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More Kiwi Music:

**Upgrading New Zealand's Music Industry through Successful
Music Export**

Astrid Susan Kirchner

2007

More Kiwi Music:

Upgrading New Zealand's Music Industry through Successful Music Export

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Abstract

The purpose of this study is to explore the operation of the New Zealand music industry and the activities its participants could undertake to upgrade success in music export. To do this it describes the local and international factors which influence the industry and how its participants operate and broadly outlines the global background against which these activities take place. The thesis looks at the theoretical underpinning of the marketing strategies used by record companies and artists and the nature of the contractual agreements that release partners enter into before releasing and marketing a product. In particular, the nature of these agreements is examined in relation to the specific circumstances involved in exporting a musical product, whether artist, copyright or physical product. This examination is aided by descriptions of exactly what constitutes 'success' in the music industry and how difficult it is to quantify this success in an arts based industry that revolves largely around people acting as 'products'.

Against this background a description of the specific characteristics of the New Zealand music industry and its key institutions and participants, as well as results gathered from a questionnaire, enable the thesis to show the similarities of New Zealand to the global market. These similarities involve major label domination of the local market, the impact of technological advances and the traditional means and strategies of music export.

Detailed comparison and description of the New Zealand music industry to those of Australia and Canada allows the researcher to highlight areas of potential strength and weakness within the local music industry that are potentially beneficial or detrimental to the local industry's ability to export product successfully. Finally, the thesis draws upon the insights gained from the study in making recommendations to the New Zealand Government regarding further research and strategies that could potentially benefit the future growth of New Zealand music export.

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List of People Interviewed

Brendan Smyth	Managing Director of NZ On Air
Cath Anderson	Operations Manager of NZMIC
Campbell Smith	CEO RIANZ New Zealand and Head of CRS-Management
Chris Chetland	Co-Founder of KOG Transmissions and electronic artist in New Zealand
Dennis Marx	International Development SBMG Germany
Hamish Clark	Band member of the band Breaks Co-op
Jasper Edwards	Event Promoter and Manager based in the UK
Lorraine Barry	Manager of Dave Dobbyn and Ex-Director International Marketing for Virgin Music UK
Mark Ashbridge	Ex-Managing Director FMR New Zealand
Mark Roach	Manager of Lucid 3 and Damian Binder; MMF Forum New Zealand
Matt Harvey	Band member of Concord Dawn and Radio presenter in New Zealand
Murray Jeffrey	Client Manager for NZTE within the Creative Sector
Peter Angemeer	TV-Promoter and Manager in Germany
Peter James	Managing Director of GermanSounds AG
Renee Jones	Operations Manager of IMNZ
Rina Montablo	Manager in the US and Germany
Tim Bohne	Head of A&R Universal Germany Domestic
Tim Renner	Ex-CEO of Universal Germany
Victor Stent	Managing Director MAI Records New Zealand

Glossary of Acronyms

ACA	Arts and Cultural Industries Promotion Division
AIR	Association of Independent Record Labels
AMC	Australia Music Centre
AMCOS	Australasian Mechanical Copyright Owners Society
AMO	Australian Music Online
AMPCOM	Australian Music Performance Committee
AMRAP	Australian Music Radio Airplay Project
ANAM	Australian National Academy of Music
APRA	Australasian Performing Right Association
ARIA	Australian Record Industry Association Ltd
ASCAP	American Association of Authors and Composers
A&R	Artist and Repertoire
AU	Australia
B2B	Business to Business
B2C	Business to Customer
BBC	British Broadcasting Corporation
BCG	Boston Consulting Group
BET	Black Entertainment Television
BMG	Bertelsmann Music Group
BMI	Broadcasting Music Inc
BPI	British Phonographic Industry Ltd
CAAMA	Canadian Association for the Advancement of Music and the Arts
CARAS	Canadian Academy of Recording Arts and Science
CARP	Culture and Recreation Portal
CCA	Canada Council for the Arts
CD	Compact Disc
CES	Culture Experiences Survey
CIRPA	Canadian Independent Record Producers Association
CMC	Canadian Music Council
CMC	Canadian Music Centre
CMCC	Canadian Music Creators Coalition
CMDP	Contemporary Music Development Program
CMF	Canada Music Fund
CMT	Country Music Television
CNN	Cable News Network
CRIA	Canadian Recording Industry Association
CRTC	Canadian Radio-Television and Telecommunications Commission
CSFs	Critical Success Factors
CTD	Canadian Talent Development
DAB	Digital Audio Broadcasting
DCITA	Department of Communications, Information Technology, and Arts
DRM	Digital Rights Management
DVD	Digital Video Disc
EPK	Electronic Press Kid
FAC	Department of Foreign Affairs
GATT	General Agreement on Tariffs and Trade
GSA	Germany Switzerland Austria

GPD	Gross Domestic Product
IFPI	International Federation of the Phonographic Industry
IMNZ	Independent Music New Zealand
IRADF	Indigenous Regional Arts Development Fund
IRR	International Royalties Rescue
ISC	International Song-writing Competition
iTMS	iTunes Music Store
MC	Music Cassette
MCH	Ministry of Culture and Heritage
MMIC	Maori Music Industry Coalition
NMPA	National Music Publishers Association
NZ	New Zealand
NZIER	New Zealand Institute of Economic Research
NZMIC	New Zealand Music Industry Commission
NZTE	New Zealand Trade and Enterprises
OOH	Out-Of-Home Advertising
PPCA	Phonographic Performance Company of Australia
PPNZ	Phonographic Performances New Zealand Ltd
PRC	People's Republic of China
RBA	Radio Broadcasters Association
RIAA	Recording Industry Association of America
RIANZ	Recording Industry Association of New Zealand Inc
ROI	Return on Investment
SAC	Songwriters Association of Canada
SCALA	Songwriters, Composers and Lyricists Association Inc.
SESAC	Society of European Stage Authors and Composers
SOCAN	Society of Composers, Authors and Music Publishers of Canada Foundation
UK	United Kingdom
USA	United States of America
VHS	Video Home Service
WWW	World Wide Web

1 Introduction

Music – the so called international language – is especially well suited for selling all over the world. It provides enjoyment that can transcend cultural differences. Western pop music, in particular, is in ever-growing demand among worldwide populations (Lathrop, 2003, p. 241).

Music export enhances the cultural fabric of a country by counteracting internationalisation and increasing competitive advantage through upgrading capitalised earnings value (Krasilavski & Shemel, 2003). It is widely acknowledged that music export has become increasingly important to both the New Zealand music industry and the current Labour Government as they seek to secure the economic future of New Zealand music. Both parties have discovered that success in music export can ensure the future growth of a company and create greater independence for both company and nation within a global market dominated by the commercial dictates of entertainment multinationals (Burnett, 1996). Due to the small size of New Zealand and multinationals dominating the New Zealand music industry, artists have to search for markets in countries other than New Zealand in order to sustain economic survival (Gebesmair & Smudits, 2001; Creating Heat Report, 2004).

1.1 Setting the Context/Background of the study

The creative sector in New Zealand, including film, fashion, design and music, contributes approximately 3% of New Zealand's GDP. This amount, which is close to the contribution of the education sector (MarketNewZealand, 2004), includes music export earnings of approximately NZ\$5 million per annum (Creating Heat Report, 2004). Since the 1980's and 1990's when international artists dominated the local music industry, the number of local

artists in the charts and on commercial radio has increased from 3% in 1997 to almost 24% during NZ Music Month in 2004 (NZMIC, 2005).

Despite the drawbacks of market size and geographical isolation, export has become a key strategy in creating a self-sustaining music market. Although the geographical distance of New Zealand from the major music markets of America, Europe and Asia is still a problem for musicians willing to tour, advances in internet technologies have created new opportunities (Creating Heat Report, 2004; NZ On Air, 2005; NZMIC, 2005). Despite high airfares and long travelling time to these markets making it difficult and expensive for musicians doing promotional tours (Chunn & Chunn, 1995; Creating Heat Report, 2004), within the last 20 years artists across all genres have achieved considerable success overseas. Over the course of a ten year career Crowded House released 7 albums and sold millions of albums and singles. Their initial success was sparked by the international hit 'Don't Dream It's Over', which reached #2 in the US Chart in 1987. Since the break-up of the band, Neil Finn has enjoyed a successful solo career internationally, particularly in the UK (Hepworth, 2006). Due largely to their international hit 'How Bizzare' and the album of the same name, between 1995 and 2000, OMC are estimated to have sold between three and four million records worldwide. Their debut album remains the biggest selling NZ recorded and signed record ever (Collins, 2006). Hayley Westenra has sold more than 160,000 records in New Zealand, more than 100,000 in Japan, and her debut album is the fastest selling album of all time in the UK (NZ On Air, 2005). In the Rock Sector, bands such as The D4 and The Datsuns have gained high profiles in the UK before making their way to the US (MarketNewZealand, 2004). The US has also been targeted by the New Zealand Rock bands The Have and Steriogram. The Bleeders have targeted Australia, toured with Good Charlotte, played in front of 35,000 people and signed to an Australian record label (NZMIC, 2005). Hip Hop and R&B artists such as Scribe, Adeaze and Nesian Mystik have made inroads on the Australian market. In 2005, Scribe went platinum in Australia, which is equivalent to a sale of

70,000 records. So far, nobody in the genre Hip Hop has ever achieved such success in Australia (NZMIC, 2005; P-Money, personal communication, December 2, 2005). Singer-songwriters such as Bic Runga, Brooke Fraser, Greg Johnson, Damian Binder and Carly Binding have all shown their international potential through touring and living overseas to promote. In 2003 Moana Maniapoto won the overall grand price of the International Song-writing Competition (ISC). This is the first time any major song writing contest based in the US has been won by a songwriter from outside the US (MarketNewZealand, 2004). In the Dance genre, artists like Shapeshifter, MC Tali, P-Money and Concord Dawn have secured releases and tours in Australia and UK/Europe. Modern indigenous artists Whirimako Black and Te Vaka have achieved recognition in the UK and Europe as well as in the Pacific region. Dub and Roots music have shown international potential for artists such as Trinity Roots, Samonella Dub, The Black Seeds, Fat Freddy's Drop and Reggae band Katchafire (MarketNewZealand, 2004). In the Classical Music Sector artists such as Donald McIntyre, Malvina Major, Kiri Te Kanawa and more recently Jonathan Lemalu, have all achieved international success (Statistics New Zealand, 2005). Performers such as these have helped to upgrade the economic performance of the New Zealand music industry and its reputation within the international market.

However, success in music export can be improved, allowing earnings from music export to become a steady source of income not only for artists and the New Zealand music industry but also for the whole creative sector and the Government in New Zealand.

1.2 Objectives and Methodological approach

Initially, the researcher intended to analyse the relationship of successful New Zealand music export to the health of the New Zealand music industry by analysing the business strategies and personal experiences of New Zealand musicians when exporting. In order to collect the

quantitative and qualitative data to do this the researcher constructed a questionnaire that posited questions within the following categories:

- Business Approach and Intention
- Factors of Success for Music Export
- Record Label Deal
- Management
- Export Approach and Intention
- Export Markets
- Personal Experiences of Exporting Music

Given the large numbers of variables in the study and the researcher's intention to analyse subject's responses using regression, it was crucial to achieve a maximum number of respondents from within the sampling frame (Denzin & Lincoln, 2003). However, as time passed, it became clear that a large number of those sampled were neither willing nor able to respond. Consequently, the researcher focused on a more in-depth qualitative approach, where possible interviewing the subjects in addition to their completing the questionnaire.

Not surprisingly, the results of the statistical analysis of the quantitative material gathered during the questionnaire period, which was to form the core of the thesis, were unrepresentative. Due to an inability to initiate dialogue with most of New Zealand's leading musicians, almost all of New Zealand's most successful artists are not represented. This inadequate sampling persuaded the researcher to necessitate a shift in the research method, from a mix between quantitative and qualitative to a purely qualitative approach.

This approach acknowledges the flaws in methodology inherent in the researcher's original approach and focuses on a comparison of New Zealand to two music markets with a strong focus on export: Australia and Canada. These markets possess similarities in market composition: language, difficulties due to geographical distance from foreign markets,

physical size in relation to population, ranking in the world music market and governmental and industry support measures. The following research questions were then developed:

- How does the New Zealand music industry work and what does it do to upgrade success in music export?
- What are the differences compared to other countries regarding support measures by the local government and industry?
- What could be done to improve successes in music export in the future?

These questions focus the thesis and acknowledge that the researcher's initial approach was too broad in its focus on the artistic side of the music industry. This approach failed to take into full account the many co-operations between music businesses, artists and government agencies that generally form the basis for successful music export and because of this the initial findings lacked depth. It is for these reasons that the quantitative results gathered must be viewed with caution and largely disregarded in relation to their ability to shed light on what constitutes the base conditions for successful music export. However, despite these difficulties, the qualitative results gathered from the questionnaire and the insights they provide are still useful when examining the topic in light of these new research questions. This data, limited as it is, still gives insight into the artistic temperament and suggests general trends within the New Zealand music industry. However, this section should be seen as a separate section within the thesis because although it states facts and figures, they are not representative enough to contribute to the cross country comparisons or any recommendations given within the thesis.

Supplementing the information included in the comparisons and that drawn from the literature is information gathered by the researcher during the course of 19 interviews focusing on New Zealand music export and music export in general, with artists signed to independent and major record companies, producers, representatives of major and independent record labels,

managers and promoters working in New Zealand and overseas, distributors, radio stations, lawyers, government agencies including NZ On Air, NZMIC, NZTE, IMNZ, MMF and RIANZ.

1.3 Limitations

The literature review in the thesis draws on management and marketing literature that focuses on strategy. These types of music business study aim to facilitate an understanding of the nature of musical products and the composition of the global music industry. However, the lack of music export literature in and about New Zealand makes it difficult to draw clear comparisons with these international models. This dearth of information made it essential for the researcher to interview experts within the New Zealand music industry and overseas to gain an understanding of the structure of New Zealand's music industry. Furthermore, the fast-moving and changing nature of the business forced the researcher to use internet web pages and industry reports as up-to-date sources for information gathering. Data collated prior to the year 2000 is little help in understanding current conditions and developments within the industry. Due to technological advances in digital media, the industry has changed so drastically within the last five years that no books available in New Zealand could provide reliable industry data. Current sales returns that aid detailed explanation of the international and national music industry can not be found in print and where necessary, these must be estimated based upon the differing figures offered by the various agencies that publish this type of information.

