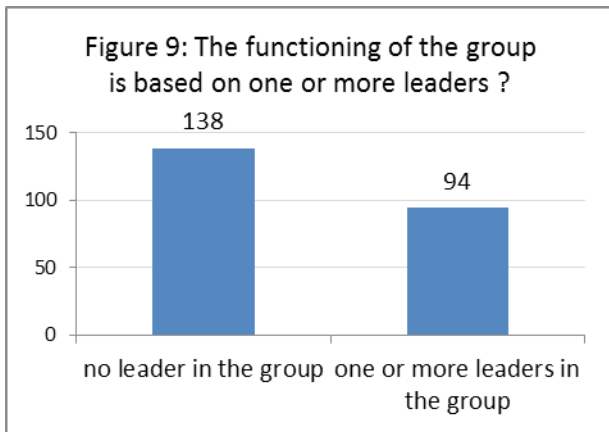
Firstly, we observe that the presence of students is quite strong, as they are present in 40% of the groups or solo artists who answered this question. They are not in the majority however, which is consistent with the fact that the peak in the age distribution is centred more on the post-study age ranges.



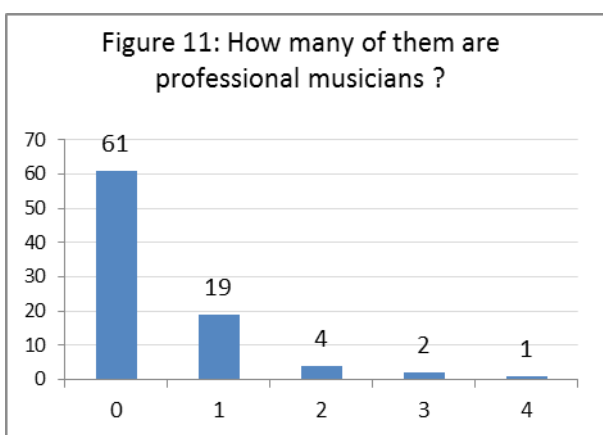
This level of presence can also be observed in each of the different types of music, with a few minor variations. Note that in the case of groups, this simply records the presence of students and not a majority presence, implying that this presence is probably weaker in the operational rationale of the groups.



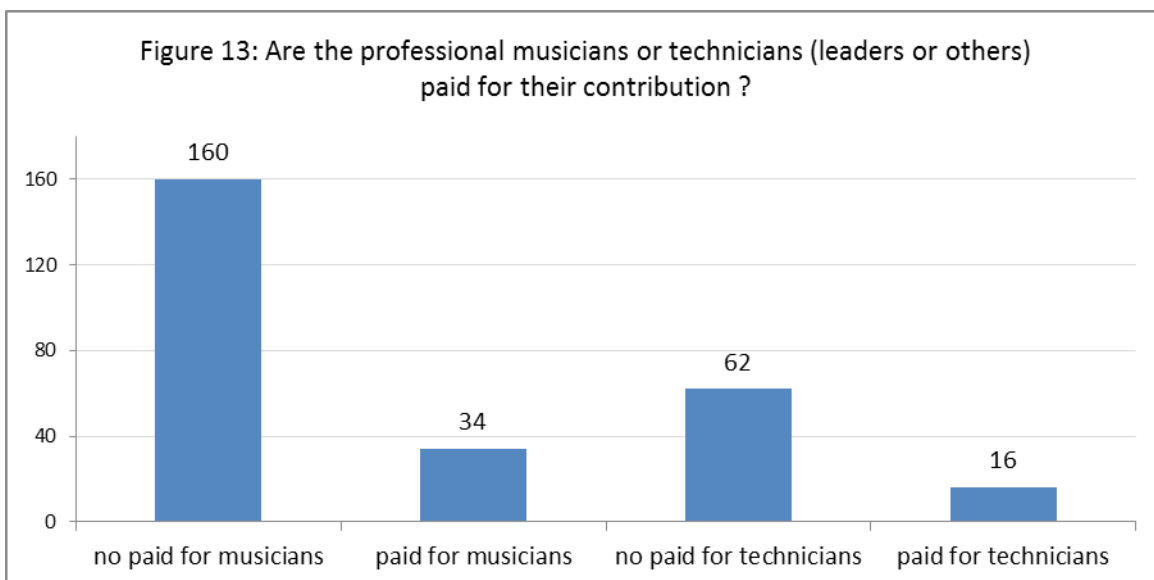
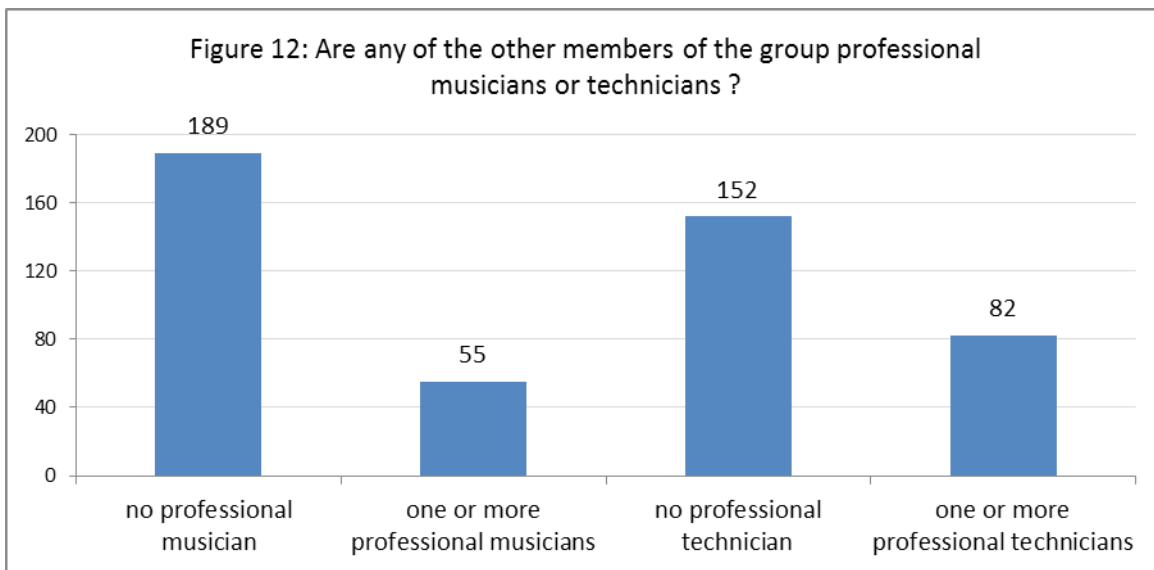
Now let us look at the group structure. The functioning of the group is only based on one or more leaders in 36% of groups. Of these, two thirds have one single leader and slightly less than a third have two leaders.



These leaders are only professional musicians in less than one third of cases.



Lastly, there are few professional musicians among the other members of groups (22.5% of respondents) and slightly more technicians (35% of respondents, but with all the ambiguity of the term “technician”). On the other hand, whether or not they are the leaders of the group, professional musicians and technicians are only paid for their contribution in 20% of the cases where they are present.

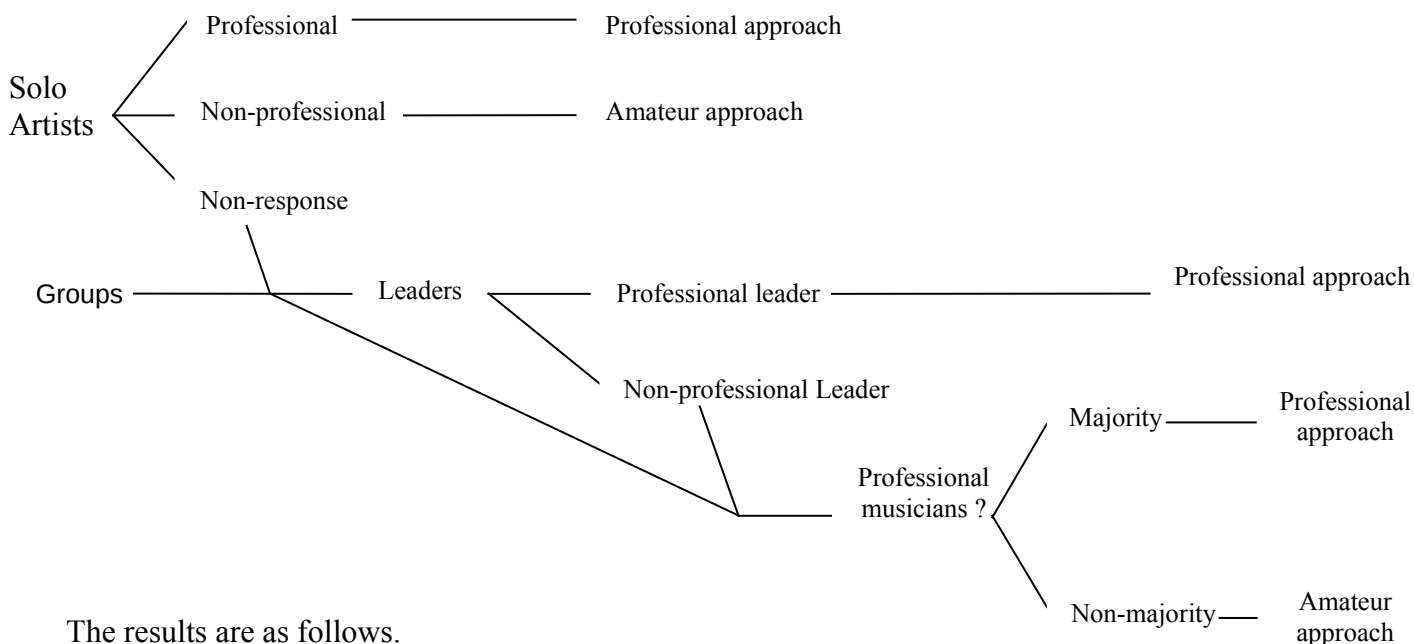


4. Professional or amateur approach?

To go further and better understand the functioning of these artists, we analyse whether their approach is professional or amateur.

One question concerned the presence of professional musicians among the artists. From this, we learn that 9% of solo artists are professionals and that 23% of groups have at least one professional member. This question was not answered by all the artists in our sample (78% of the solo artists and 95% of the groups). Based on the answers to several questions, we have built a decision tree that sheds further light on whether the artists in our sample have more of a professional or an amateur approach.

