

## **British Columbia Music Industry Sector Profile 2014**

### ***Introduction and summary of key results***

Creative BC, with input from the province's leading music organization, Music BC, engaged PricewaterhouseCoopers (PwC) to conduct a sector profile of British Columbia's music industry. The main objectives of this study were to:

- 1) Profile the music industry in BC focusing on artists and the business and organizations that support them;
- 2) Establish a baseline that can be used to compare the size and success of the sector going forward; and
- 3) Identify actions that can lead to an effective strategy for growth in the sector over the next five years

Creative BC and Music BC would like to thank everyone in the music industry who completed the online survey and provided their feedback through the industry interviews. The content of this report represents the opinions of the authors and does not necessarily represent the policies or the views of Creative BC or the Province of British Columbia.

The findings in this report are based on qualitative and quantitative research conducted through an online survey (which was completed by 354 artists and 111 businesses and organizations that collectively represent 1,163 artists), 12 individual interviews with leaders in the industry from BC and Ontario and a review of available literature on the music industry in BC, Canada, North America and the United Kingdom. Based on feedback from industry stakeholders, additional research may be required to complement this initial music sector study such as obtaining more data on revenue from live performances.

Here is a short summary of the key findings of the 2014 Music Sector Study:

### ***Profile of Artists***

- BC has a very large and diverse talent pool of artists who are known for producing all genres of music including pop, rock, classical, blues, folk and jazz. Many internationally recognized musicians such as Bryan Adams, Sarah McLachlan, Nickelback and Dianna Krall began their careers in BC and some of these artists still record here.
- There are an estimated 6,425 artists in the province which includes 5,825 singers or musicians and 600 conductors, composers and arrangers.
- The majority (76%) live in the Lower Mainland, followed by Vancouver Island (12%).
- The majority (60%) earn less than \$20,000 on average a year followed by those who earn between \$20,000 and \$50,000 (25%).
- Their most important source of revenue is from live performances (39%) followed by sound recordings and merchandise sales (each ranked at 18%).
- The top three areas artists would like to develop are: (1) Artist development; (2) Infrastructure development – live venues; and (3) Touring assistance.

### ***Profile of Businesses and Organizations***

- BC is one of Canada's major centres for music (after Ontario and Quebec) and has 58 independent record labels, the third largest concentration in Canada, and 123 sound recording studios. Other businesses include those that serve live music such as promoters, venue operators and ticket agents, managers and music publishers.
- Overall, the music industry in BC is comprised of small companies (less than five employees) with the majority (72%) located in the Lower Mainland followed by Vancouver Island (14%). The average salary of employees was \$24,151.
- The industry generates revenue from multiple sources and ranked their top sources as follows: other revenue category (includes licensing music for use in radio, film and television, interactive video games and music video production) followed by live performances and fees for service.
- The top three areas this sector would like to develop are: (1) Artist development; (2) Touring assistance; and (3) Infrastructure development – live venues.

### ***Summary of Industry Trends, Challenges and Opportunities***

One of the most notable industry trends facing the music industry in BC, and across North America, is a decline in revenue from the sale of records and increase in revenue from music publishing. The changing business model for the music industry reflects consumer preferences in digital music, such as iTunes, online music stations and streaming services, over physical formats and their belief that music should be either free or inexpensively priced. Another trend has been for artists to self-manage and become less reliant on record labels to represent them and market their work.

Industry challenges include the high costs of housing and commercial space in the Lower Mainland, lack of access to music business education, difficulties in building a live audience, a shortage of live venues to perform in and competition from the Ontario Music Fund.

There were various opportunities presented for industry growth which included:

- Provide development and training to help artists self-manage their careers.
- Strengthen the ability of artists and the music industry to capture more revenue through live performances and digital sources.
- Create more collaboration between musicians from various genres and mediums and build a stronger sense of community within BC's music industry.
- Create more linkages to BC's film, television, commercial and interactive media industries which could create more revenue from sync royalties and neighbouring rights for artists and composers.
- Expand existing program support for touring within BC and outside BC.
- Linkages between live music venues, artists and the tourism and hospitality sector could be increased.
- Increase public awareness of live music of all genres and target audiences with the most disposable income to attend live performances.
- Support existing music festivals and encourage new festivals to take risks in featuring local emerging artists from multiple genres.