The difficulties inherent in collecting current data on music export earnings is largely due to the fact that 'music' is not solely a material good (M. Jeffrey, personal communication, October 12, 2005). This statement is supported by Burnett (1996, p.16), who states that "it is important to openly acknowledge that this particular area of overseas music activity is liable to a high level of estimation and error". Figures from marketing budgets spent for export

within record labels are confidential and previous studies in the German music market and surveys sent out to record labels within that study have shown that music companies do not readily supply figures detailing return on investment. This lack of hard data, such as return on investment did not allow the researcher to complete a detailed survey of the economic and export activities of artists and shifted the economic focus of the thesis onto soft facts such as general perceptions of an artist's success, which are difficult to measure.

In addition, the focus and length of the thesis does not allow for detailed explanations of interconnected media industries in New Zealand such as radio, print, television and internet as well as supporting industries such as concert promoters and production, consultants, event management, ticketing, legal parties and advice, billboard advertisement, rehearsal studios, live venues, libraries, recording companies, music publishers, licensing, recording studios, mastering suites, producers, design, distributors, retailers, music promoters, educational institutes, vocal coaches, importers, wholesalers and distributors, hire, manufactures and equipment retail, and repair. Singular bodies are roughly explained and referenced in the thesis but are not taken into focused consideration. Only key facts and trends from these interrelated industries that relate specifically to the New Zealand music industry will be analysed in depth. This is also true of the comparison section, where only those facts and figures from each market able to be matched with the corresponding information from the New Zealand market are included.

1.4 Definition of General Terms

NZ On Air and The Radio Broadcasting Association (RBA) define 'New Zealand music' as music performed by New Zealand citizenship holders or residents. "On a basic level a New Zealander is someone, who has some form of legal basis for claiming nationality by: a) birth, b) naturalisation, c) residency. If the artist is NOT covered by one of those three things, then they can be ruled out straight away" (RBA, n.d.). There can however be exceptions made to

this rule concerning bands with Non-New Zealand band members or artists who may have been born in New Zealand but have little, if any, other tie beyond that which common sense would suggest makes them New Zealanders (RBA, n.d.). In these cases a five-point check list can be used to clarify whether a certain artist corresponds to the rule (Creating Heat Report, 2004; RBA, n.d.). In order to meet the criteria the majority of questions have to be answered with “yes”, taking into consideration factors such as absence or emigration after birth, living abroad, copyright ownership or demonstrable contribution to the New Zealand music industry in a financial, collaborative, promotional or other way. The definition also allows artists a ‘Song by Song Flexibility’, which ensures the right to act and react flexibly to certain conditions. In particular, this right is addressed to foreign Non-New Zealand artists who record a duet with a New Zealand artist. Such work has the right to be treated as New Zealand music but does not enable the artist to be treated as such for any other recordings.

New Zealand Music is accredited by and promoted within the ‘New Zealand music industry’. An industry can be defined as a “group of competitors producing products or services that compete directly with each other” (Porter, 1985). The music industry, including musical ensembles, musician’s unions, composers and songwriters, publishers, copyright collectives and performing rights organisations, record producers, manufacturers, labels, distributors, A&R, managers, promoters and tour supporters is the industry that creates, performs, promotes and preserves music (Krasilovsky & Shemel, 2003). The New Zealand music industry is comprised of entities that focus their attention on creating, performing, promoting, selling and preserving New Zealand music.

The centre of this industry is the ‘artist’. Within the context of this study, an artist is any person who creates art and collects copyright on it. Artist is an all-encompassing term that not only applies to singers, bands and performers, but also to screen composers, engineers and record producers. However, this study focuses on the performing artist, composer and song-

writer rather than on engineers and record producers due to the fact that copyright is normally created by composing, writing and performing music (Krasilovsky & Shemel, 2003). It is also important to note that there is no perceived discrimination in the term artist. The term includes single artists, bands, males and females. These artistic entities create 'products' that fuel the commercial activities of the industry. In music, any definition of music as a product must take into account the dual nature of art as a product in a commercial context. On the one hand, the product is defined through technical components – the actual recording, artwork, mastering and manufacture; on the other hand through the content, the genre and the personal style of the artist performing the songs. Within the context of this thesis it is understood that a musical product encompasses all these aspects and that music, as marketed by the music industry, will inherently possess all these characteristics and more. The musical product will include songs and artists working in tandem. The copyright holder of the music being promoted may not necessarily be the artist performing the songs. Therefore, the product is defined as what is heard and seen during the marketing process. During the marketing process products are promoted within, and exported to, 'markets'. In this study, the term market, both national and international, is only used for countries. The research does not cluster geographical regions within the countries by recognising demographical and socio-cultural differences (Meffert, 1986). When referring to overseas or international markets; every foreign country will be treated as a different territory. For the purpose of this thesis, the terms 'domestic' and 'national' refer to the music market domiciled within the geographical boundaries of New Zealand.

'New Zealand music export' is all goods and services produced in New Zealand and sold to buyers in another country that fulfil the definition of New Zealand music (Root, 1994).

In the literature, there is no clear definition of 'success' in music export. This may be because success in music export is highly subjective and depends on each individual person and their goals (L. Barry, personal communication, October 17, 2005). Through interviews with key players within the New Zealand music industry and overseas, and through earlier studies on success in music export in Germany, a broad definition has been developed.

Campbell Smith (personal communication, May 18, 2005) looks at successful music export from three different perspectives; artistic, business and governmental. He contends that success for the artist is a record release in a foreign market and the ability to sell enough records to tour. Export success for the record label, or business, is a financial consideration and lies in reaching general sales targets such as gold and platinum records. For the government, "success is increased return to the NZ economy through businesses domiciled in New Zealand. Exporting music creates an increase in revenue which comes back to the country" (C. Anderson, personal communication, June 29, 2005).

From the point of view of the artist, "success can be split into two areas; commercial and critical. The measure of commercial success is obviously in terms of units sold and money made, concert tickets and merchandise sold. Critical success is more in terms of press coverage, peer reactions and endorsements, influence on other people's sounds, requests for remixes and airplay" (Jasper Edwards, personal communication, June 13, 2005). These views suggest a complex notion of success based around the long term sustainability of an artist's career (V. Stent, personal communication, June 1, 2005). The characteristics of this success are a strong musical base, an established career in a domestic market and a number of successful albums and songs which prove advanced skills and abilities to feed the global demand by exporting. Within this definition, a clear correlation can be seen between the critical (media) success or recognition of a 'product's' quality and the financial achievement of fiscal return through sales. Due to the highly subjective nature of the term 'quality', the

usage of the term in this thesis is limited to the technical aspects of a recording such as production, mastering, artwork, sound and mixing values.

Within the context of this study all monetary units used are in New Zealand dollars and if not they are referenced within the text.

2 Theoretical Background

2.1 Influencing Factors

Generally there are four main determinants influencing the global music industry today (Barzen, 2004):

- **Technology** e.g. CD/DVD and internet penetration, configuration of new records, broadband penetration and human resources
- **Buyer Needs** e.g. media consumption and habits
- **Marketing and Distribution** e.g. sourcing of co-operation and distribution channels
- **Competition, Merging and Strategic Alliances** of major and independent firms

It is within the economic environment centred on these determining factors that the global music industry constructs a 'chain of value'. In the Study of Economics a value chain is defined as a set of activities required to design, procure, produce, market, distribute and service a product (Meffert & Bolz, 1994, p.14).

Porter (1980) describes the generic value chain as the process of value creation within a particular firm. He breaks the value chain model into two distinctive areas, primary and support activities (see Figure 1). The model suggests that no matter how many operational units are involved in the process of generating customer value, these primary activities can be conceptualised into five generic stages. The five primary stages are inbound logistics,

operations, outbound logistics, marketing and sales, and service. These primary stages are supported by the firm's infrastructure, human resource management, technology development, purchases and procurements. The stages within the generic value chain should not be considered in isolation but viewed in a wider context, wherein the individual stages can be seen to interact with each other.

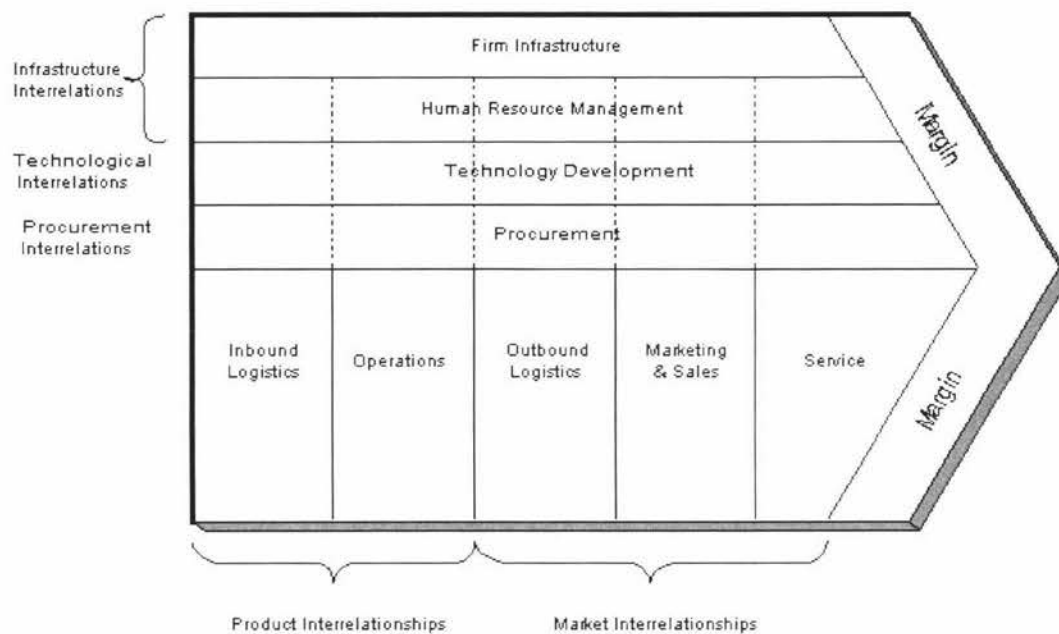


Figure 1. Porter's Generic Value Chain
Source: Porter, 1980, p.15

2.2 Value Chain in the Music Industry

The creation of a value chain within the music industry as a whole consists of the stages procurement, production, right trade, clay/tone carrier production and distribution, and/or marketing. When examining this process it is important to understand that the product music is not only comprised of the sound recording and its inherent processes but also of the many rights and licenses attached to it (Barzen, 2004; Reineike, 1999). The procurement stage involves the procurement of the rights, technology and personnel necessary to undertake a production. The production stage includes the planning, controlling and execution of music production. The right trade then contends with the purchase and sale of the rights and licenses attached to the music created during production. The clay/tone carrier production stage involves the planning and production of the single, album, compilation or video publication. Finally, the product created during this process will be physically or digitally distributed and/or marketed. During this whole process the participants of the music industry combine in exchange with one another and affect all stages of the creation of a value chain; music publishing houses, composers, producers, studios, artists, lawyers, artist management, product managers, advertising agencies, press works, trade, Internet, concert organisers, merchandising companies and media such as TV, radio and print.

2.3 The Value Chain in the Age of Digitalisation

New strands of technological evolution are creating both opportunities and threats for the music industry today. Control software such as DRM, encryption and compression and access technologies, including broadband internet and mobile computing (IFPI, 2005) have caused major change within the value chain of the global music industry by abbreviating it (Gebesmair & Smudits, 2001). In theory, a single firm can now independently administrate all

stages of the value chain including distribution, service and marketing (DePalma, 2002; Millier, 1999).

In 2004, downloading via the internet and the sale of physical records via the internet reached new heights. There are now over 300 music download services available globally, with at least 200 of these being based in Europe. Of this total, more than 180 were launched in 2004 alone. Music catalogues available on the major services doubled in 2004 to over one million tracks, while subscriber figures now top 2.2 million (IFPI, 2005). In digital distribution, Apple owns 92.1% of the hard-drive based digital music market, up from 82.2% in 2004 (Howe, 2004). The iTunes Music Store (iTMS), an online platform where customers can purchase songs for 99 Cents each, and iTunes, a digital media player application, were developed by Apple Computer for playing and organising digital music and video files. The application was set up to boost sales of the iPod, a portable digital music player. So far, Apple has sold more than six million iPods worldwide and holds the market lead by nearly 90% (Howe, 2004). Apple iTunes' customer base rose drastically from 861,000 in July 2003 to 4.9 million in March 2004 (Weinbeck, 2005).

Piracy in the Age of Digitalisation. While sales in music DVDs and downloads have increased, internet piracy is still a major influence on the global music industry (Alexander, 2002). A total of 1.2 billion pirate music discs were sold in 2004. This figure equals 34% of all discs sold worldwide (IFPI, 2005). In some areas pirate operations have been curtailed due to enforcement efforts by IFPI. However, despite these efforts countries such as Brazil, India, Mexico, Pakistan, Russia, and Ukraine still have a piracy rate of over 50% whilst Indonesia and China face an 80% rate. Paraguay leads the world with a piracy rate of 99 % (IFPI, 2005). These alarming figures are partially alleviated by the fact that Trade associations such as the International Federation of the Phonographic Industry have become more aggressive in suing unauthorized users and distributors of music content and Governments have become more

diligent in prosecuting pirates as well as legislating stiffer penalties. These actions have led to a 19% increase in performance rights collection over the past five years, incorporating an increase of 4.5% in 2003, to a total of \$US 493 million collected in 2004 (IFPI, 2005).

2.4 The Chain of Music Export

Figure 2, a model created by the researcher, presents a factorial overview of the interactions inherent within the process of exporting music. It is best understood as a representation of the Chain of Music Export inspired by Porter’s (1985) generic value chain. The model aims to illustrate how success in foreign markets depends on the primary and secondary activities of an artist, who functions as a product or small business.