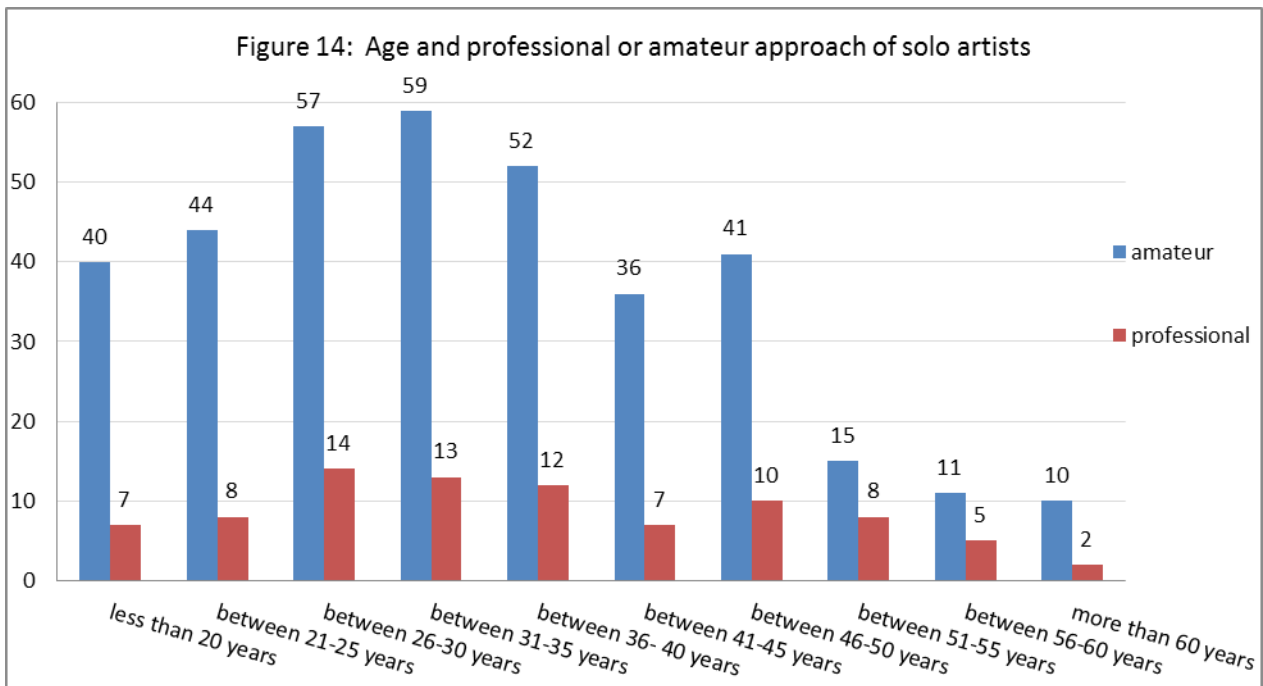
In this tree, we start by considering the solo artists. Those who declare themselves to be professionals are assigned to the professional approach, and the others to the amateur approach. We then look for the presence of leaders in the groups. If there is a leader, and he or she is professional, these groups are also assigned to the professional approach. Then, for all the groups with either an amateur leader or no leaders, we look at whether the other members of the group are professional or amateur. If the majority of members are professional, we classify the group as professional, otherwise it is assigned to the amateur approach.



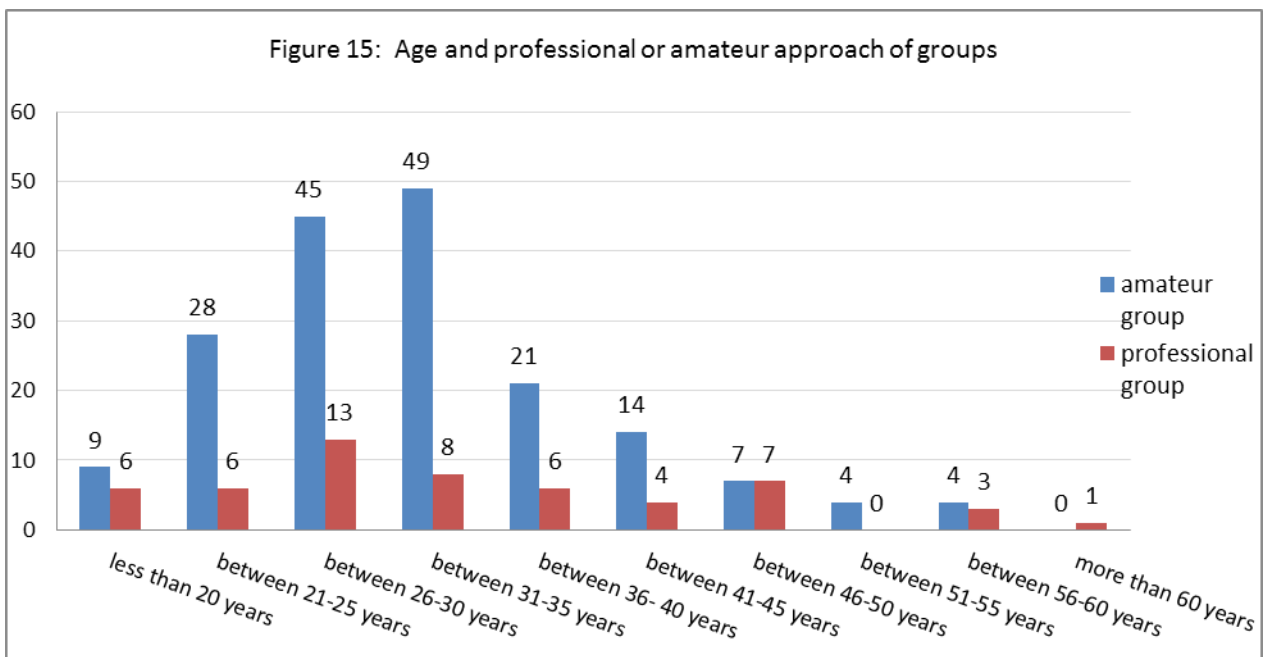
The results are as follows.

Over all, slightly less than 20% of the artists in our sample are professional musicians.

Firstly, as regards solo artists (n=509), the share of professionals (18.5%) varies according to age, from 15% (for those aged less than 25) to 35% (for those aged 51-55), but only 18 to 20% for those aged between 25 and 50.



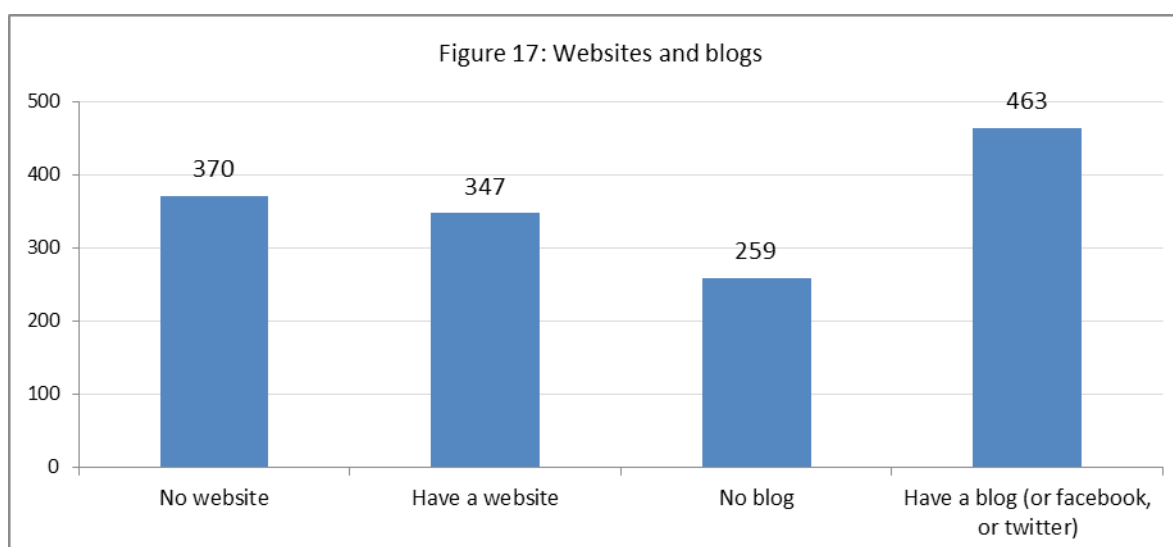
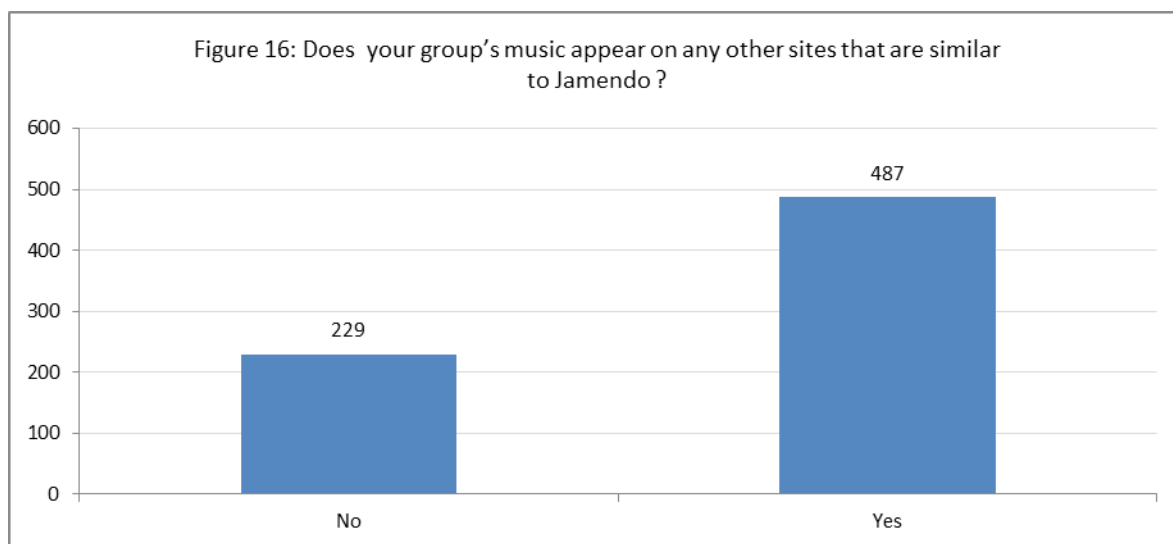
Now turning our attention to the groups (n=258), the overall share of professionals is 22%. This share varies between 0 and 100% according to age range, but lies between 14 and 22% for the 20 to 45 year-olds, without any clear pattern emerging.



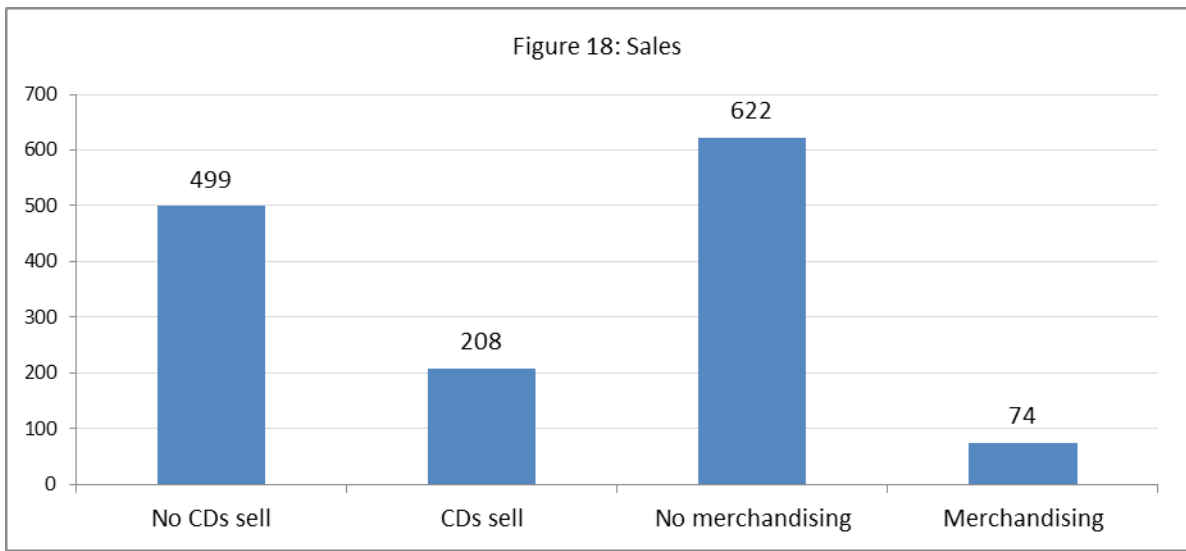
5. Modes of distribution

By definition, all the artists in our sample are present on Jamendo. But some of them also use other modes of distribution of their work: other web platforms, sale of CDs, concerts, etc.

The internet represents an essential means of distribution for most artists: of the 93% of artists who answered this question, 68% declared that they were present on other platforms than Jamendo. 48% of them had their own website and 64% kept a blog or a Facebook or Twitter account.



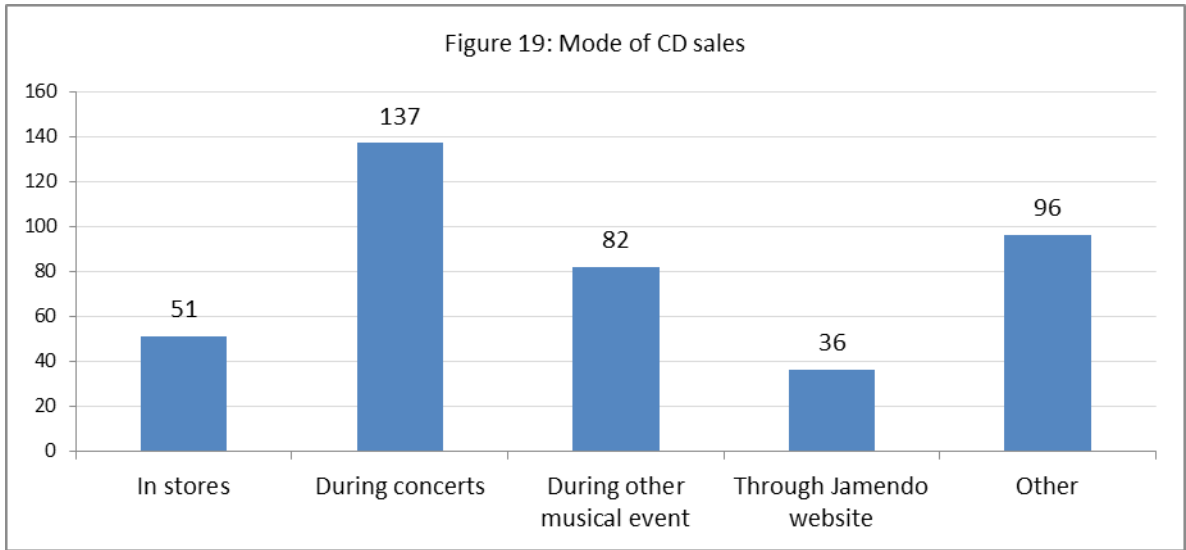
Less than 30% of the artists in our sample sold CDs and just over 10% sold other merchandise. This confirms the distinctly internet-based and dematerialized orientation of the majority of artists in our sample.



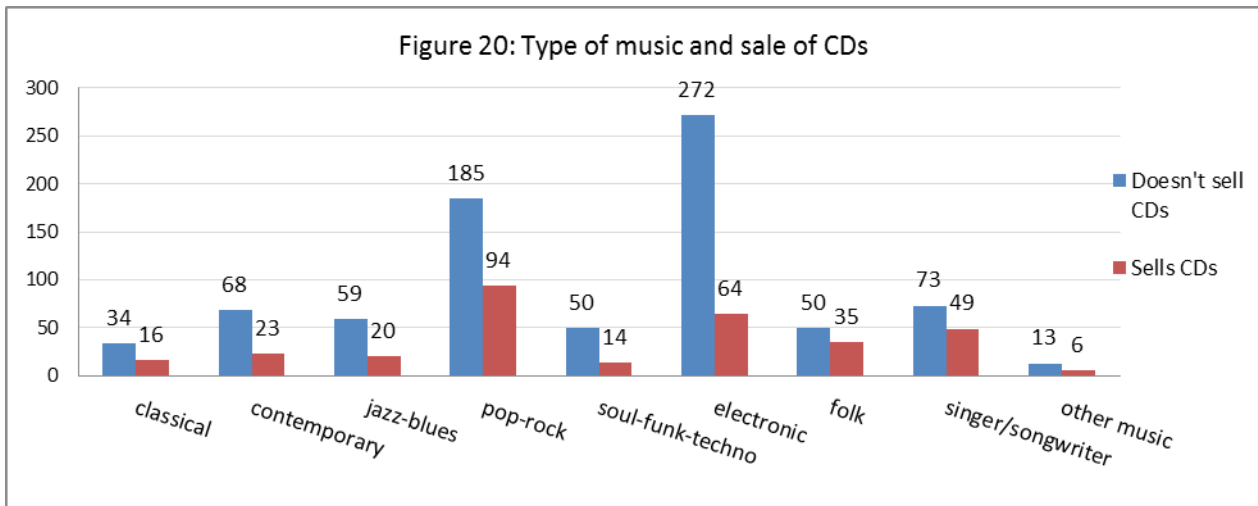
However, this proportion varies considerably with the category of artists. Groups are far more likely to sell CDs than solo artists, and solo professionals far more than solo amateurs (here, the difference between amateurs and professionals only concerns solo artists):

Solo artists	Solo amateurs	Solo pros	Groups	Amateur groups	Professional groups	Total amateurs	Total pros
18.00%	13.50%	38.00%	52.00%	52.00%	53.00%	26.00%	44.00%

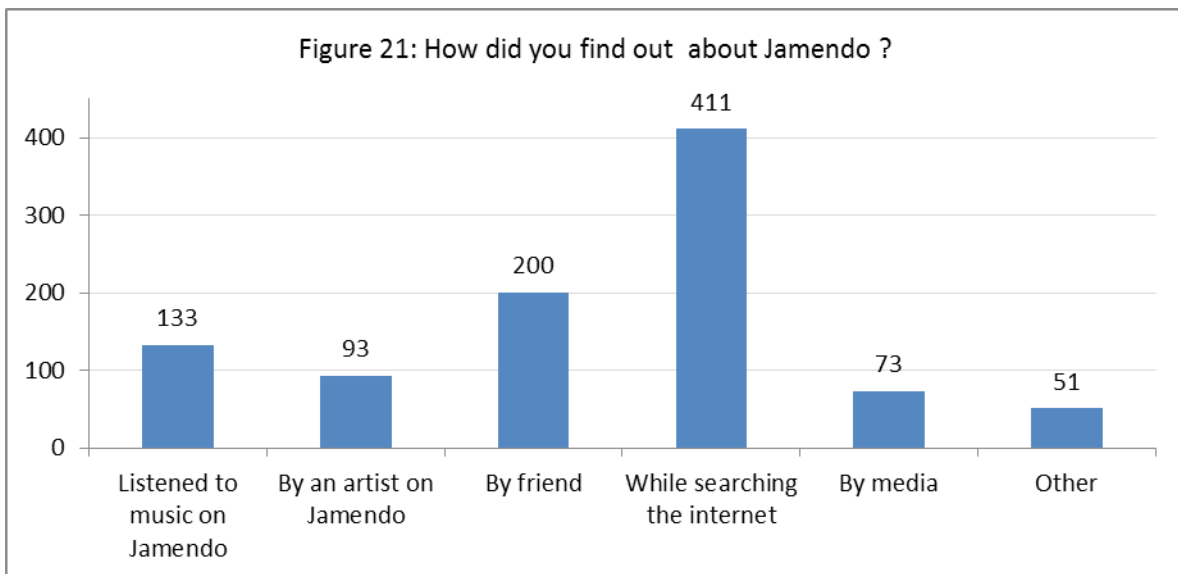
As for those who sell CDs, only 17% of them do so through the Jamendo site (barely 5% of respondents); two thirds of them (less than 20% of respondents) sell their CDs during concerts and 40% of them sell them during other musical events (just over 10% of respondents).