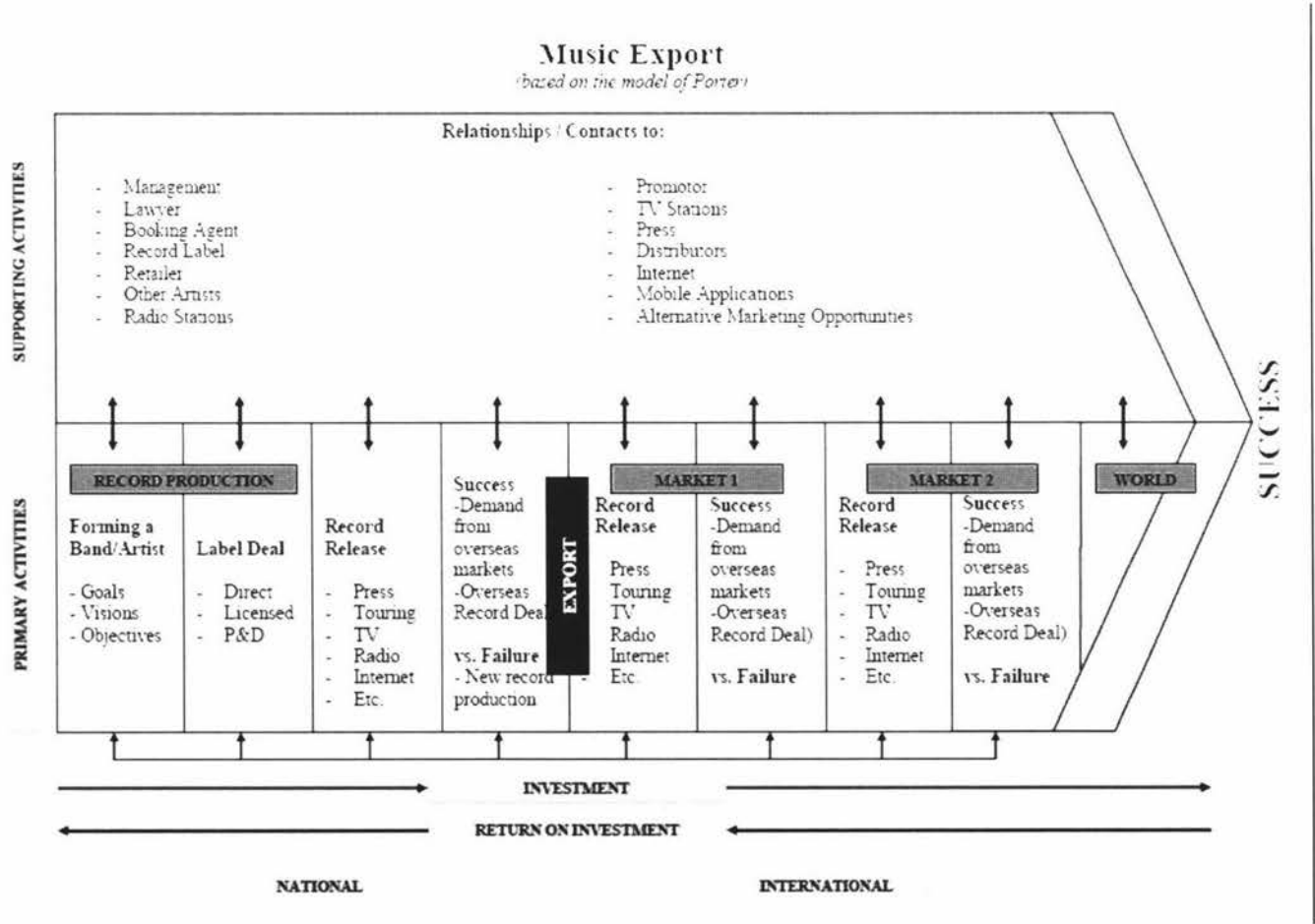


Figure 2. The Chain of Music Export

As can be seen in Figure 2, ‘primary activities’ such as forming a band, signing to a record label and releasing a record are primarily fulfilled in the local market. How long a band or an artist spends on each activity is flexible within the model and depends on relationships to and contact with the numerous bodies operating within the music industry. In the model the activities of these bodies are summarised as ‘supporting activities’. There is a multitude of relationships with these entities that require nurturing in order for an artist to maintain and further their local and international profile. These relationships can directly affect the artist’s career by shortening the time they have to spend on each stage of their campaign and heighten the chance of success, both culturally and financially, by attracting investors, champions and opinion leaders for the artist and vice versa. Once the artist has achieved domestic success, the choice of a target market for export must be considered carefully. An artist can either work one export market after the other depending on the opportunities and money afforded by his success or failure or be active in more than one market at a time. The nature of the artist’s success in the primary release market will largely determine which export approaches are utilised in the future marketing of the musical product.

2.5 Export Approaches

The goal of every export approach and strategy is increasing return on investment by building and creating strategic alliances (Branch, 1994). A strategic alliance is a relationship formed by two or more organisations that participate in joint investments and develop linked and common processes to increase the performance of both companies and their value chains (Davis, 2002; Robins, et al., 2003).

Based on general export models, there are four suitable export options for a label and/or distributor (Lathop, 2003);

- Direct Investment
- Exporting the product through a partner/distributor in the overseas market
- Joint Ventures with overseas companies
- Licensing

A direct investment is the setting up of your own distribution and/or production company. Classic examples for direct investments are major music and entertainment conglomerates with their own foreign affiliates. Independent labels sometimes also have overseas affiliates but not in as many markets as the 'Majors' and they are normally smaller (Spellman, 2005).

Another option is indirect exporting, which entails distribution of the finished recording through an overseas distribution company in the target market. This partner can be an importer, a wholesaler, a retailer or an end-customer (Krakislovsky & Shemel, 2003). The prices for indirect exporting vary from company to company depending on relationships, discount structures and economies of sale.

Sometimes, labels want to retain control of manufacturing, promotion, marketing and distribution in the international market so they set up a joint venture with a suitable major or independent label overseas (Lathrop, 2003). A joint venture is a contractual agreement joining together two or more international operating parties for the purpose of executing a particular business undertaking. Therein, the co-operating parties agree to share market knowledge, know-how, control and all profits or losses incurred by the enterprise (Chunn & Chunn, 1995). The distribution of ownership is negotiated in advance and finalised in the contract.

Licensing is an assigned right to use intellectual property rights, such as trademarks, patents, or technology, under defined conditions (Albaum, et al., 2002). The licensor pays a royalty for

the master recording to the licensee depending on the contract, signing dictates and copyright policy of a label and its licensing partners, in order to gain the right and responsibility to manufacture copies for local distribution and promotion of the record (Lathrop, 2003). The licensee has the right to tailor the physical record, including artwork, songs and track order to the foreign market, with the goal to sell as many records as possible. Under the standard terms of a licensing deal the licensee pays the licensor advance compensation of 8 to 26% of the local retail list price, less taxes and packaging costs (Lathrop, 2003). Depending on the estimated sales in the overseas market, it is also possible to license manufactured albums at the manufacturing cost to the licensee. Lathrop (2003) recommends that option if foreign sales are not high enough to justify the overseas label bearing the costs for local manufacturing.

2.6 Critical Factors of Success for Music Export

Critical success factors (CSFs) are defined as “events that must occur for a project to meet its goals and objectives” (Diller, 2001). In strategic management and marketing, there is no overall model identifying and establishing critical success factors leading to success (Daschmann, 1994). Every company has to find their own approach in creating and using CSFs for anticipating the consumers’ perspective (Davies, 1995). The goal is to rank the factors, concentrating on the most crucial one in order to give the product the uniqueness it needs to stand out from the crowd, which in turn functions as a competitive advantage. In pure marketing terms, Davies (1995) does not consider relationships and market knowledge as CSFs and limits his definition to product specific factors such as price and image. Any actions undertaken within the music industry must be foreshadowed by the knowledge that this market inherently possesses a dual nature. As dealing with music also means dealing with people, there is a higher risk of personal issues influencing success in marketing and management (Burnett, 1996). In a strategic marketing and management-context these

relationships create the potential for high risk. Negus (1999) highlights five different factors inherent in the global marketing of music:

- Aesthetic factors such as voices, rhythms, tempos, melodies, instruments as well as image-factors such as faces, bodies and styling and stage presence.
- Political factors such as potential war regions and religions.
- Economic factors such as potential target markets and target groups
- Marketing factors such as availability of radio, TV, retail and print media.
- Financial and legal factors such as copyright protection in target markets and potential release countries.

These complex and shifting factors are but a few of the tangible and intangible variables that combine to make the music industry a highly volatile environment, both economically and culturally. Music business entities, as in any industry, formulate and carry out strategies within this environment. In the following section, the researcher defines the nature of strategy in business and illustrates how it specifically relates to the operation of the music industry.

2.7 Strategy in the Music Industry

In his book *The Rise and Fall of Strategic Planning*, Henry Mintzberg (1994) contends that people tend to differ in the way they use a strategy. In his opinion the following are the four most common:

- Strategy is a plan; the question for “what” needs to be done and “how” could it be done.
- Strategy is a pattern in actions over time; a strategic behaviour.
- Strategy is position; that is, it reflects decisions to offer particular products or services in particular markets.
- Strategy is perspective; vision and direction.

Mintzberg (1994) further argues that strategy emerges over time as intentions collide with and accommodate to a changing reality. Porter (1980) in turn sees strategy as any kind of tactical behaviour which helps to create uniqueness and advantage over competitors. Thus Porter seems to embrace strategy as both plan and position. It is important to recognise however, that Porter refers to competitive strategy and not to strategy in general. In a 1996 *Harvard Business Review* article and in his earlier book *Competitive Strategy*, Porter (1980, p.44) defines competitive strategy as “a combination of the ends (goals) for which the firm is striving and the means (policies) by which it is seeking to get there”. He argues that competitive strategy is about being different and deliberately choosing a different set of activities to deliver a unique mix of value.

Porter (1980) points out three generic types of competitive strategies;

- Overall cost leadership
- Differentiation
- Focus on niche markets based on either a low cost strategy or differentiation

“Cost leadership is the ability of a firm to design, produce, and market a comparable product more efficiently than its competitors” (Porter, 1980, p.12). Differentiation is the “ability to provide unique and superior value to the buyer in terms of product quality, special features, or after-sale service. [...] These variables allow a firm to command a premium price for their product, which leads to superior profitability provided costs are comparable to those of competitors” (Porter, 1985, p.14). A company working industry-wide or in niche markets can choose between utilizing a low-cost strategy or a differentiation strategy and achieve a competitive advantage due to their sub-strategies, patterns, plans, perspectives, and positions (Davies, 1995; Mintzberg, 1994; Porter, 1980).

Any assessment of strategy within the music industry must take into account the fact that music deals not only with products but also with people, who function as products (Negus,

1999). Strategically, a music company or the whole industry has to find a way of combining hard facts such as facts and figures with soft facts such as human foibles and belief in success (Negus, 1999). A classic way to cluster the music industry for assessment is by using the practice of portfolio management developed by the Boston Consulting Group (BCG). Their Directional Policy Matrix is a two-dimensional matrix, that puts relative market share and business growth rate in relation and is divided into the following four quadrants: 'Dogs', 'Question Marks', 'Cash Cows' and 'Stars' (Gebesmair & Smudits, 2001). Portfolio management is a tool for managing a firm's or an industry's range of interests. Thereby each artist or genre can be assigned to a category according to its performance, artistic peculiarities and level of investment required (Negus, 1999).

Within a strategic portfolio, 'Stars' are characterised by a high business growth rate and high relative market share¹ (Davies, 1995). These artists are often innovators requiring constant investment to achieve a high profile and market domination, which in return allows the record company to make profits for further reinvestment. Economically, the return on investment in a 'Star' can fund the development of a further 20 artists within the record label's talent roster (Renner, 2004).

The money required to finance a 'Star', however, is more often generated through a company's exploitation of its 'Cash Cow' properties. These properties provide a company with cash flow by returning considerable profits on moderate investments (Negus, 1999). 'Cash Cows' are well-established artists, who have been stars or who work in less popular markets. According to Negus, genres such as folk music, techno and alternative rock are seen as 'Cash Cows'. Major labels possess a great advantage in the marketplace because of their substantial back-catalogue, which affords them the ability to release Best-Of-Albums and Compilations if they need to generate cash flow. These 'Cash Cows' can then be marketed and managed within a standardised administrative and promotional system.

¹ The relative market share is the company's market share in comparison to its main competitor.

‘Question Marks’ are normally new artists or genres characterised by a high rate of growth and a relatively small market share. They may become ‘Stars’ if investment increases, their growth rate remains stable and they gain more market share (Davies, 1995). Lacking investment, these artists or genres may become ‘Dogs’ in the future.

‘Dogs’ provide little if any profit. The company has to decide whether the product should be disposed of or receive further investment. Occasionally record companies retain these properties due to personal relationships or preferences and the internal and external promotion of the notion that the label is loyal towards their artists and genres. By doing this the label can attract new artists, who view the label favourably as a release partner because it is demonstrably ‘honest’ (Gebesmair & Smudits, 2001). The goal of a company or industry in regard to portfolio management should be a healthy balance of all four variables.

As explained above, the basis of every national and international management strategy is a vision, an objective and a goal as part of a plan (Mintzberg, 1994; Porter, 1980). In the music industry, the nature of the relationship between a music company and its artists is set forth in the initial contract or ‘recording deal’ between the two parties. This document or agreement forms the basis of any strategy undertaken between partners promoting music, as it clearly sets forth what each party is required and able to do during the partnership. Any strategy utilised in the music industry will have, as its fundamental basis, an agreement between the company releasing the product ‘music’ and the creator of that product.