It is interesting to note that the sale of CDs is not distributed evenly over the different types of music played, which corroborates our previous hypothesis. More than 80% of artists who play “electronic music” do not sell CDs, compared with 78% of “Soul-Funk” artists and 75% of “Contemporary” and “Jazz” artists, while the proportion falls to 66% for “Pop-Rock-Reggae” and 60% for “Folk” and “Singer-songwriters”, who are more likely to play live concerts.



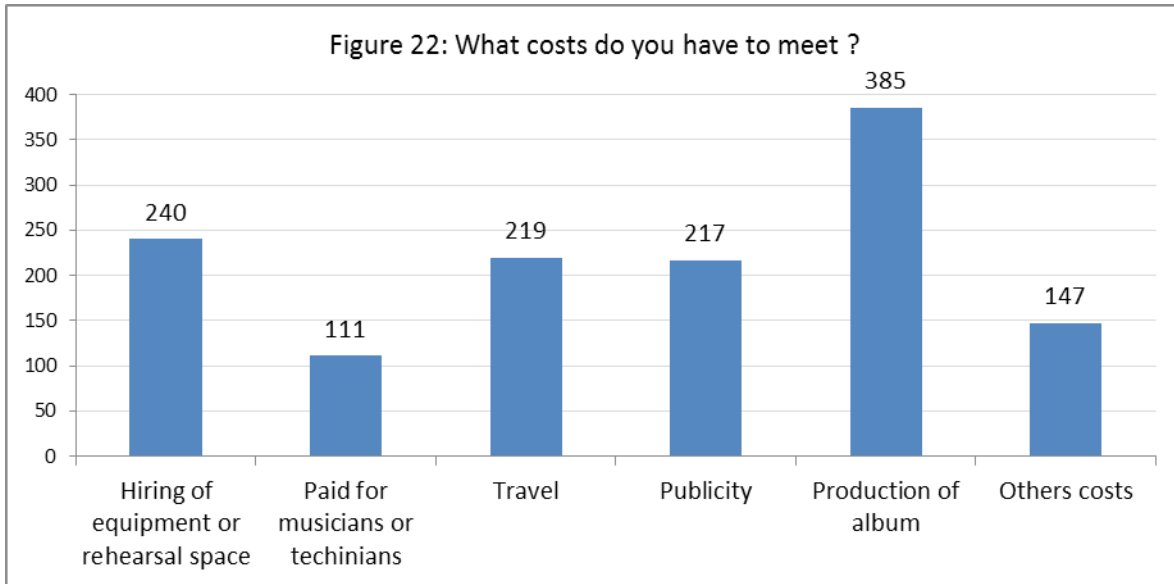
Lastly, the orientation of these artists towards the internet culture is also confirmed by the way they found out about Jamendo, since a majority of them (53%) declare they did so while searching the internet,² while nearly 20% already listened to music on Jamendo and social intermediation, through either friends or the media, account for no more than one quarter of cases.



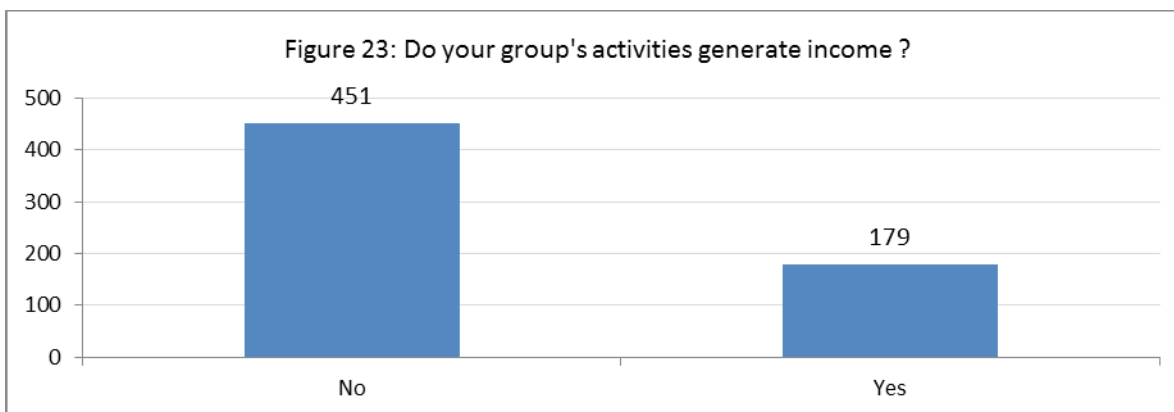
2. This aspect of internet search is stronger for solo artists (57%) than for groups (46.5%), and among solo artists it is stronger for professionals (65%) than for amateurs (55%).

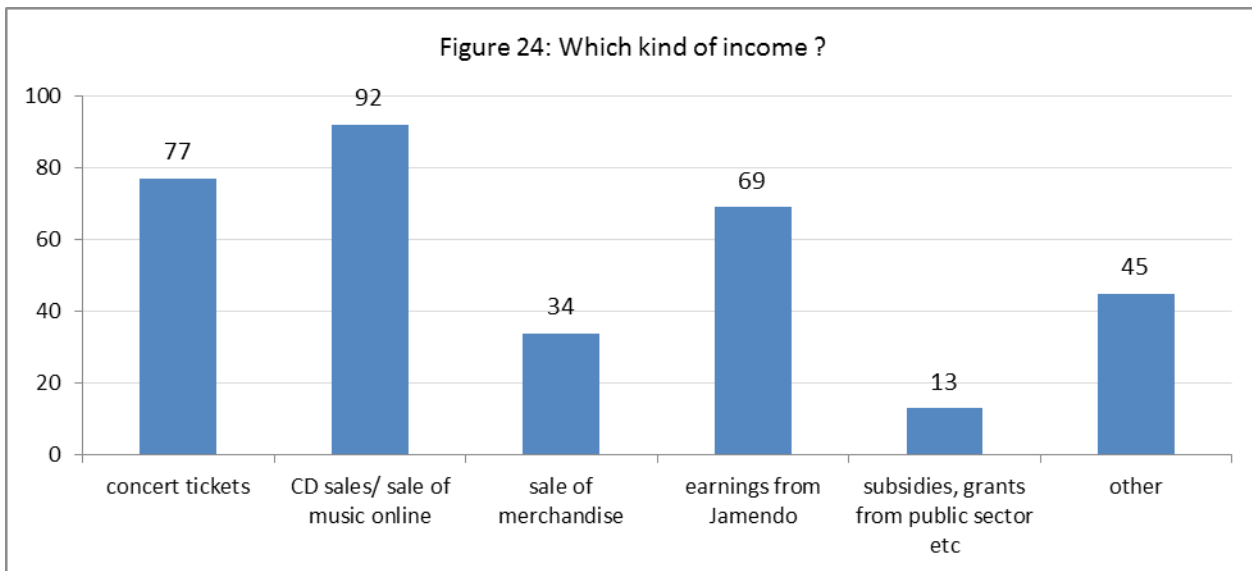
6. A fragile business model

Playing and producing music costs money, and the primary expense, concerning nearly 50% of the artists, is the production of albums, whether or not they are dematerialized. The digital resources that are now widely available have considerably reduced production costs, bringing them within the range of most artists, but costs still exist. Other expenses are the hiring of equipment or rehearsal space, travel and publicity, which each concern about 30% of artists, suggesting a possible correlation with the activity of concerts and musical events.

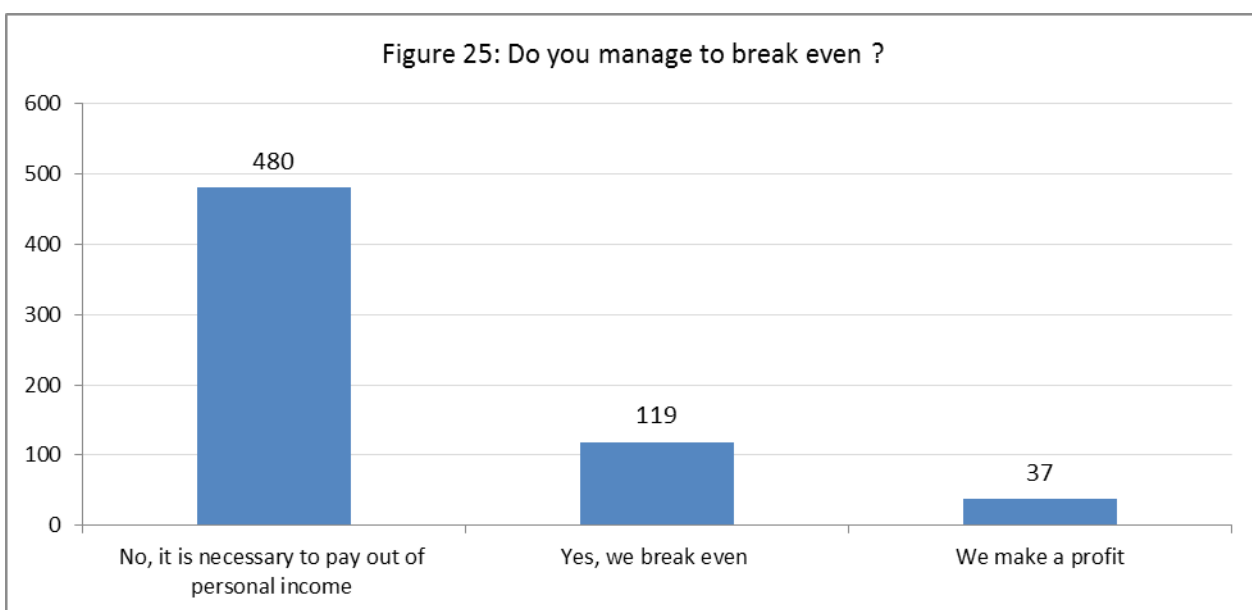


On the other hand, the musical activity only generates income for less than 30% of artists. This income comes from the sale of CDs or online music for 51% of the latter (and thus for 15% of the whole sample, implying that many artists who sell CDs do not make significant sales) and concert receipts for 43% of them (12% of the whole sample).





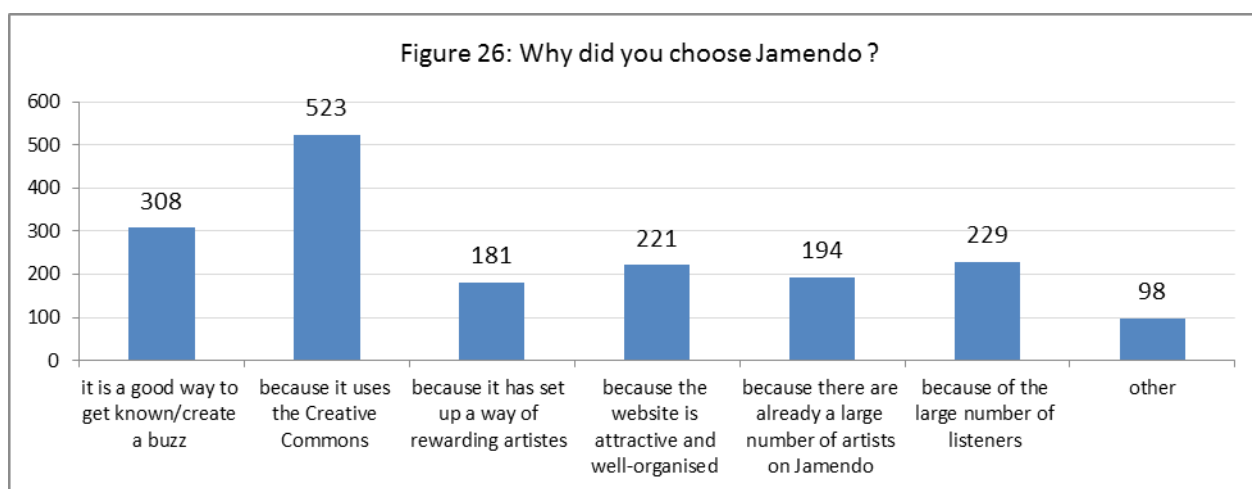
Consequently, less than 20% of artists break even and only 6% make a profit.



7. Why choose Jamendo and the Creative Commons?

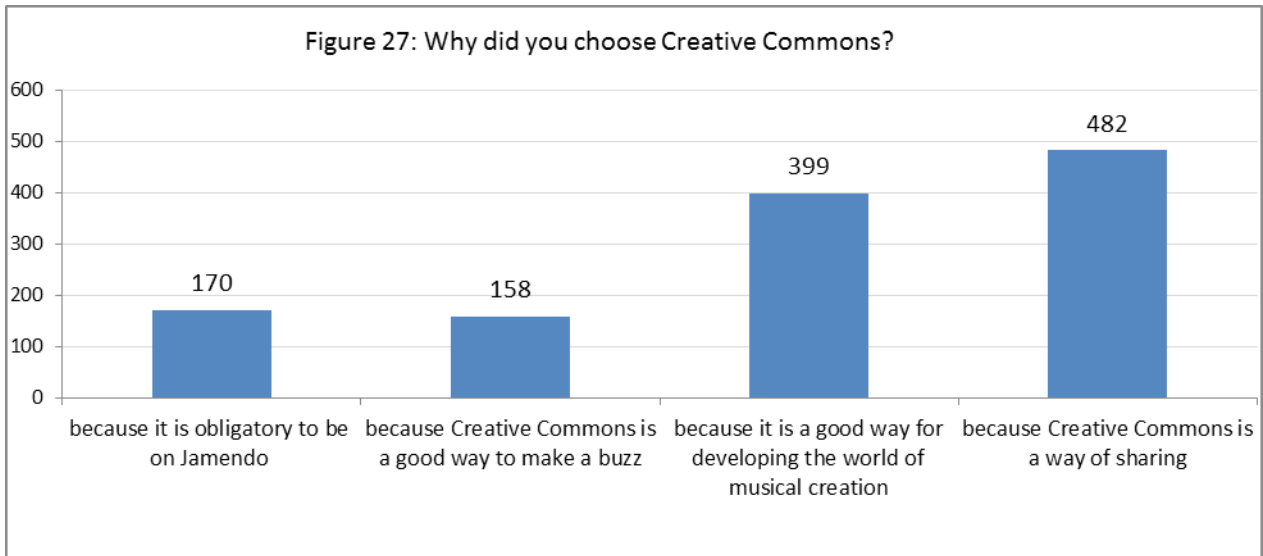
As regards the choice of Jamendo, the key point is that 67% of artists declared that they had done so because it uses the Creative Commons. This predominant motive comes far ahead of all the others, even Jamendo's capacity to create a buzz, which is mentioned by 40% of artists and is one of the main motives of its founders. The Creative Commons regime is then a natural way to generate an effective buzz based on the free circulation of songs.³

The motives of a more economic nature, concerning the fact that Jamendo has set up a system of payment of artists, are only mentioned by less than a quarter of respondents (remember that only 69 artists in our sample declared that they receive payments from Jamendo).



This tendency against exclusivism in terms of copyright is strongly corroborated by the motives declared by artists for their choice of Creative Commons (linked to the choice of Jamendo). Only 22% said that they chose CC because it is imposed by Jamendo and only 20% because it is useful for creating a buzz. In contrast, 60% of respondents chose CC because it corresponds to their view of sharing and more than 50% because it is a good way of developing the world of musical creation. So a large majority of our sample fully concur with the underlying principles of Creative Commons.

³ See "Jamendo : une plate-forme de musique libre en ligne", interview with Laurent Kratz, Terminal N°102, Automne-Hiver 2008-2009, 117-125.



Naturally, this trend is even stronger when we combine these results with the reasons given for choosing Jamendo, since 75% of artists who chose Jamendo because it uses CC describe CC as corresponding to their view of sharing and 64% as a good way of developing the world of musical creation. As a corollary, the two other motives have inverted proportions in relation to the whole sample, with 16% citing the fact that it is imposed by Jamendo and 22% giving the buzz as their motive, insofar as sharing and buzz are not considered antinomic, as they can mutually boost each other.

8. Which regime of Creative Commons ?

The Creative Commons regimes are constructed by combining four different elements, giving rise to six distinct regimes. These four elements are:



BY: this is the clause of recognition of authorship of the work. It is present in every CC regime, since the CC an authorship management mode and an author cannot lay claim to other rights without this.



ND: (no derivatives) prohibits any modification of the work, which must therefore circulate in its original form.

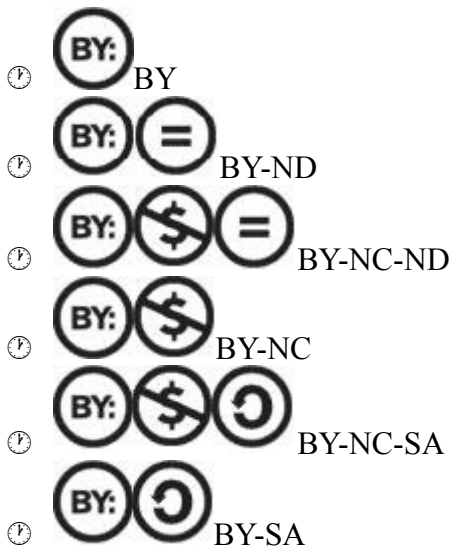


NC: (no commercial) prohibits any commercial use of the work without the express consent of the author. Free circulation of the work is therefore restricted to non-commercial use.

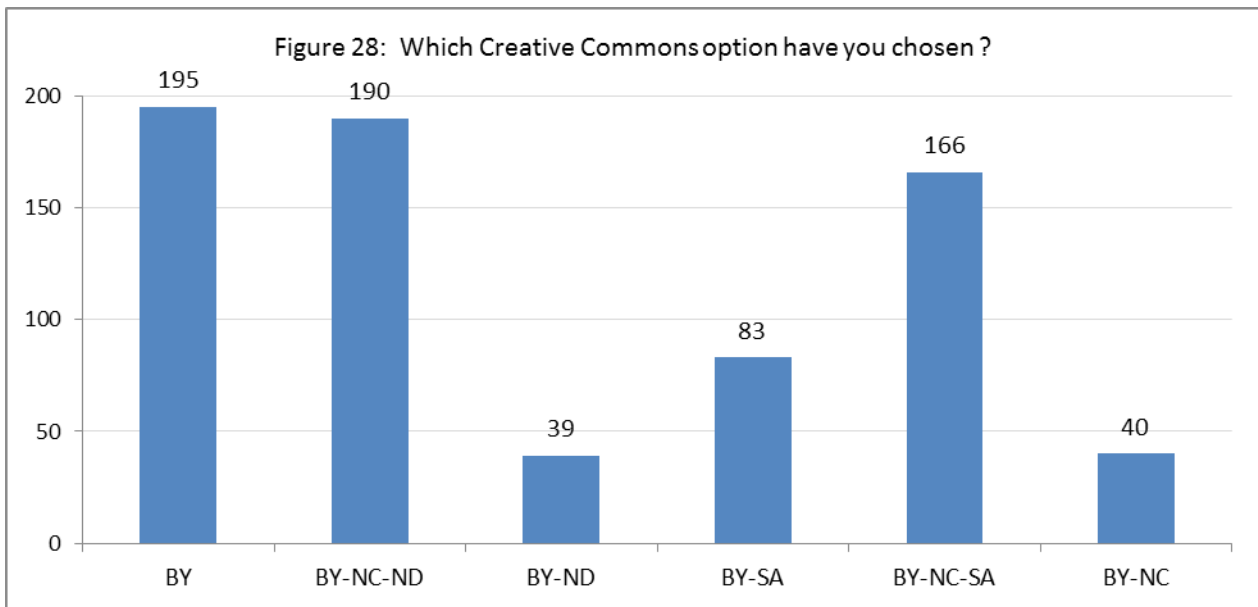


SA: (share alike) stipulates that all derivatives must keep the same status.