2.8 Record Label

In general, the global music industry is dominated by four major label record companies; Universal, Sony BMG, EMI and Warner Music. Universal Music is part of the Universal Music Group, which is owned by the French based international conglomerate Vivendi Universal. In 2005, Universal retained its position as the world’s biggest recording company,

with a 25.5% share of the world market. Sony BMG is next largest with a 21.5% share followed by EMI at 13.4% and Warner Music at 11.3% (IFPI, 2005). The independent sector holds steady with a 28.4% global share (IFPI, 2005). Only in Japan is the market share of Independents clearly higher with a percentage of over 50% (Spellman, 2005). The four 'Majors' turn over US\$24 billion out of a total market turnover of US\$30 billion per annum, dominating 80% of national music markets worldwide. Every major music company has affiliates in more than 40 countries marketing their products. New Zealand has representatives and affiliates of every major company operating within its local industry. The economic advantages major record companies possess are numerous; individual departments can support each other using existing resources in a way that develops enormous cost advantages, because expenditures for research and development, purchase, production and marketing are shared.

So-called independent record companies are characterised by their smaller size and independence. This independence often leads to a greater flexibility in decision making and strategy implementation, as critical decisions can be made by individuals and not through a multilevel decision-making process (Spellman, 2005).

2.9 The Label Deal

There are many different kinds of record deals, heavily dependent on the musician's and the label's needs and goals (Lathrop, 2003). These can be grouped into the following four categories;

- Licensing Deal
- Pressing and Distribution Deal (P&D)
- Direct Signing Deal with a Major Label
- Direct Signing Deal with an Independent Label

The Licensing Deal is based on the idea that the bands will finance their own recordings including artwork, producer's fees, studio hire, et cetera and release them through a record label (Chunn & Chunn, 1995). Under this deal the band retains all the rights to and ownership of recordings. The label is responsible for manufacture, distribution and promotion of the record. A licensing deal allows the artist to receive greater royalty from sales, no bond to a record company for a long period of time, maximum artistic freedom and in terms of export no commitment to a company's overseas branch if the license is local.

The Pressing and Distribution Deal (P&D) is based on the same idea as the licensing deal except for the fact that the whole promotion is done by the artist, who pays the record label a royalty (Lathrop, 2003). This ensures a much higher return on each record sold for the band and greater creative control but requires the band to build a network of contacts to radio stations, TV networks and print media in order to promote the record effectively. In terms of exporting, the P&D deal is not recommended unless an artist has a solid fan base and enough contacts to media and other supporting industries in the targeted foreign market.

A Direct Signing with a major record label or an independent record label both binds and gives an artist access to a record company's structure, signing dictates, copyright policies and obligations to other companies and players within the national and international music business (Chunn & Chunn, 1995). A recording agreement with a major record label is usually over a long term because of the enormous costs incurred through studio hire, production, marketing and distribution. In return, the artist has to pay back these costs through record sales and touring. The duration of a major label deal depends on the success of an artist's releases, the dictates and philosophy of the holding company, the behavior of the stock market and national/international personal relationships (Chunn & Chunn, 1995). There are advantages and disadvantages arising from a direct signing to a major label. The major

advantages gained are due to the selling power of a major record company, their networks and relationships to media and promotion companies and their cash flow due to the huge back catalogue of music they can freely exploit. Amongst the disadvantages are difficulties in exporting music from small markets to large markets, due to the fact that not every locally signed artist may display the economic potential to be exported. Because smaller territories have to follow the dictates and advice of the international holding (Gebesmair & Smudits, 2001), artists with the greatest potential for return on investment are slated for export but must, under the terms of a standard license, first be offered to the home company and its subsidiaries in each territory where the local company feels the record could be released. In other words, a domestic artist who is signed to a major record label in New Zealand is forced to wait until every international affiliate of that major fails to pick up the option to release the record in their market before they can offer the album to a third party. The duration of this process depends heavily on the philosophy and hierarchy of the company and its ranking within the global market (D. Marx, personal communication, October 12, 2004). The third party can be another 'Major' or a smaller independent company.

Another option for an artist seeking a wide release is direct signing to an independent record label. In general, independent labels are owned and operated by people living and working locally whose focus and priority is the promotion of local artists (Chunn & Chunn, 1995). However, achieving success in marketing, promotion and media appearance in competition with major record labels can be problematic for independents (Chunn & Chunn, 1995). Independent companies generally base their strategies on ingenuity in forming marketing and promotional relationships, rather than spending power. The number of independent labels in the global marketplace has increased within the last ten years, due mainly to successes of 'guerilla' marketing strategies used by these labels in niche markets. This success in niche markets is the major pre-condition for the commercial success of an independent record

company (Spellman, 2005). Once a style has been established in a niche market, wider commercial markets can be targeted. It can also be said that independent labels are leading in setting trends in music styles and genres, whereas major labels are leading in marketing and distribution. Because of this and due to economies of scale, successful independent labels often merge with majors to upgrade their national and international success and market share (Staff & Ashley, 2002). The decision to do this is informed by the flexibility of the independent label, who will be seeking to set up a tailored release strategy by searching for the appropriate overseas partner (Spellman, 2005). During this process, depending on a label's philosophy, the talent of the artist and the personal relationships of label to musician, a musician may be able to take a greater role in controlling the musical direction, repertoire and strategies of their career.

3. Specific Aspects of New Zealand Music Industry

3.1 Facts and Figures

The New Zealand music market has undergone a slump during the last five years. Retail trade has fallen by 6.6%, from NZ\$201.6 million in the year 2000 to NZ\$173.3 million in the year 2005. During this period, New Zealand has dropped from 26th to 35th place in the global music industry ranking. Record sales have diminished 4.6% from NZ\$7.6 million in 2001 to NZ\$6.7 million in 2005. However, despite the decline in the market as a whole there are strong indications that the local music sector is strengthening. The estimated percentage of domestic music sold in New Zealand has more than doubled, from 6% in 1998 to 11.5% in 2004 (RIANZ, 2005). Government funding provided to the broader music sector over the past three years totals almost NZ\$75 million (excluding music related funding provided to activities such as radio, film and television). On top of this, an average of over NZ\$5.14

million in Government funding has been provided directly to the contemporary music industry each year since 2001. Additional funding announced in 2005 increased this amount, bringing the total support for contemporary music to NZ\$6.61 million (Anderton, 2005). Due largely to Government bodies lobbying for increased local music, local music plays a much more salient role in the domestic music market than it did ten years ago (Creating Heat Report, 2004). The amount of New Zealand music being played on commercial radio has increased more than ten times since 1995 (NZ On Air, 2005). This increased airplay has had a major impact on the chart success of local artists. By the end of December 2003, New Zealand artists accounted for six of the Top ten albums and 15 of the Top 50 albums, including artists such as Hayley Westenra, Scribe, Brooke Fraser, Bic Runga, The Feelers and Elemeno P (Newman, K., 2004). This trend continued in 2004 with 8 New Zealand artists in the Top 20 selling singles and album charts and in the Top 20 of 100 Most Played Songs on Radio (RIANZ, 2005). In total there were 23 albums and 16 singles recorded by New Zealanders in the top selling 100 lists in 2004. 21 New Zealand songs were in the top 100 most played songs on radio during 2004 (NZTE, 2005; RIANZ, 2005). RadioScope tracked over 10,000 different songs, collectively representing around 2.2 million plays, on New Zealand radio during 2005. Of this total, 20.8% of music played on commercial radio was local content, 18.6% more than the previous year. Out of all airplays on commercial radio, Breaks Co-op ran position #1 with over 12,000 plays, followed by The Feelers and Dave Dobbyn (RadioScope, 2005). Partly responsible for the increase in local content is the enormous increase of the urban genre Hip Hop in New Zealand. In 2003, Scribe held a #1 position in the charts longer than any other New Zealand artist in chart history. Since that release, which heralded an explosion of interest in urban music, every mainstream station in the country has played the songs of urban artists such as Scribe, Adeaze, and Misfits of Science (RIANZ, 2005).

During NZ Music Month 2005, New Zealanders bought more than 55,000 albums by local artists such as Fat Freddy's Drop, Shihad, Hayley Westenra and Savage, who dominated the charts. This figure is nearly twice as high as in the month before, with 5,000 additional CDs being sold, revealing the effect the music month promotion had on the market in 2005. The NZ Music Month, which takes places in May of every year, is an initiative of the NZ Music Industry Commission to get more airplay for domestic artists on commercial radio.

The percentage of local artists across New Zealand's radio stations reached 22.7% in May 2005 (NZMIC, 2005). Furthermore, around 29% of sold albums featured New Zealand artists and in the last two weekly charts of NZ Music Month, 35 % of the Top 20 albums were by local artists. Moreover, ten local albums or DVDs achieved golden or platinum status during the NZ Music Month in 2005 (NZMIC, 2005). Mobile communications downloads and Music DVD sales are also growing. Music DVD sales have increased from NZ\$100,000 in 2001 to NZ\$500,000 in 2005 (RIANZ, 2005)². In line with global trends, the number of music downloads from the internet has also increased heavily in New Zealand due to internet saturation. By September 2005, internet penetration in New Zealand had reached 77.6% of all households with a total of 3.2 million users (Internet World Stats, 2005). In 2004, Digital Media Distribution (DMD) launched New Zealand's first legal music download service offering protected content from top selling local and international artists. Since this time Coca Cola, specialist New Zealand music web retailer Amplifier, Vodafone and the Apple's iTunes store have all joined the market.

² The data is compiled from wholesale sales as reported to RIANZ by 6 major companies. It is assumed that these companies represent 95% of the total market. IFPI add the 5% coverage, a standard mark-up, and GST to give an estimate of the market at retail value.

3.2 Institutions involved in the New Zealand Music Industry

According to Mandeville (2005), there are generally two distinct kinds of support available to creative industries; Governmental and industry based. Governmental support structures traditionally take the form of regulatory, legislative or administrative support. Administrative support is the most common of these forms of assistance and includes; recording production support, scholarships, musical training, funding for music education and infrastructure such as schools and venues, support for competitions and awards, funding of domestic and international touring, travel assistance, music events funding, grants to opera companies, symphony orchestras, ensembles and choirs, funds for research on new technologies and the music industry, funds for the promotion of local music in commercial radio programming and funds for the promotion and distribution of local music. Supplementing these direct support methods there are innovation and creation oriented art councils that aim to foster the development of the arts through grants, services and awards to professional artists and arts organisations, as well as through scholarly awards to both new and established artists and musicians (Mandeville, 2005). This support varies from scholarships to grants, fellowships, competitions and mentoring programs. Support is also provided through the commercial sector of the Government, where trade and export boards work to invigorate the sale of cultural products in foreign markets. These bodies perform a wide variety of actions; attending international trade shows, giving out compilations, holding workshops, publishing industry directories in print or online and establishing innovative marketing tools and financial support for international marketing and distribution (Mandeville, 2005). There are also non-governmental organisations, which receive Government funding, that provide support for the domestic music industry through grants and subsidies for music performance events, the production of compilations CDs, promotional activities and projects, business development, touring support, exchanges, audiovisual support, training, counselling and research. This type of support is best characterised by rights societies and non-profit

organisations whose actions range from the collection of royalty payments on behalf of artists to organising and supporting industry events, showcases, awards, educational projects, providing legal advice and music industry information (Mandeville, 2005).

Highly concentrated global and national music markets need restrictions and limitations by Government in order to ensure their survival. In smaller countries such as New Zealand, where the local music industry needs support in order to survive and succeed against the internationally operating major entertainment companies, governmental involvement is especially important (Creating Heat Report, 2004). The New Zealand Government is a significant supporter of the music industry through its funded agencies NZ On Air, the NZMIC, NZTE, Creative New Zealand and Te Mangai Paho (Ministry for Culture & Heritage, n.d). Through these agencies, the Government supports the creation, production and promotion of New Zealand music, music videos and radio and television music shows, the professional development of musicians, the New Zealand presence at a range of international trade shows and the development of a music curriculum in New Zealand schools. The New Zealand Government has stated its belief that the potential and growth of New Zealand's export earnings will be doubled within five years up to NZ\$10 million and will rise to NZ\$20 million within the next 10 years (Creating Heat Report, 2004; NZTE, 2005). Their policies aim to stimulate creative sectors such as the entertainment and media industries in New Zealand, recognising that a lack of commercial expertise and the advent of globalisation in the creative sector makes it hard for companies to ensure economic sustainability as well as the survival of the whole sector within a global environment (Schwab & Porter, 2003).

In the following section, the government and industry agencies which support the New Zealand music industry, such as the MCH, NZ On Air, NZMIC, Creative New Zealand, RIANZ, APRA, AMCOS, NZTE, IMNZ, RBA, PPNZ and MMIC will be described. These

descriptions will focus on the specific types of support these organisations provide and what level of influence they exert within the local industry.

3.2.1 Government Support

Ministry for Culture and Heritage. The Ministry for Culture and Heritage (Te Manatu Taonga) monitors the performance of government-funded agencies in the cultural sector, administering grants and implementing policy. The main music organisations it funds include the NZMIC, NZ On Air, Creative New Zealand, The New Zealand Symphony Orchestra and National Radio. It also funds the Broadcasting Standards Authority, supports the publication of materials related to the Arts and offers awards for further musical study (Ministry for Culture and Heritage, 2006).

NZTE. New Zealand Trade and Enterprise is the New Zealand Government's national economic development agency, which is committed to improving the international competitiveness and sustained profitability of New Zealand businesses. The focus of their activities is fostering the development of strategic and creative relationships between New Zealand companies and global businesses; helping New Zealand businesses improve their capability to work with world players and advance and upgrade their businesses and competitiveness in a specific sector (M. Jeffrey, personal communication, October 10, 2005; NZTE, n.d.). In late 2003, the New Zealand Government asked a group of 17 key music industry representatives (NZ Music Export Developing Group), facilitated by NZTE, to develop a strategic plan that outlined what the industry and Government, in partnership, needed to do to realise the export potential of the New Zealand music industry. The so called 'Creating Heat Report' of the Music Industry Export Development group was presented to Government in July 2004. Together, the suggestions contained within Creating Heat formed

“a strategy to ignite the economic and cultural potential of the New Zealand music industry” (Creating Heat Report, 2004, p.1.).