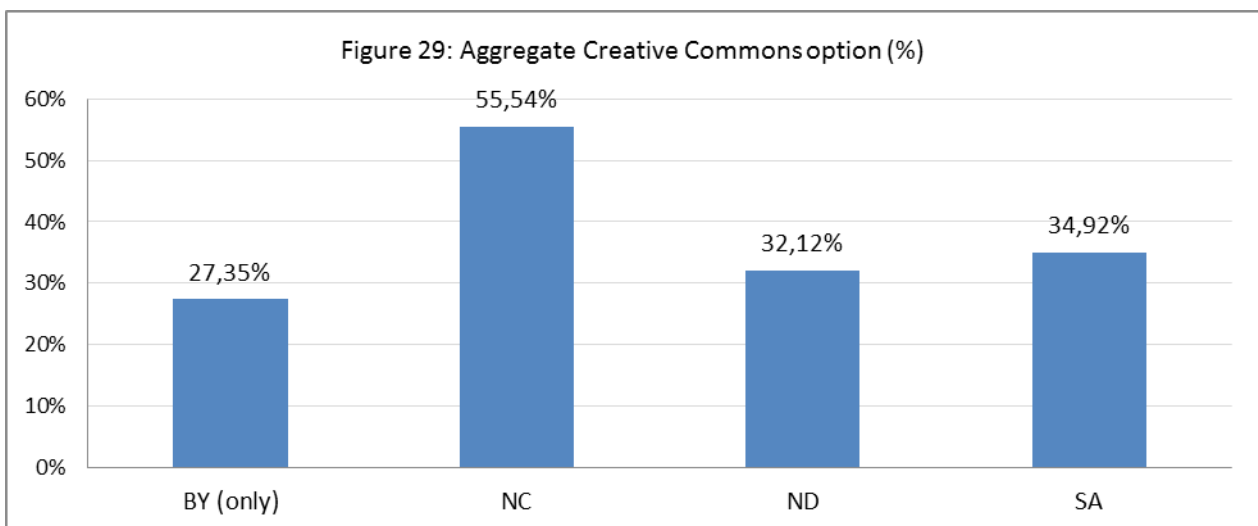
Taking into account the incompatibilities between some of these basic stipulations (for example, one cannot have ND and SA, because the SA clause implies that the author accepts derivative works), the following six regimes are possible:



which constitute a range of variations between copyright and the public domain.

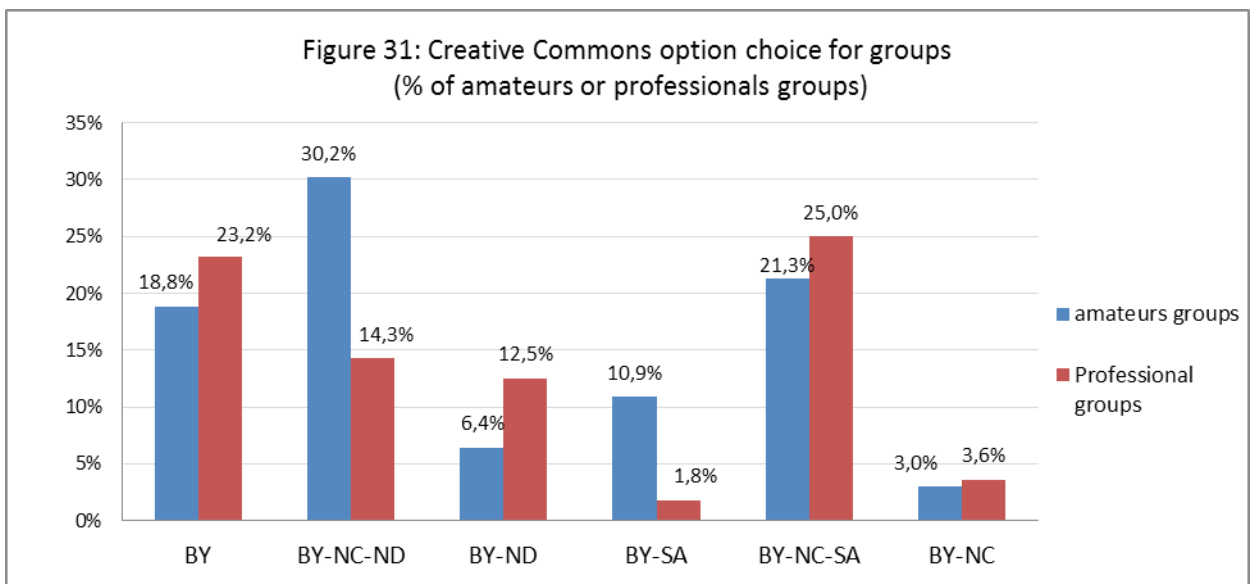
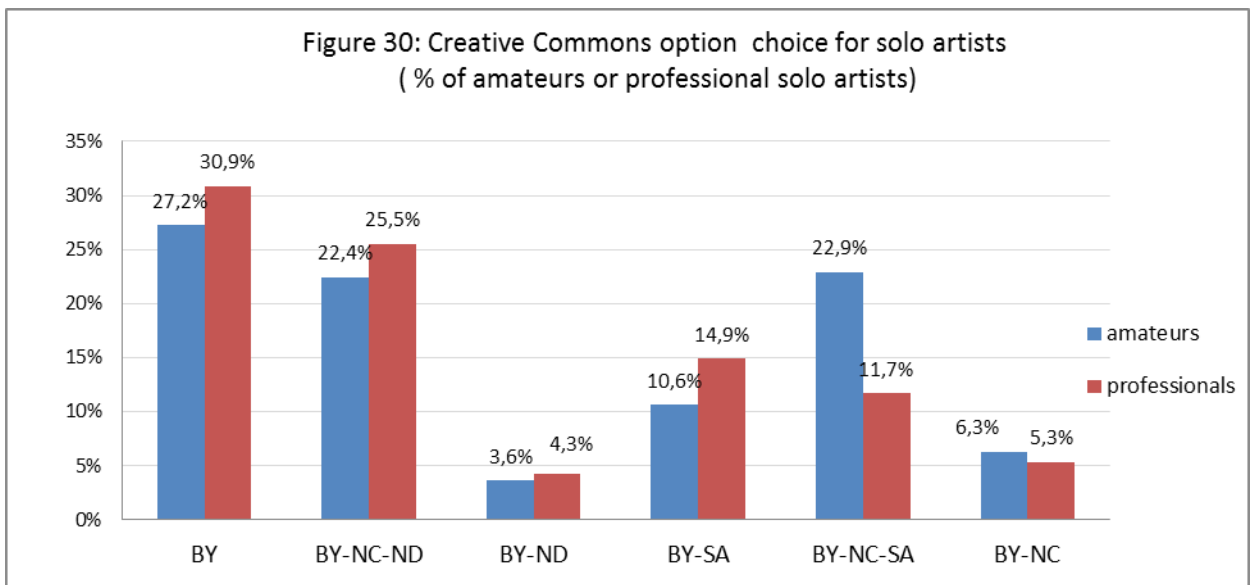


Three of these regimes are largely predominant in our sample, accounting for more than three quarters of artists' choices. The most popular choice is the simple regime of recognition of authorship (27.35%). The two other dominant regimes combine the no-commercial and no-derivative clauses (26.65%) and the no-commercial and share-alike clauses (23.28%). The other regimes are far less frequently chosen, displaying a sort of split in our sample between slightly more than a quarter of the artists who wish to erect the fewest possible barriers to the circulation of their work (BY) and half of the artists who choose more elaborate strategies, to protect their work against any unauthorised commercial use and to maintain its status, whether or not they allow derivative works. All in all, more than 55% of the artists choose a non-commercial status for the circulation of their work.

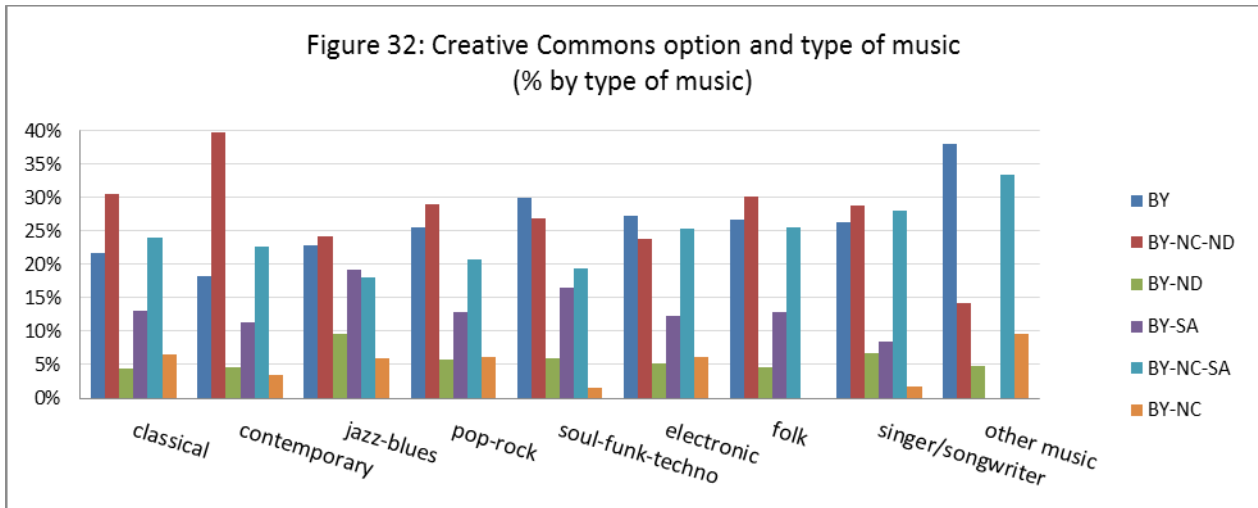


However, there is quite a strong demarcation between professionals and amateurs as regards the choice of licence, and this divide is more pronounced for groups than for solo artists. The BY-NC-ND is chosen far

less often by professional groups (14.3%) than by amateur groups (30.2%), which is not the case for solo artists (25.5% and 22.4% respectively). For the third dominant status, BY-NC-SA, the opposite can be observed, with professional groups choosing this status slightly more often than amateurs (25.0% and 21.3% respectively), while solo professionals choose it less often than solo amateurs (11.7% and 22.9% respectively). This shows that the distinction between professionals and amateurs, added to that between groups and solo artists, plays a significant role in determining CC choices. More precise analysis of this question and of the motives behind these choices should therefore be conducted through an econometric model.