In the following, the agencies carrying out strategies drawn from the Creating Heat Report, such as Outward Sound and Phase Five, will be discussed.

NZMIC. Established in 2000, the New Zealand Music Industry Commission is a Government funded agency committed to growing the New Zealand music industry, both economically and culturally. NZMIC undertakes projects in New Zealand and overseas such as the NZ Music Month, trade events, music law advice, manager’s forums, seminars and showcases to assist contemporary popular New Zealand music businesses which tend to improve the New Zealand music industry (C. Anderson, personal communication, June 29, 2005; NZMIC, 2005). The NZMIC also undertakes educational projects such as Sweet – A Taste of NZ Music, Music Mentoring Programs and Bands Partnering Programs, which are funded through another government program called Vote: Education.

In 2004, the Government funded the commission with NZ\$600,000 per annum for three further years (Anderton, 2005) and then in 2005 extended this funding based upon the suggestions put forth in the Creating Heat Report. The NZMIC will receive NZ\$444,000 per annum to fund market development grants and NZ\$178,000 per annum to develop the export capabilities of musical groups (Anderton, 2005; NZMIC, 2005). The NZMIC has initiated the Outward Sound initiative, which enables New Zealand music industry practitioners, such as artists and their representatives and record companies and related and supporting industries to apply for assistance through the international music market development grants program (NZMIC, 2005). Implemented and managed by NZMIC, the programme is inclusive of music from all genres, styles and niches and applicants may target relevant markets around the world.

The funding is available to bands, composers, songwriters, producers, companies and solo artists (NZMIC, 2005).

The grant structure supports market visits, in-market representation, publicity and promotion, the creation of marketing materials, attending showcases, trade events and market research.

Basically, the grant system is divided in three phases (NZMIC, 2005);

- Phase 1 enables grants of NZ\$5,000 - NZ\$10,000 for ‘market scoping’ by a representative of the artist. This representative will travel to the market, or markets, and meet with approved market professionals whose credentials have been checked and endorsed by NZMIC.
- Phase 2 enables grants up to NZ\$30,000 for ‘performance-oriented’ support by way of an in-market visit by the artist and related industry professional.
- Phase 3 enables grants up to NZ\$60,000 for ‘market infiltration’ by the artist including technical and touring support. It also allows an artist to maintain a presence in the target market for an extended period.

According to NZMIC, the foundations of the program are research, collaboration, network development and information sharing. In order to receive any of these grants, applicants have to fulfil requirements such as a well developed business and marketing plan, and provide “evidence of a potential advance on a recording or distribution deal” in the overseas market. Every grant has to be matched with an equal amount of private investment from the applicant or the applicant’s release partner.

NZ On Air. NZ On Air (Irirangi Te Motu) was established in 1989 to promote New Zealand-made radio and television programming (Staff & Ashley, 2002). By 2002, the categories television and radio promotion had been separated and radio had been split into “commercial and non-commercial arms, responsible for funding the non-commercial side of National Radio, Maori iwi stations, Access (community) radio and the Concert Programme” (Staff & Ashley, 2002, p.13.). Besides providing funding for National Radio, Concert FM and Student Radio, a major function of NZ On Air is to get more airplay for New Zealand musicians on commercial radio. To aid this process NZ On Air produces five series of ‘hit discs’ annually, representing New Zealand music with potential for airplay on commercial radio. These are sent to every radio station in the country and NZ On Air actively lobbies for the play-listing of this material. Further, NZ On Air offers a range of grants, starting with NZ\$5,000 for ‘new recording artist projects’ or the production of music videos, up to NZ\$50,000 for so called ‘album recording projects’ (NZ On Air, 2005). Record companies also have the opportunity to receive a funding grant of up to NZ\$5,000 for significant airplay in commercial radio to recover the costs of recording and releasing a song (NZ On Air, 2005).

Due to the success of the strategies undertaken by NZ On Air, New Zealand music content on mainstream commercial radio has increased drastically from 5% in 1997 to 18.6% in 2004. In 2002, the radio industry, represented by The Radio Broadcasters’ Association (RBA) agreed to an informal New Zealand music quota or ‘code’ of 17.5% New Zealand music across commercial radio. Since then, radio has beaten this annual target by more than 2% as Figure 3 shows.

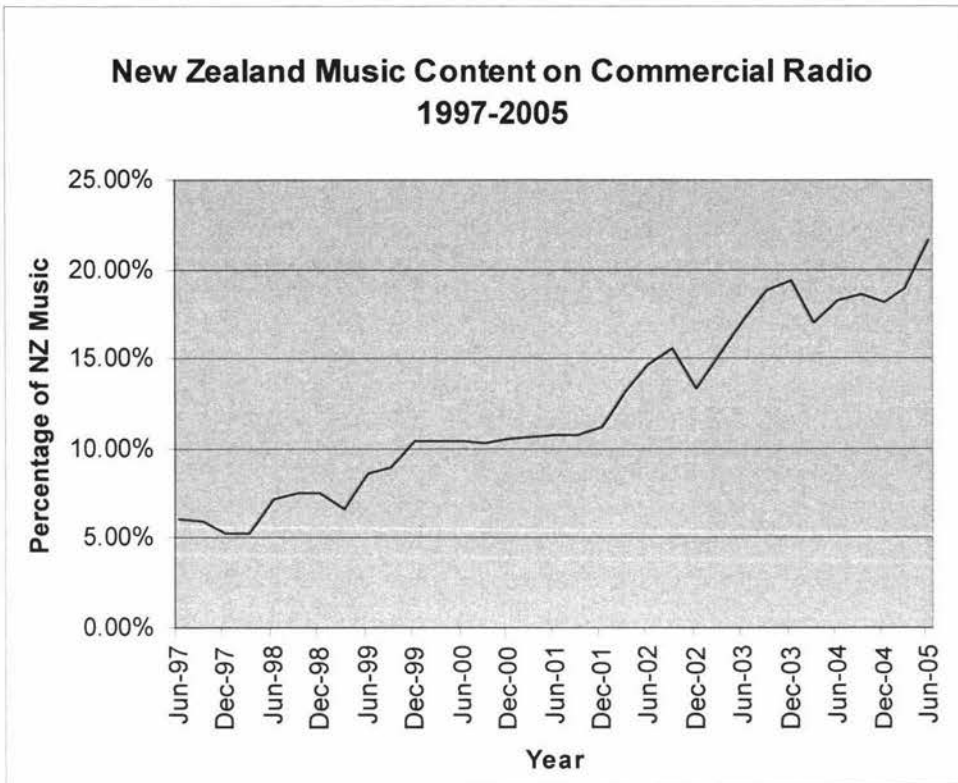


Figure 3. NZ Music Content on Commercial Radio
Source: NZ On Air, 2005

Since 2000, NZ On Air has funded 77 albums with NZ\$50,000. Of these, 44 were released by June 2005, incorporating 168 radio singles. Furthermore, 213 singles have been funded under the New Recording Artist project, from which 158 singles were released by mid 2005. Of these singles, 95% had featured on the RadioScope NZ Airplay Chart, 50% had been in the Top 40 and 40% had been in the Top 30. In 2004/2005 NZ On Air spent NZ\$3.9 million through investment in the production of 15 Hit Discs, 19 albums by radio hit-making artists, 43 radio singles by new artists, 150 music videos, plus New Zealand music shows on all six b.net Student Radio Stations and on most of the large commercial networks.

NZ on Air's export activities include Phase Five, which is a plan intended to supplement and complement the work of the NZMIC, who are responsible for funding international marketing ventures by New Zealand musicians. The Phase Five strategy includes the production of targeted music samplers for selected overseas media markets such as print, radio and

television in the UK, Australia, USA and Canada (NZ On Air, 2005) It invests in advertising with leading international radio industry trade magazines to create a higher profile for New Zealand music and musicians. It also finds and contracts agents in target markets who can service radio with the samplers and initiate and maintain contacts with a network of influential 'tastemakers' who informally promote this product in international radio and music media markets. The strategy also supports the production of radio shows that showcase New Zealand music, for national and international syndication (NZ On Air, 2005).

Creative New Zealand. Creative New Zealand was established as a crown entity under the *Arts Council of New Zealand Toi Aotearoa Act 1994* (Creative New Zealand, n.d.). The agency is responsible for developing the arts in New Zealand by supporting professional artists and arts organisations. In the field of music Creative New Zealand provides direct support in the form of funding for artists; to create new work; to create new work using new technologies; to pay an artists' costs while they produce new work during commissions or residencies; for established artists to write, record and produce new work where recording is part of the process; for collaborative and multi-disciplinary projects involving other arts practitioners and art-forms; for performances such as gigs, concerts, festivals, showcases; tours; for the marketing and distribution of recorded music; the publication of scores; for performance involving moving image; for publications that document or discuss aspects of music in New Zealand, and for projects that aim to build local and international audiences for New Zealand music (Creative New Zealand, n.d.). This funding is available to musicians, composers, singers, song writers, and arrangers from all styles, genres and niches of music, at all stages of their creative and professional development. An example of the type of funding the organisation provides is typified by its 2003 allocation of close to NZ\$7 million to the Auckland Philharmonia, the Centre for New Zealand Music (SOUNZ), Chamber Music NZ, the NZ String Quartet, NBR New Zealand Opera, Canterbury Opera, TOWER New Zealand

Youth Choir, and regional orchestras in Christchurch, Wellington and Dunedin (NZTE, 2004). In 2004, the organisation received a funding grant of NZ\$32 million from the Government through Vote: Arts, Culture and Heritage and the New Zealand Lottery Grants Board.

In the financial year 2005/2006, 473 project grants totalling more than NZ\$7.3 million were offered to artists and arts organisations. Approximately NZ\$28.5 million was requested from 1578 applications (Creative New Zealand, 2006). In the 2005 calendar year, the Creative New Zealand Arts Board received 266 applications for music funding and was able to fund 77 (29%) of them. Grants ranged from NZ\$1,300 to NZ\$40,000. Creative New Zealand is supporting 36 professional arts organisations for their programmes of activity over the 2006 calendar year with funding totalling NZ\$13,314,400 (Creative New Zealand, 2006).

3.2.2 Industry Support

RIANZ. The Recording Industry Association of New Zealand is a non-profit organisation representing major and independent record producers, distributors and recording artists throughout New Zealand (NZMIC, 2005). The organisation works to “protect the rights and interests of a broad spectrum of creative people involved in the New Zealand recording industry” (Creating Heat Report, 2004, p.46.). Their principle aim is the promotion and strengthening of the legal rights of companies and their recording artists by lobbying government for improvement and introduction of those legal rights. In addition, RIANZ produces the annual New Zealand music awards (The Tuis), the weekly NZ Top 40 Albums and Single Charts and music gift vouchers for retail stores in New Zealand (Creating Heat Report, 2004; RIANZ, n.d.).

APRA. The Australasian Performing Rights Association is a service organisation administering the rights of the world’s composers, publishers and songwriters in Australasia; licensing music users and distributing royalties to music writers. APRA is part of an

international network representing over two million music writers worldwide; including 4,500 music writers from New Zealand. APRA administers 17 development grants, 23 competitions and awards and funding for nine projects, including the Australian Film, Television and Radio School. Additionally, APRA has a collective code of conduct and offers royalty entitlement dispute resolution services to its members. Each year APRA undertakes a wide variety of seminars and workshops aimed at making the finer details of royalty and copyright law transparent to their members. The association administers a logging system for commercial radio that monitors domestic music content and represents the interests of its members in national and international contexts.

APRA collects in excess of NZ\$12 million in royalties in New Zealand on behalf of its members in New Zealand and those from affiliated companies offshore. Once signed with APRA, a writer generates royalties from the affiliated society in the overseas market (APRA, n.d.). On average, the process for collecting earnings from overseas performances and broadcasts can take twelve to eighteen months, depending on the basic procedures and distribution rules of the overseas society. In the event of live performing, the artist has to report the performances to APRA by submitting an Overseas Live Performance Return which is due immediately after the performance (Chunn & Chunn, 1995).

Originally, APRA was launched to take care of the 'copyright' of its writer members and to collect royalties each time their work is publicly performed or broadcasted. Copyright is the law which protects writings, including "exclusive rights to reproduce, publish, and sell copies of the copyrighted work, to make other versions of the work, and, with certain limitations, to make recordings of and perform the work in public" (Krasilovsky & Shemel, 2000, p.95). Under the law, the principal rights inherent in music ownership are those of the writer; the 'mechanical right' to record the work in any format; the 'synchronisation right' to use the music in film, video or an audio-visual program and 'the performing right' to perform or

broadcast the work in public (Chunn & Chunn, 1995; Krasilovsky & Shemel, 2000). These rights are crucial in protecting an artist's ability to profit commercially from their music.

AMCOS. The Australian Mechanical Copyright Owners Society is the mechanical rights division of APRA and is a fully owned subsidiary of the Australian Music Publishers Association Ltd. Its purpose is to protect and represent the rights of music publishers in New Zealand and Australia in relation to the reproduction ('copying') right in musical works (AMCOS, n.d.). AMCOS licenses a number of music reproduction rights for its members and distributes copyright royalties. Under the Australian *Copyright Act of 1968*, each time a musical work is reduced to a material form in Australia or New Zealand, the copyright owner's authorisation is required through an AMCOS licence. This law also governs the copyright inherent in sheet music. All administration of AMCOS licences is carried out by APRA.

IMNZ. The organisation Independent Music New Zealand was established in 2001 to provide a voice for the independent recording labels and distributors in New Zealand. It produces independent album and single charts, compiles industry news and aims to facilitate growth in the independent music sector in New Zealand (IMNZ, n.d.; R. Jones, personal communication, June 15, 2005).

RBA. The Radio Broadcasters Association was established in 1971 and represents the interests of the private radio sector and its partners and stakeholders within the New Zealand government, business and community. It aims to protect these interests by maintaining high standards of commercial radio broadcasting in New Zealand. The association works through an Executive Council, which is comprised of six representatives; two each from Global Radio and The Radio Network and two independent representatives; who meet every second month (RBA, n.d.).