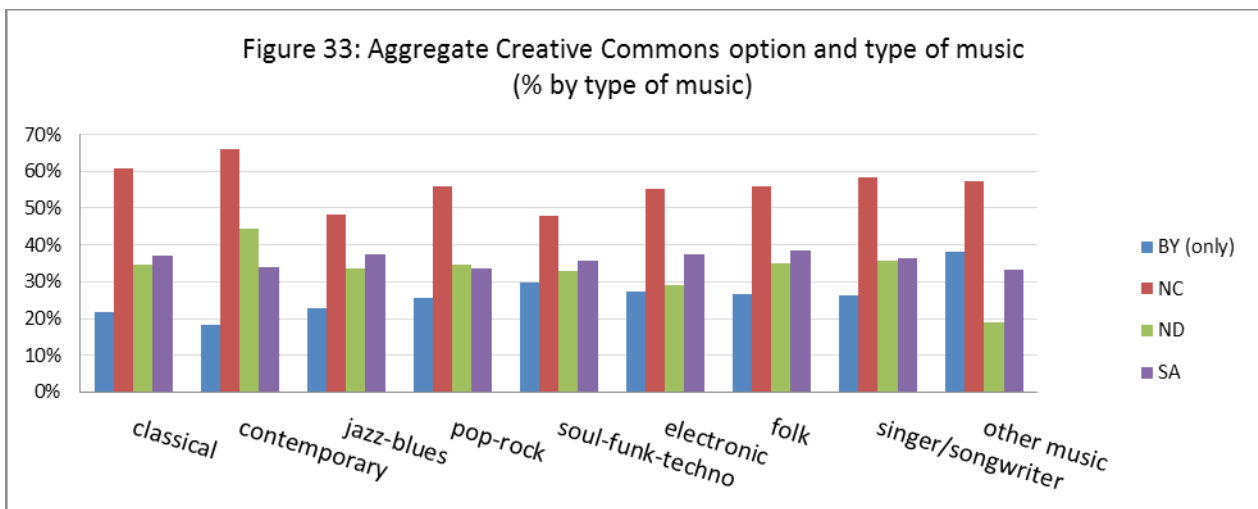
9. Reasons for the choice of CC regime



Across the types of music, we naturally find similar distributions between CC regimes and between the basic clauses, with some fairly insignificant variations.

Thus, the three dominant regimes appear in nearly every type of music, with a few peaks and variations. Setting aside the category “Others”, which is quantitatively insignificant, the share of the simple BY regime varies between 18 and 30%, with the highest values for “Soul-Funk”. Choice of BY-NC-ND regime varies between 24 and 30%, but with a peak of 40% for “Contemporary”. Choice of the BY-NC-SA regime varies between 18 and 28% of artists, reaching a maximum for “Singer-songwriter”.

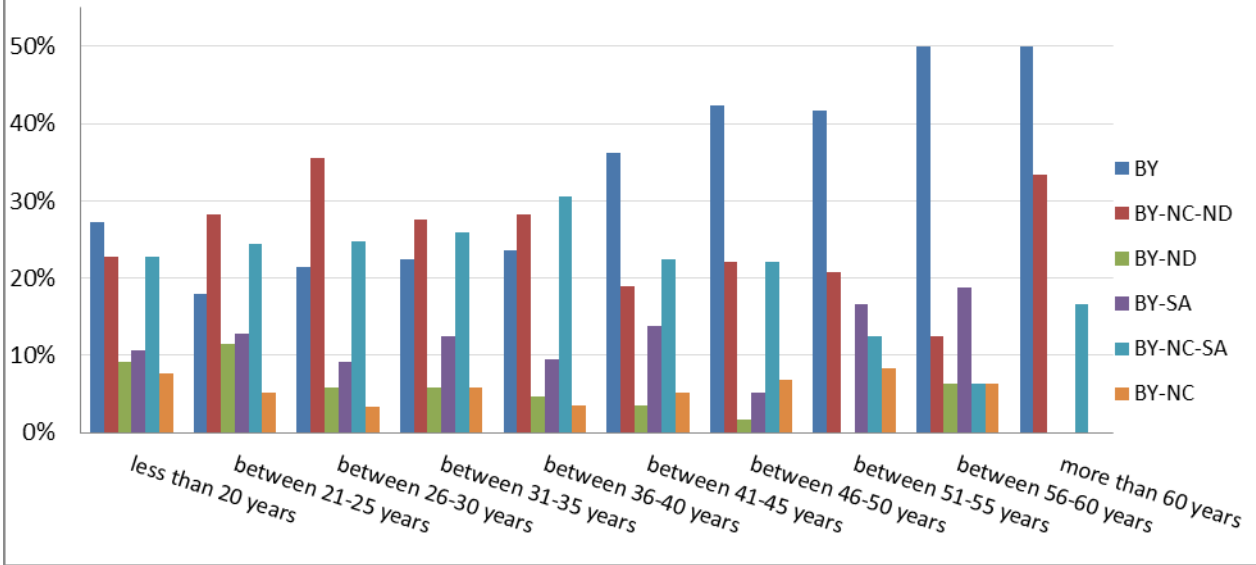
Now let us examine the distribution of the basic clauses across the different kinds of music.



The kind of music does not appear to have any significant influence on the choice of clauses, with quite similar profiles across the board. Still setting aside the category “Others”, NC varies between 48 and 66%, ND varies between 29 and 36% (with 44% for “Contemporary”), and SA varies slightly less, being chosen by between 34 and 38% of artists.

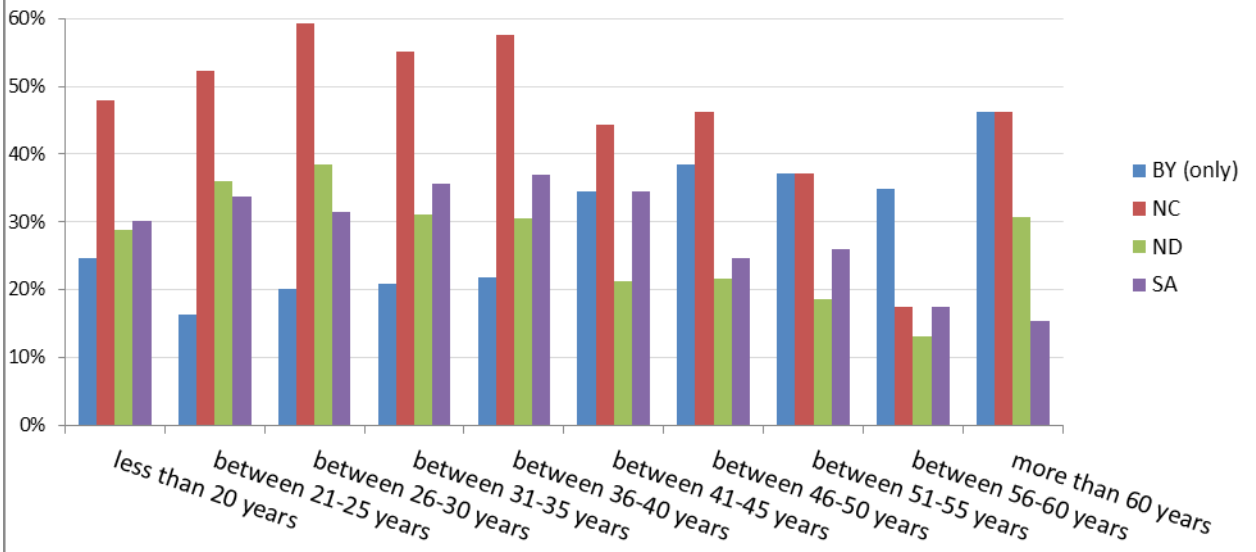
As far as the artists’ ages are concerned, on the contrary, the distributions of licences vary considerably between different age ranges.

Figure 34: Creatives Commons option choice by age group
(% by age group)



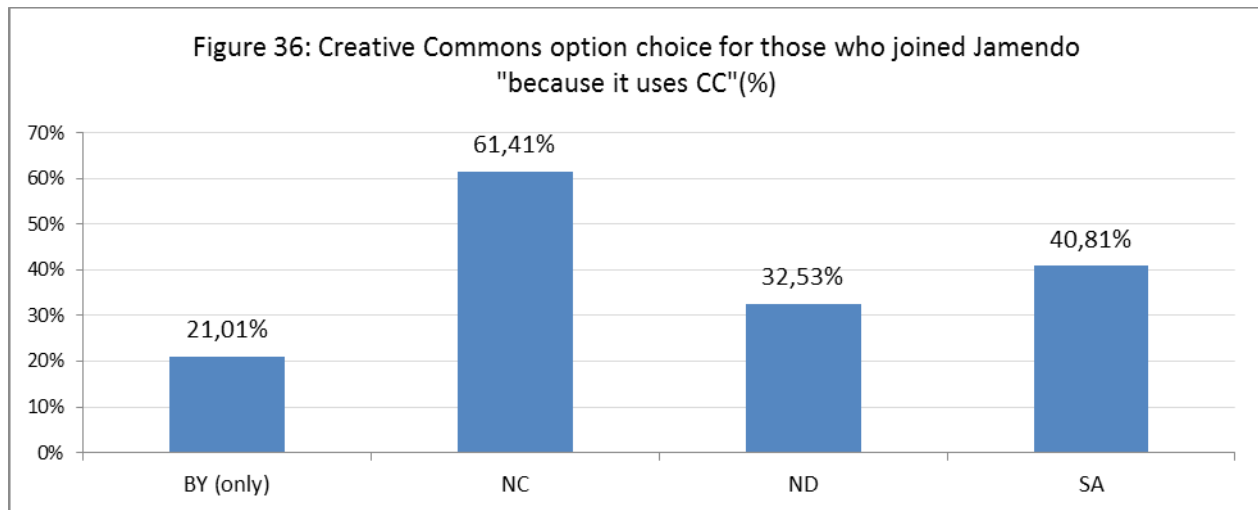
The first observation we can make concerns choice of the BY clause alone, which increases with age (from 18% among the 21-25 year-olds to 50% among the over 55 year-olds), except for the youngest artists (27% among the under 20 year-olds). For the two other dominant regimes, and omitting the over 60 year-olds, who are too few in number, the distribution looks quite normal, with a peak among the 26-30 year-olds for the BY-NC-ND licence (36%) and among the 36-40 year-olds for the BY-NC-SA licence (31%). These observations suggest that the demand for copyright is relatively low among the very young and decreases with age, while the more precise desire to control the future of their works is more pronounced among young but more mature artists (in a nutshell, the 25-40 year-olds).