PPNZ. The Phonographic Performances, Ltd. is responsible for granting licenses to any users playing music in a public arena. Funds collected are then distributed to members of RIANZ and RAP Fund Members³ (PPNZ, n.d.).

SOUNZ. The Centre for New Zealand Music promotes local classical music on behalf of New Zealand composers. It is involved with development, creation, performance, publication, recording and broadcasts. It is funded by Creative New Zealand, APRA, and PPNZ. SOUNZ compiles packages for schools to help students learn about New Zealand Classical Music and provides an on-line searchable database, a bi-annual newsletter, and a library (SOUNZ, n.d.).

MMIC. The Maori Music Industry Coalition Trust was established in 2003 to represent and advocate a Maori music vision to, and within, the New Zealand music industry. The principal objective of the MMIC is to develop and implement a strategic plan for the national Maori music industry. The plan focuses on supporting the growth of the international economic potential of Maori music and Maori language (MMIC, n.d.).

3.2.3 Other Industry Support.

Due to the shortening of the traditional music industry value chain by digitalisation, the music industry has had to target and develop alternative revenue streams. Whereas music firms used to concentrate on events on a horizontal and vertical perspective within the industry value chain; production, distribution, and marketing; music companies today have to laterally

³ This fund was established on January 1 in 1995. Artists and producers must register for this fund in order to receive funds collected by PPNZ.

diversify (Moser & Scheuermann, 2003)⁵. Industries such as fashion, food, beverage, hospitality, communication, IT, body-care and aviation have been instrumental in creating new possibilities for music marketing and distribution. At the same time, non-music companies have discovered that music is an effective medium for reaching wider age groups and target markets for their products. Consequently, different kinds of co-operations have been launched during the last couple of years.

Film. The film sector in New Zealand is growing rapidly and has gained an exceptional reputation in the last five years. Films such as Lord of the Rings, Whale Rider, The Last Samurai and King Kong have increased both the international awareness of New Zealand and its potential for gaining competitive advantage through its films. These advantages can be transferred to the New Zealand music industry due to co-operations between the film and music sectors. Artists such as Bic Runga have benefited from appearing on the soundtrack of an internationally successful movie.(Dix, 2005; Lathrop, 2003) Her song 'Sway' appeared on the soundtrack of the hit movie American Pie; making her an internationally recognised artist.

In Australia, Rock band Evermore has gained widespread success because their song 'It's Too Late' was used repeatedly on the successful TV-Teenage Soap Opera 'The OC' in 2005 (NZMIC, 2005). Whilst not every musician enjoys this level of success, writing and recording music for film can provide a wide variety of artists with a financial stability not easily achievable through releasing records in such a small market.

⁴ Diversification is a term normally used for investment and financing. Nevertheless, it makes sense to use these terms within the context of related and supporting industries. There are three different kinds of diversification; horizontal (within the value chain of a product or industry), vertical (within the same type/family of a product or industry, and lateral (a totally new product industry, independent and unrelated to the products within the firm or industries).

Festivals, Events and Trade Shows. Festivals such as Big Day Out, Rhythm and Vines, Splore, Parachute, and Mountain Rock afford professional artists the opportunity to play in front of bigger crowds and learn the skills and confidence necessary for export (Dix, 2005). These events also give local artists the opportunity to mingle with international artists, make contacts and network with their peers. For young musicians, events such as Smokefree Rock Quest, an annual secondary school talent quest, provide insights into and experience of the world of live music. In 2004 this nationwide talent quest attracted over 600 entrants (NZMIC, 2005). These types of live music events have recently been augmented in New Zealand by seminars that aim to provide musicians and their representatives with the knowledge they need to perform in business as well as music. In October 2006 the NZ Music Managers forum presented a seminar in Auckland that included panel discussions on digitalisation and the chance for managers to pitch their acts to the organisers of The Big Day Out (Amplifier, 2006). The New Zealand Music Industry Commission's free Warrant of Fitness Seminars, which took place in 2006 in Auckland, Wellington, and Christchurch, featured a line-up of music industry experts from abroad discussing issues about what makes an act internationally 'roadworthy'. The discussions focused on examining the skills and attributes that are critical to offshore success and techniques and strategies that could maximise an artist's potential abroad (NZMIC, 2005). Internationally, the first port of call for independent labels and business entities seeking export partners is the global music trade show network. The most important trade show is MIDEM, annually held in France attracting more than 9,000 people, followed by Popkomm which is held in Germany attracting over 10,000 people (Lathrop, 2003). These two trade shows are business partner orientated trade shows for the music industry only. The average expenses for an appearance at a trade show are around NZ\$3,000 (NZMIC, 2005). Besides MIDEM and Popkomm there are other trade shows such as CMJ Music Marathon, In The City, and North By Northeast (NXNE). The annual South by SouthWest (SXSW) trade show combines festival, conference and trade. It is held annually in

Austin, Texas (USA) and attracts 10,000 people including a broad range of artists, managers, media, record and publishing executives, agents and an array of music listeners. It hosts over 150 seminars and workshops and is the focal point for over 1,200 showcases by local and international bands.

4 Effects on New Zealand' Artists

4.1 Research Methodology

Initially the thesis topic appeared to lend itself to a quantitative approach, incorporating a regression analysis of the relationship between the business approach of bands and their success overseas. As shown elsewhere in the thesis, there is no reliable source available for up to date information that pertains to this area. Therefore, the researcher decided to compile a questionnaire that would enable the collection of the data necessary for the analysis. Due to the size of New Zealand's music industry and the relatively small number of musicians who actually export their music, the researcher decided that in order to gather sufficient information the sample group should be drawn from musicians who had done so within the last ten years. Further, given the large number of variables inherent in the research a high number of respondents would be crucial to the collection of representative data. However, as time passed it became clear that the majority of those sampled with the questionnaire had little interest in either completing or returning it to the researcher. Consequently, due to time constraints the focus of the thesis shifted to a more in-depth qualitative approach, which included interviewing, where possible, those subjects who had already shown their willingness to participate by completing and returning the questionnaire.

4.1.1 Sample

The majority of bands in New Zealand, either currently active or disbanded following some success, are represented on the internet by a wealth of sites that include biographical information. Consequently, web pages such as bands.co.nz, nzmusician.co.nz, amplifier.co.nz, nzmusic.org.nz, ripitup.co.nz, music.net.nz, soundz.org.nz, maoriart.org.nz, bfm.co.nz, bandsforhire.co.nz, noizyland.co.nz, musicmates.co.nz, cheeseontoast.co.nz, and reaction.co.nz acted as source material for the compilation of the sample group. The verified group eventually totalled 160. The list of all artists approached, including the method and frequency of contact is listed in table A5.

4.1.2 Ethical Considerations

The ethical considerations of this study relate to the way in which the questionnaire was conducted and to the confidentiality of the results. Once a list of contacts had been gathered through research into the New Zealand music industry, potential participants were either approached personally or contacted via e-mail or phone. The following details and assurances regarding ethical considerations were outlined to the participants in the covering note of the questionnaire (see 8.1 +8.2).

- The purpose of the questionnaire.
- What the respondent was required to do.
- That information would only be used for the purpose of the thesis.
- The researcher's contact information.
- Detailed instructions on how to complete the questionnaire.
- The deadline for the return of the questionnaire.

4.1.3 Limitations

Out of 160 cases, 148 questionnaires were sent out and 37 were returned, for a return rate of 25%. The data collected was interpreted by entering the results into the computer statistical package SPSS (Version 11.0). Due to the relatively small number of respondents the researcher deemed it inappropriate to conduct a multiple regression or factor analysis of artist's activities in certain target markets in relation to the financial outcome. The data collected only allows for descriptive analysis because the sample is simply too small to allow a statistical analysis. The initial aim of the questionnaire, to collect data showing the relationship between success in music export and business approach, management, label deal and export markets, was rendered unachievable by the poor response. In addition, none of New Zealand's most successful artists, many of whom have actually achieved some export success, responded to the questionnaire. This was either because they were not sampled or did not care to respond, due to insufficient research on the part of the researcher into how to appropriately contact artists who employ representatives to deal with the public. Furthermore, upon completion of the questionnaire process the researcher realised that even if there had been a more representative response, the questions asked were not sufficient to collect the data necessary to detail the relationships the thesis was intended to study. For example, the researcher did not ask crucial questions regarding funding that could have provided valuable information regarding the relationship between government aid and successful export. For these reasons, the quantitative data compiled through the questionnaire is statistically invalid and will only be used to describe general trends, taking into consideration the fact that the figures collected do not represent artists who have had major successes in the past.

4.2 Outcome Critical Factors of Success for Music Export

When constructing the questionnaire, the researcher included a list of 20 factors, drawn from a previous study of German music export that the researcher considered necessary for success in music export. Those sampled were asked to choose which they considered most important. Because the length of the thesis and the relative importance of each factor does not allow the space necessary to elucidate each factor in depth, only those which featured repeatedly in the sample group’s answers will be discussed.

Figure 4 shows the factors for international success chosen by artists with international experience. Two streams dominate, both with more than 14%; musical uniqueness and sound. Image, international contacts and other factors such as song-writing, different target groups and live qualities are represented by 8%.

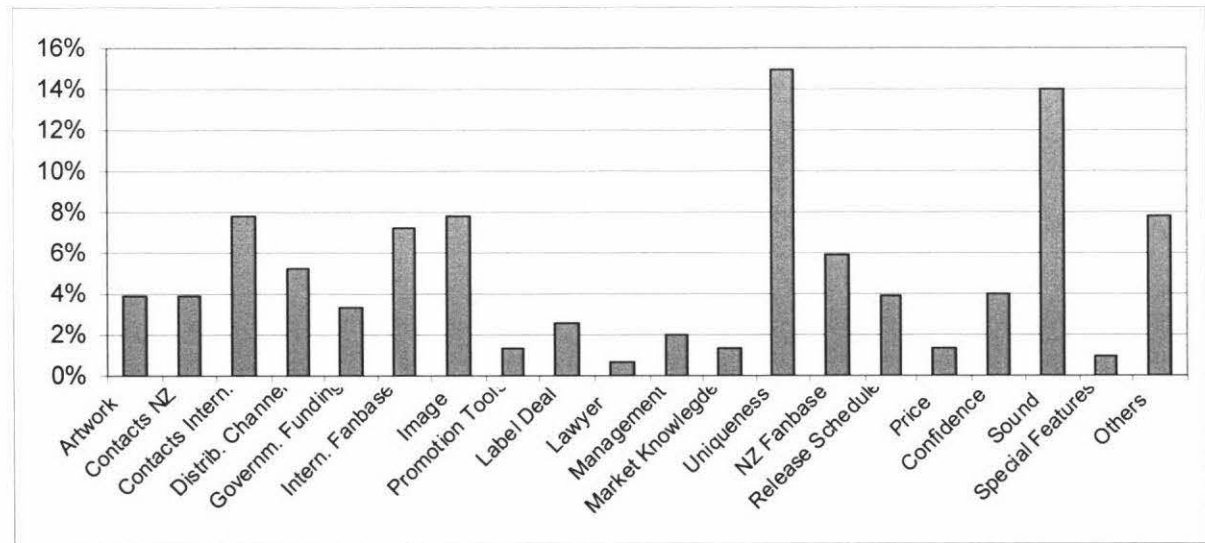


Figure 4. Factors of Success in Music Export

In addition to choosing the factors of success they considered necessary for export, participants were asked to give an example. Tables 1+2 show examples of answers musicians gave in explanation of their musical uniqueness and sound;

Table 1
Excerpts of Statement Describing Musical Uniqueness

Name	Description
Emerald Green	I think my music lies between the commercially viable songs on the radio and the songs that have “street credibility” because I haven't “sold out” My songs all have a good beat so you can dance to them, they have melodies that get stuck in your head and they have interesting lyrics that don't really mean anything. A lot of people have told me that they dislike dance/pop music in general, but they've found something different in my songs that make them ok to like and kind of intriguing
Betchadupa	We aren't making music that is so out there or ground breaking it's completely original but we definitely feel like our songs aren't your average 3 min verse chorus verse chorus pop songs and are quite often a bit bent or have a certain uniqueness about them that makes them our own
The Black Seeds	Unique/distinctive sound, original way of old music made new

Table 2
Excerpts of Statement Describing Sound

Name	Description
Dei Hamo	Maximum quality was the focus for the album
Yulia	Russian accent
Steriogram	distinctive sound, good live

Artists also highlighted the importance of international contacts to overseas managers, media and promoters. Some stated examples are shown in Table 3.

Table 3
Excerpts of Statement Describing Contacts Overseas

Name	Description
Breaks Co-op	Zane Lowe- member of MTV2 and Radio one/ Andy Lovegrove- respected English producer
betchadupa	My father is a well known musician in most of the western world so I suppose that definitely made us stand out from other young bands.
James Ray	I lived in London a couple of years before making my CD in NZ. So I knew I had contacts here when I came back. Not high-powered contacts, but friends and other musicians at least

Figure 5 shows that the most exported genres are Rock Music (14%) and Pop Music (13%), followed by Hip Hop and Electronic Music which have a representation of less than 10%. The category ‘Other’ is most frequently mentioned (19%) but includes popular sub-genres such as Reggae (8%), Funk (8%), Roots, Dub, World Music and Samoan Music (all with less than 3%).