Figure 35: Aggregate Creative Commons option and average age (% by age)



This analysis is strongly corroborated by the distribution of basic clauses by age range. The NC clause is chosen by more than half the artists under 50 years old (with the exception of the 41-45 year-olds, at 47%) and then falls away, while the ND clause reaches its peak among the 20-30 year-olds (40-41%) and the SA clause reaches its peak among the 30-40 year-olds (38-40%), suggesting that the former attach more importance to preserving the integrity of their works and the latter to maintaining its status.

These observations are consistent with those obtained by comparing the distribution of choices of basic clauses in the total population (see above) and in the subpopulation of artists who chose Jamendo because it uses CC.



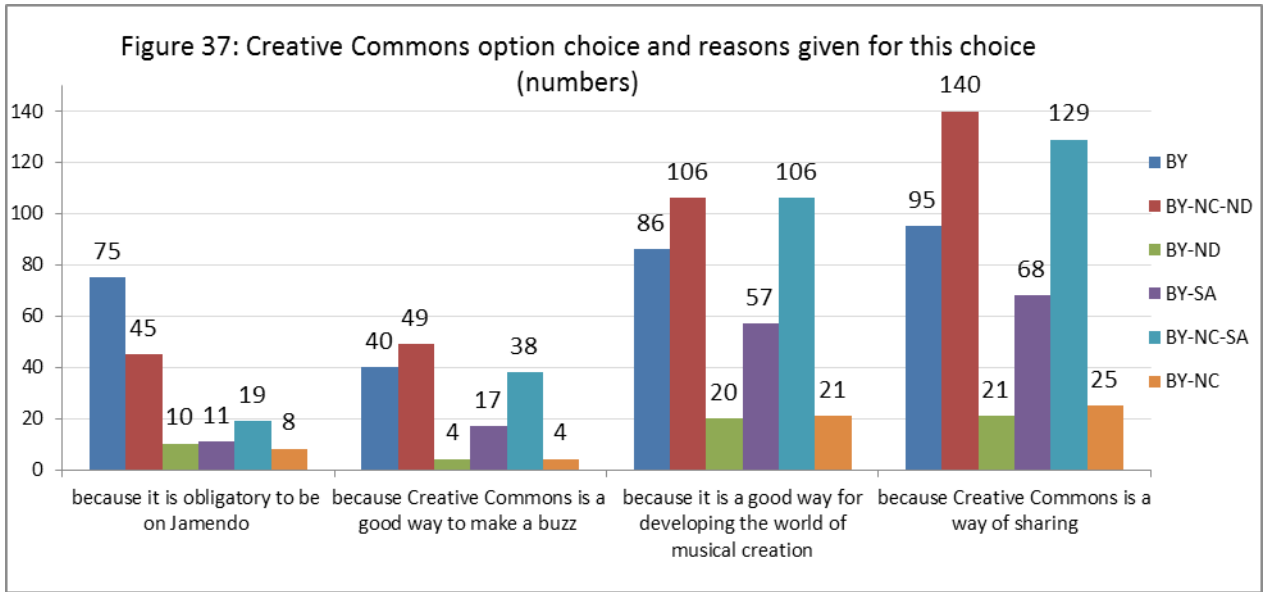
What is striking is that this subpopulation is less likely to choose the BY clause (21.01% versus 27.35%), more likely to choose the NC clause (61.44% versus 55.54%), is similar in terms of the ND clause (32.53% versus 32.12%), but is more concerned with maintaining the same status for their work with the SA clause (40.81% versus 34.92%).

Thus, the choice of another regime than the simple BY displays the artists' sensibility with regard to the use of their works and the way they are shared, with greater reluctance among the 20-30 year-olds to allow derivatives (sharing of unaltered works) and a more pronounced interest among the 30-40 year-olds in the preservation of their status (and therefore greater interest in CC).

We are now in a position to characterise a dominant type for each age range, as follows:

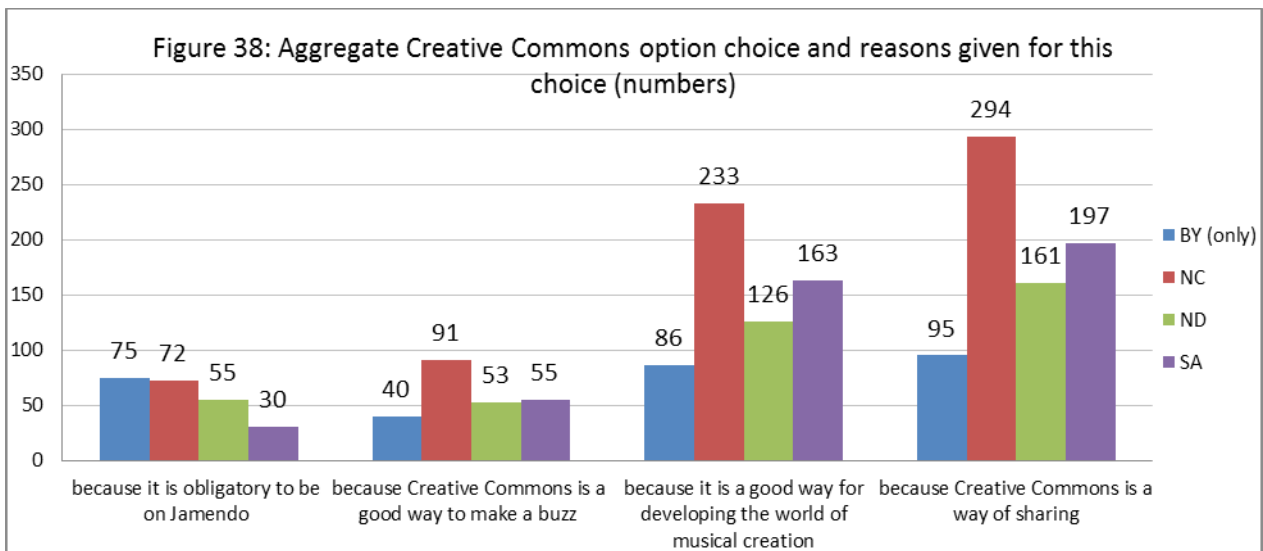
- ~ Under 20 year-olds: no dominant type; concerns are shared over circulation, integrity and status;
- ~ 20-30 year-olds: non-commercial circulation of their works, but preserving the original form;
- ~ 30-40 year-olds: non-commercial circulation and possible use of derivatives, but preserving the regime;
- ~ Over 40 year-olds: the concern with circulation increases with age.
- ~ Of course, this analysis needs to be confirmed and refined by econometric study.

Lastly, it is interesting to combine regime choices with the reasons given for choosing CC.



The choice of simple BY regime is only dominant (45%) in the subpopulation of artists declaring that they chose CC because it is imposed by Jamendo, while in the other categories the simple BY regime does not exceed 20 to 25%. As for the BY-NC-ND regime, which focuses on the integrity of the work, it is chosen in similar proportions in all four categories of reason for choosing CC, with a slightly higher value (32% versus 27 to 29%) among those who chose CC for its buzz potential, these two categories (necessity and buzz) corresponding to artists who have a more “individualistic” approach to the circulation of their work.

On the other hand, the desire to share while maintaining the same status for their works, signified by choice of the BY-NC-SA regime, appears to be stronger among the “Development” and “Sharing” categories which represent a more “collective” approach, closer to the notion of common good. The BY-NC-SA regime accounts for 27% of the choices in these two categories, strengthened by a share of 14% for the BY-SA regime, bringing the total for the SA clause to 41% of artists (compared with 18% for “necessity” and 36% for “buzz”).



Conclusion

We have seen that Jamendo hosts a wide variety of artists, in terms of both musical styles and age. There are two peaks, however: one for age in the 25-35 year-old age range and one for musical styles in the electronic music and pop-rock-reggae categories (47% and 39% respectively). The first of these categories mainly comprised of solo artists (84%) and the second of groups (53%). We have suggested that electronic music is probably the style most “in tune” with the internet, insofar as its dematerialisation is perfectly adapted to immediate circulation on the web. More generally, this internet culture appears to be a very widespread characteristic among the artists of our sample, showing an aptitude of the artists in our sample to shift towards a new model of musical creation.

On a more economic level, we have seen that two populations with distinct economic approaches – amateur and professional – coexist on this platform, contrary to the popular belief that Creative Commons only concerns people who practise an artistic activity as a hobby. The chief distinction between these two populations is that the amateurs have no pressing need to generate income, especially since the cost of producing albums has fallen considerably and the other costs incurred (publicity, travel, organising concerts, etc.) have little bearing on their presence on Jamendo. For the professionals, on the contrary, the question of income determines the viability of their artistic activity, even if other sources of income (concerts and album sales, of course, but also teaching, commercial services, etc.) make a decisive contribution in compensating for an unprofitable creative activity. For the professionals, the different elements of the budget cannot be separated; they form a global budget in which some items help to make up for others.

So, although the majority of artists on Jamendo are amateurs, the category of professional musicians represents a non-negligible minority, accounting for 22% of the groups and 18.5% of the solo artists.

Another central objective of our research has been to understand why these artists decided to join Jamendo, which CC regime they chose and why. This is all the more important since their decision to place their works under a CC regime is often incompatible with membership of a society for the collection and distribution of royalties under standard copyright law.

One might imagine that the choice of Jamendo is driven by the desire to reach a wider public, by generating a buzz on the internet, but this motive is only given by 40% of the artists (although this does represent an important share of our sample). What we find striking is that the dominant motive, given by 67% of our respondents, is that of the CC regime imposed by Jamendo. In confirmation of this tendency, 60% of the artists feel that CC corresponds to their view of sharing and 50% believe that CC is a good way of developing the world of musical creation. Clearly, the majority of artists in our sample agree with the underlying principles of CC. However, we observe a demarcation between professionals and amateurs in terms of choice of licence. As regards the two dominant licences other than the simple BY regime – BY-NC-

ND and BY-NC-SA – this distinction operates in inverse proportions between professional musicians and groups. This clearly perceptible demarcation calls for further analysis, econometric modelling and interviews with a sample of artists.

Ultimately, we believe that this survey confirms the idea that CC can become a driving force behind a renewal of the world of musical creation. In a complementary manner, the presence of professionals on this platform, although still rather weak, testifies to the fact that this ongoing development does not represent a de-professionalization of this world, but a new model in the process of emerging.