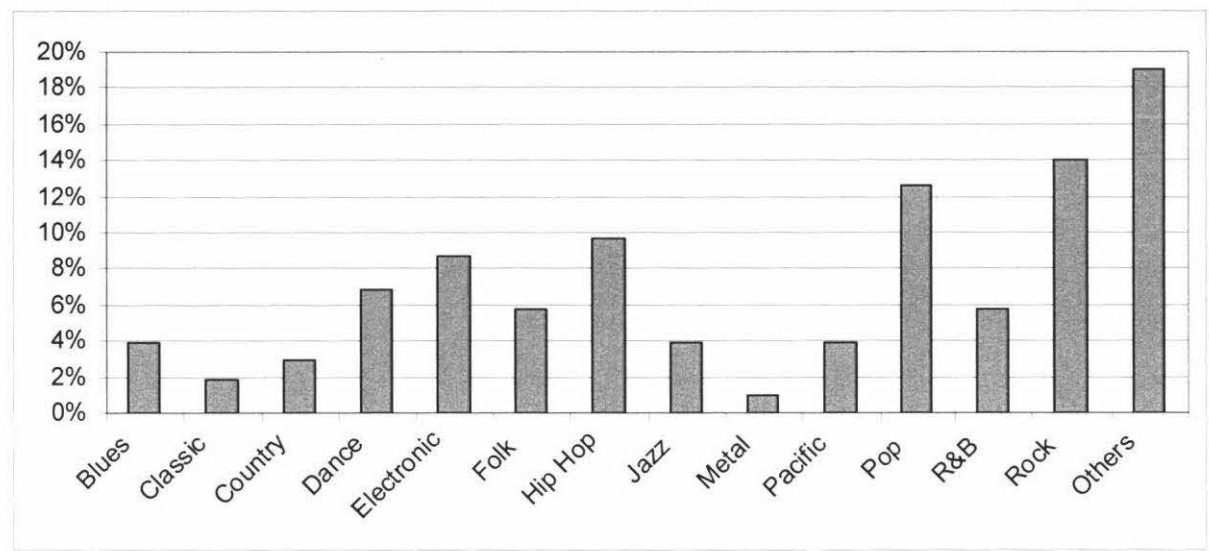


Figure 5. Genre of Exported Music

4.3 Outcome Strategy in New Zealand

Figure 6 shows that 43% of the New Zealand artists had a rough business plan with some stated and agreed goals before signing a record deal. Another 24% just played for fun without having formulated any clear business approach.

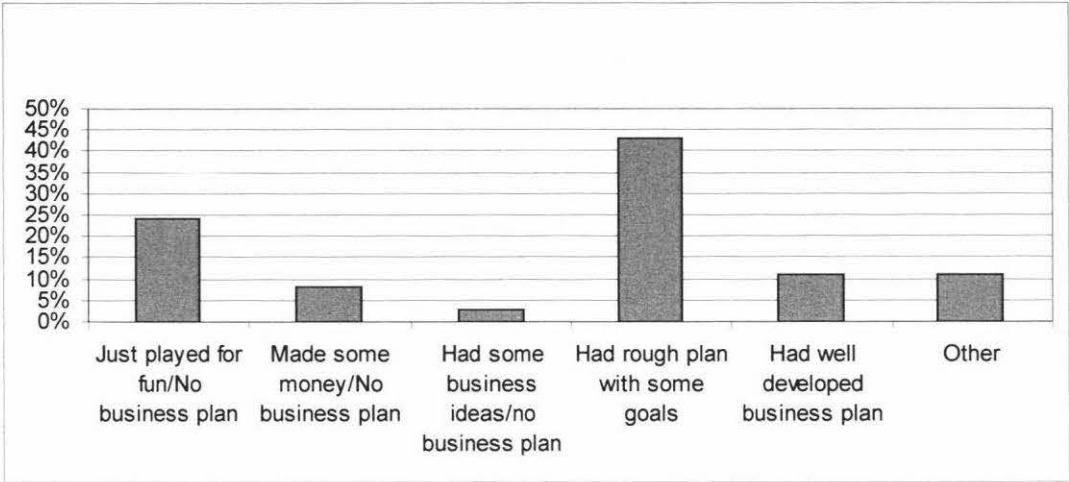


Figure 6. Business Approach of Artists before Signing a Record Deal

Figure 7 reveals that for 76% of the artists music export was a variable influencing their decisions regarding the signing of a record deal. Only 3% were not interest in music export at all. ‘Other’ refers to the fun-orientated approach of some Rock Music bands, who did not consider music a business (12%).

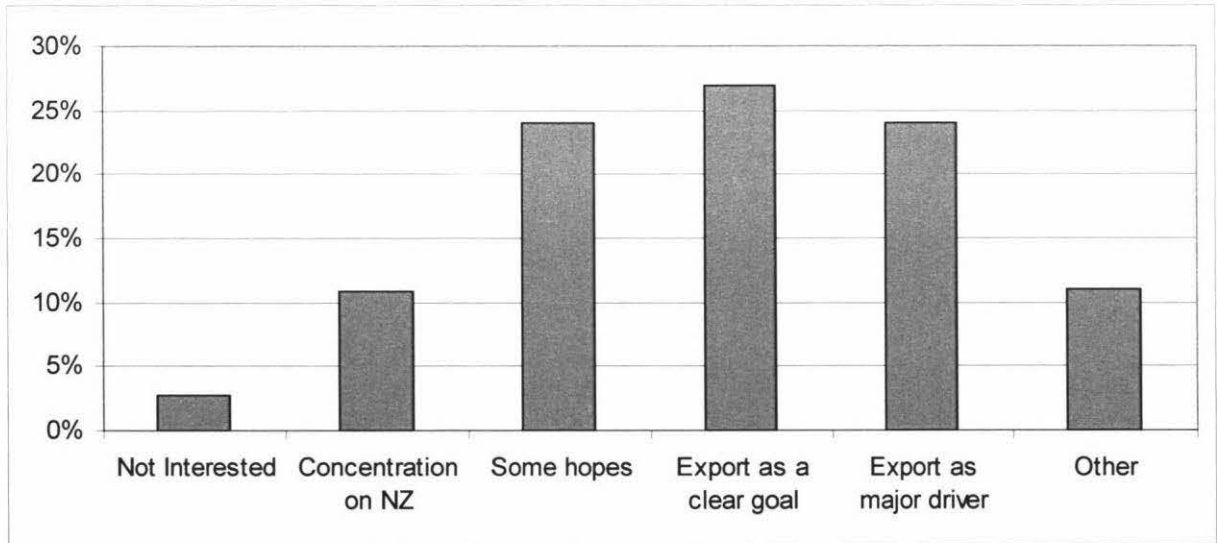


Figure 7. Export Intention before Signing to a Record Company

As Figures 6+7 show, the majority of artists who exported their music had a business approach (43%) and clear goals prior to exporting (76%). Bands such as Dei Hamo and Katchafire referred to music export as part of their “destiny and a dream come true”. However, the reality for most bands is that “being successful in the New Zealand music business remains a do-it-yourself affair unless you are one of the fortunate few to achieve high radio and television exposure and have a record company that believes in your export potential” (Newman, 2004).

4.4 Outcome Label Deal

Participants were asked about their recording deals, the labels they had signed to, their awareness of signing dictates, marketing and release strategies and the reasons they chose the labels they did. Although it would be interesting to see the relationship of label deal, record label and international success, a representative analysis and description of this relationship cannot be carried out due to the small number of respondents and because the study of this relationship would require the collection of detailed information that record companies do not generally want to give out, such as investment and profitability figures and export budgets. At this point only descriptions of trends can be made, based on the record label and its strategies which does not allow for a definite conclusion on successful music export. Figure 8 shows that 25-27% of artists who have exported their music are either licensed to a record label, direct signed or have a Package & Distribution deal. The small percentage of less than 10% of artists who are direct signed may be due to the small number of artists, direct signed to a major record company, returning the questionnaire.

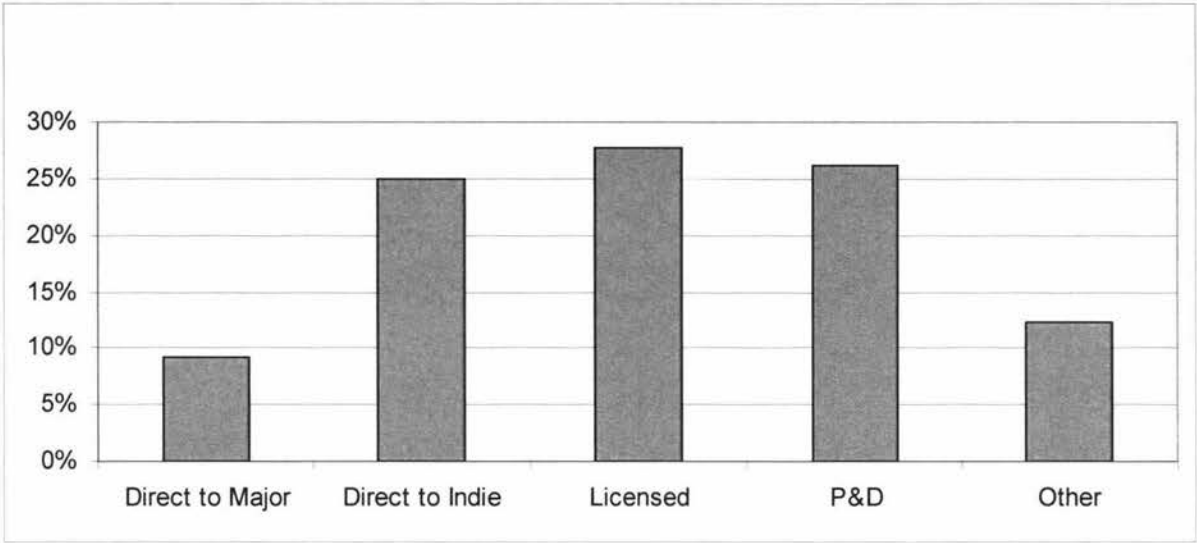


Figure 8. Label Deals of Artists who have exported their music

In addition, taking into account that 14% of the participants had their own label and a further 14% did not have a record deal, artists were asked to write a short explanation of how they got a record deal. Table 4 shows various examples of why either a signing or distribution option was chosen by the musicians.

Table 4
Explanation on Record Deal Decision

Name	Description
Cloudboy	Found no label that was interested in taking us on at the time. Since then, however, the independent release has proven lucrative – we carry manufacturing costs but get a 75% return of sales, which is 10-20 fold that of most signed bands
Jacky Tarr	Only offer that we got, and we didn't want to sign up with a record label, because we wanted full control of the music.
Misfits of Science	We did not want anyone to interfere with the music, so that was best option to be in control of music.

Studying the answers, it became clear that a key concern for respondents when choosing a record deal was independence and control over their music. Figure 9 shows that 41% of the participants were fully aware of the signing dictate of the label. The category ‘Other’

constitutes 30% of participants having their own record label and 8% not stating any awareness of signing dictates.

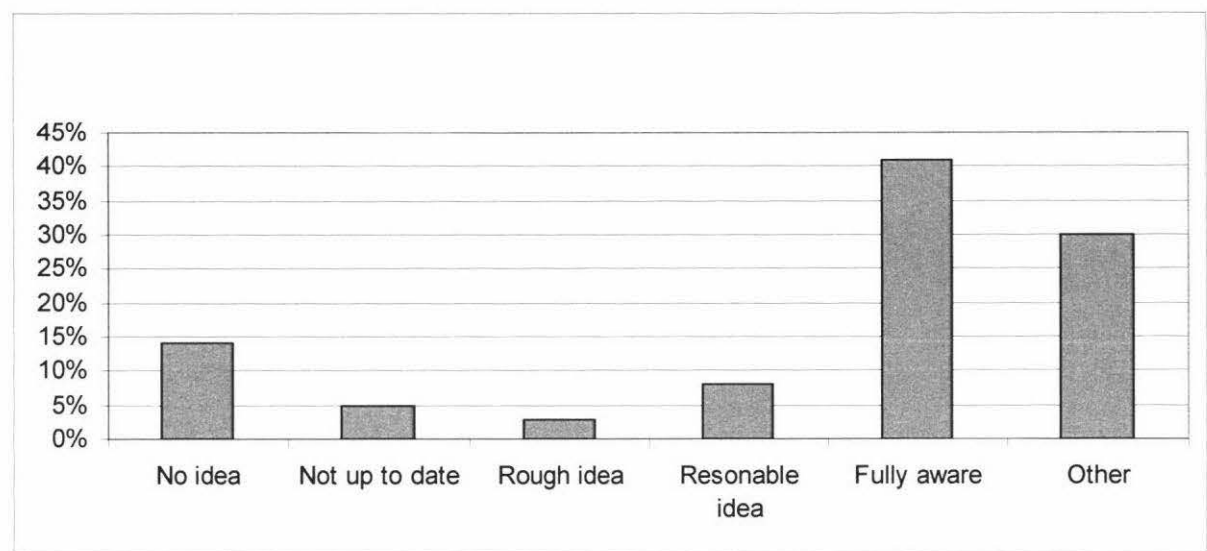


Figure 9. Awareness of Signing Dictates of a Record Label

Figure 10 shows that 57% of the artists were aware of the marketing and release strategies of the labels they signed to prior to negotiating a deal. The category of ‘Other’, at 17%, represents artists who have their own record labels.

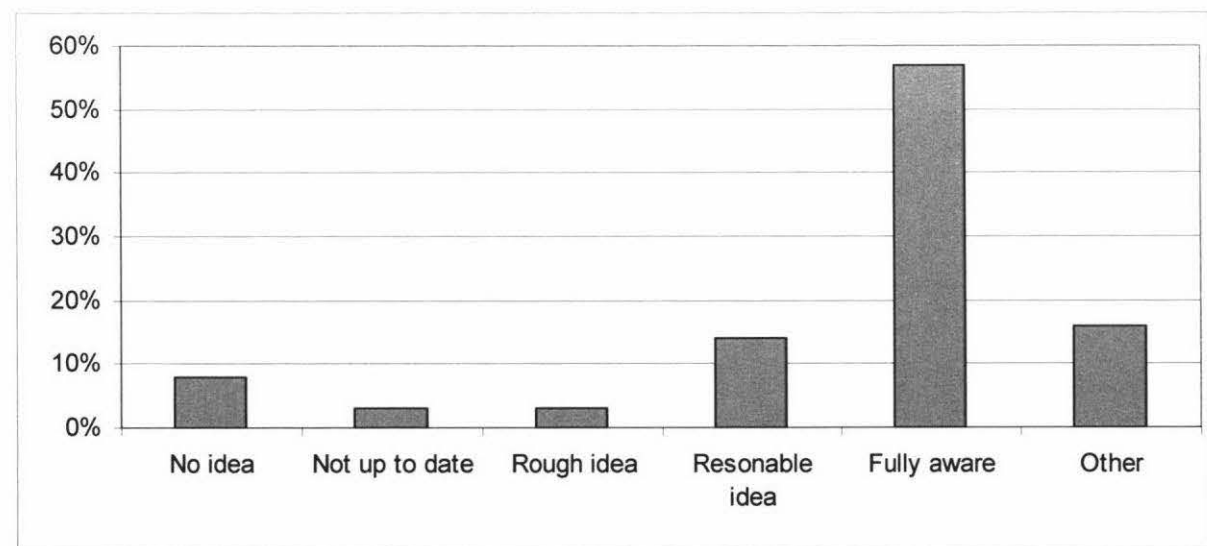


Figure 10. Awareness of the Marketing and Release Strategies of a Record Label

4.5 Outcome Export Approaches

Participants were asked to state their understanding of what constitutes music export. As revealed in Figure 11, the largest group (15-17%) see travelling, playing festivals, touring and album releases as main targets. The category ‘Other’, at 14%, saw making an impact in the overseas markets, making the band’s name a household in as many places as possible and sharing language, music and experience as important.

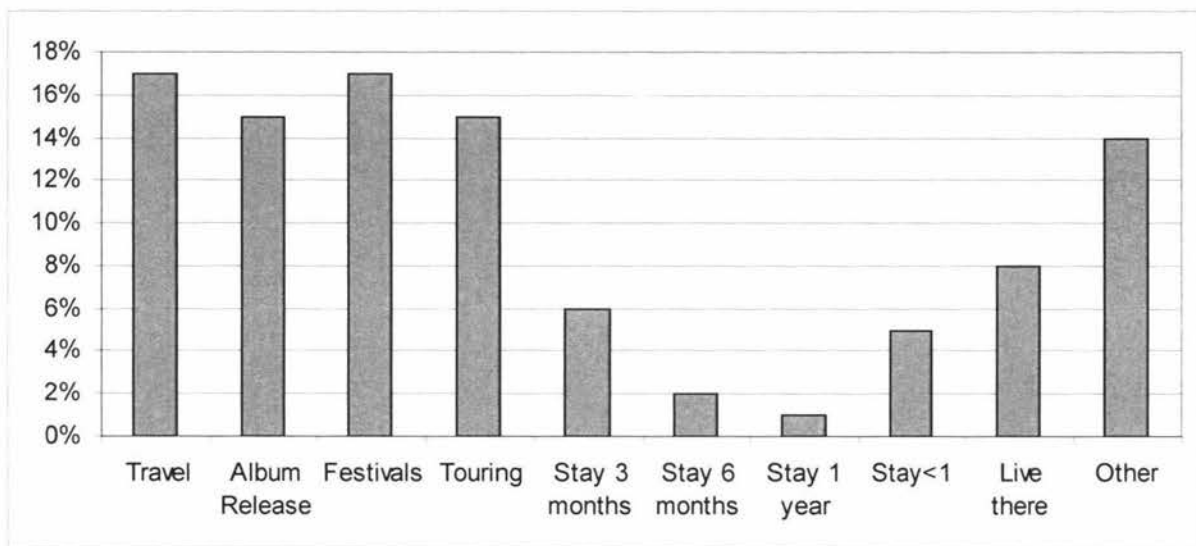


Figure 11. Meaning for the Artist of Exporting Music/Going Overseas

Figure 12 shows the sales expectations of musicians exporting their music/going overseas; 19% expected to lose money, 25% wanted to break even, 14% had not considered sales targets and at 31% ‘Other’ stated cultural targets rather than sales targets. No single respondent stated a gold or platinum certification as a sales target.

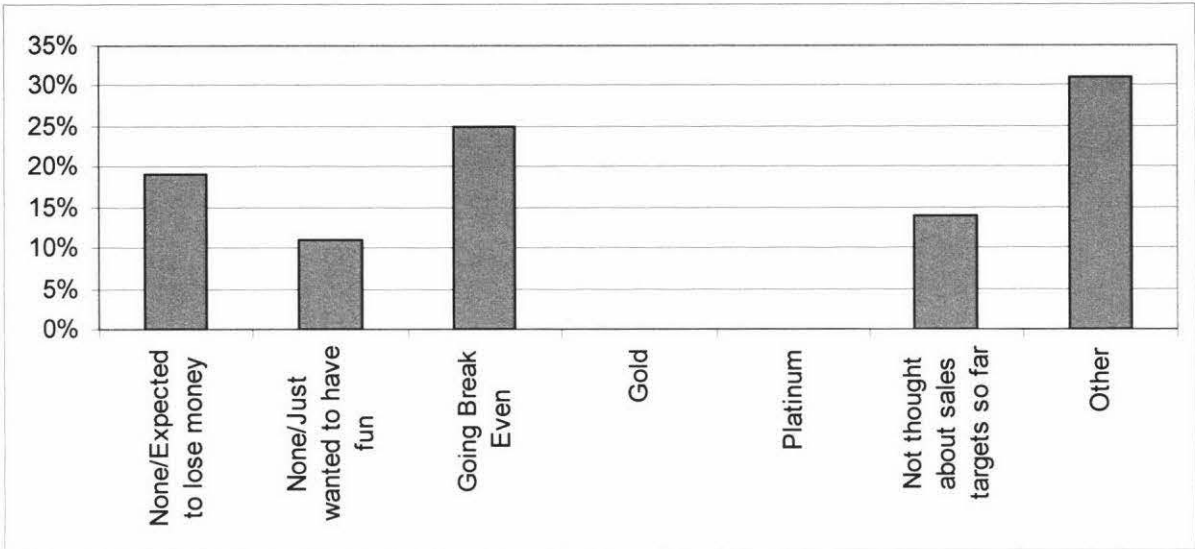


Figure 12. Sales Targets in the Export Markets

4.6 Outcome Management

The questionnaire asked participants whether they were supported by management prior to signing a record deal. Of those that replied, 43% were managed prior to signing and 57% were not. However, 22% claimed to be self managed, increasing the percentage of those with management support prior to signing to 65%. Of those that were managed, the majority (35%) described their relationship to their management as being supportive rather than directing (32%).

4.7 Outcome Personal Experiences of Exporting Music

The part of the survey designed to elicit descriptions of the experience of music export asked questions about the personal strengths and weaknesses artists may have discovered while being overseas and required artists to state three lessons learned through exporting music. They were also asked to make a statement about any new approaches they might consider for future export of themselves or their product. The information gathered lends itself to a summary of certain aspects of these personal statements; such as consequences, strengths and weaknesses. The other information compiled such as the three lessons learned is firstly too

personal and secondly too complex to summarise succinctly. For this reason, artist's comments have been listed in full (see Table 5-8).

Positive Consequences. Out of 37 participants, 33 gave an example of what they believed to be the positive consequences of exporting their music. The researcher has clustered 6 main categories to show trends. All categories reveal an improvement a musician has made in that field;

- Money (33%)
- Travelling (24%)
- Business Skills (21%)
- Fan Base (15%)
- Experiences/Fun (12%)
- Personal Skills (9%)

Negative Consequences. Within the sample frame of 37 cases, 23 people gave an example of what they believed to be the negative consequences of their exporting music. The majority of these can be grouped into five categories;

- Psychological Stress (39%)
- Too Expensive (22%)
- No Airplay (9%)
- No Impact in the Market (9%)
- Physiological Stress (9%)

When claiming psychological stress, artists mainly suggested the impact of what they considered adverse conditions, such as distance from home, family and friends.

Strengths. The researcher wanted to find out what strengths were developed by respondents though the exporting of their music. 84% of the participants answered the question. The majority of answers can be grouped into four general categories;

- Professionalism (55%)
- Confidence (35%)
- Performances (35%)
- Productiveness (10%)

Weaknesses. 59% of the participants stated what they considered weaknesses discovered during the process of touring overseas/exporting music. Besides discovering weakness in the quality of the product, they stipulated two more main areas pertaining to weakness;

- Lack of Personal Skills (41%)
- Lack of Support (36%)

The following four tables include valuable information about the musician's approach to export, the lessons they learned and what they would do differently if going overseas again. It must be noted that some comments are not to be taken seriously. However, those comments underline the nature of the music business as a creative industry dealing with art. Due to space, personal comments such as positive and negative consequences, and strengths and weaknesses discovered through exporting are found in Appendixes (A1- A4).

Table 5*First Lesson Learnt from Exporting Music (Artist's Perspective)*

Name	Lesson 1
Ardijah	Meeting other cultures & music & people
Baitercell	You need a lot of capital behind you to be able to take any big projects overseas, and NZ is small
betchadupa	Be good to the crew
Bex Riley	Don't fuck the people you want to work with
Breaks Co-op	Never spend any more than you have to, if possible spend non-recoupable label funds
Brother J	Big world
Cloudboy	Get a manager
Damian Binder	Takes a long time to build a following
Dei Hamo	To make sure the quality is more up to scratch
Donald Reid	You need to stick to it
Donna Dean	No matter what the genre, music crosses ethnic barriers
Ermehn	Good immune system, for drugs
Goldenhorse	Have to persevere
Goodshirt	Touring a country without a release is a big gamble
Jacky Tarr	Have realistic expectations
Jakob	Professionalism
James Ray	Best to base one's self directly in the market place that has the infrastructure and market potential for the genre
Katchafire	Customs and immigration
Khas the feelstyle	Make sure to have a proper package
Misfits of Science	That it is a totally different scene in Aussi
One Million Dollars	Just do it
Paul Garner	I am good enough
P-Money	The more I travel, the more I appreciate NZ
Steriogram	Learn business on international level
Tadpole	Have someone over there before you get there who knows the market and where to find good equipment
The black seeds	Album release before you tour
The Brunetts	That you can't rely on anyone
The D4	Enjoy it
The Greenmatic's	It's important to be able to move to different cities/countries when necessary
Trinity Roots	You have to find people in each territory who believe in your music. Better than major players who don't have a personal attachment to the project
Twinsset	We need to plan further in advance
Voodoo Maya	To have a high standard regards production level
Yulia	Work with the foreign market i.e. adjust if necessary

Table 6*Second Lesson Learnt from Exporting Music (Artist's Perspective)*

Name	Lesson 2
Ardijah	Working with other people.
Baitercell	Don't trust the English.
betchadupa	Every gig is as important as the next and you are only as good as your last show
Bex Riley	If you do (<i>see lesson 1</i>), don't let them know about the others
Breaks Co-op	You are held to account as regards your spending but as long as your name becomes known, you can always get another deal if your music is quality
Cloudboy	Get a manager
Damian Binder	No one gives a shit about you, so you better stand out
Dei Hamo	To be more focused on everything within the industry
Donald Reid	Relationships count
Donna Dean	It broadens your perspective
Ermehn	Make friends with all the dodgy people
Goldenhorse	Get timing right
Goodshirt	If you can not spend enough time in any one territory, it's very hard to keep a high profile.
Jacky Tarr	Not to overstretch yourself
Jakob	Hire good gear beforehand
James Ray	Understand how to adapt and work the market in which one is choosing to base themselves creatively
Katchafire	Business side to export, be sceptical and watch there are people out there who want to rip you off
Khas the feelstyle	Keep it balanced, follow your instinct
Misfits of Science	Not to expect anything
One Million Dollars	Make sure you only sign with people who are personally into your music
Paul Garner	It's possible
P-Money	You need to go to the territories as often as possible
Steriogram	How to deal with people
Tadpole	Have a onto it booking agent before you get there
The black seeds	Get someone in the industry before you get there (but might have to go before to find that someone that you trust and works well with you)
The Brunettes	That you should retain as much control as possible
The D4	Make friends
The Greenmatic's	You can't wait for it to happen, you definitely have to go out there and do it yourself because there's too many others who want it as well
Trinity Roots	Effective time management is essential, i.e. Preparation and planning pre-trip
Twinset	To consistently follow up every opportunity and contact
Voodoo Maya	Organisation skills have to be improved
Yulia	Everybody has an opinion on what you should be sound like depending on markets

Table 7*Third Lesson Learnt from Exporting Music (Artist's Perspective)*

Name	Lesson 3
Ardijah	Opportunity to travel (downside is to see poor countries where you can't help and see what you have when get back to NZ)
Baitercell	NZ music is developing in many styles and it's world class at the top level
betchadupa	Being good mates with your band members make it's easier to spend hours, days, weeks and months with each other
Bex Riley	They don't have to know your past (<i>see lesson 1 and 2</i>)
Breaks Co-op	Get a manager, know your label staff
Cloudboy	i.e., a network of local agents and managers who organise radio play, promotion, distribution deals, in-stores marketing, press presence etc
Damian Binder	Current state of music is the worst it has been
Dei Hamo	To make sure to have fun and never treat it like a job
Donald Reid	Play live
Donna Dean	You meet people/fellow musicians you never would otherwise
Ermehn	Take opportunities as they come
Goldenhorse	Be sure support home market, can't go and never come back
Jacky Tarr	Concentrate on regions not try to do all at the same time
Jakob	There are better looking women outside NZ
James Ray	Have and set realistic goal and milestones by which one is choosing to base themselves creatively
Katchafire	Choose your food wisely
Khas the feelstyle	Networking is crucial
Misfits of Science	Adjust to surroundings
One Million Dollars	When overseas, try to spend at least 75% of your evenings performing
Paul Garner	Keep working on it
P-Money	Remember to keep the music you make
Steriogram	Get experience that you can only get when you do it
Tadpole	Take a good soundman that you know with you
The Brunettes	That you should get out of NZ as soon as and for as long as possible
The D4	Take a toothbrush
The Greenmatic's	Don't give up just because somebody says they don't like your music. If you can't handle hearing it then don't read reviews or anything.
Trinity Roots	Good for the band to have a feeling of solidarity and shared belief in future of band, i.e. Momentum. Touring brings a new perspective – cultures, places, music...
Twinset	Preparation is the key. Learn as much as you can before you go.
Voodoo Maya	Media coverage is crucial
Yulia	Financial gain is not always possible

Table 8*What would artists do differently next time by exporting their music?*

Name	What to do different next time by exporting their music?
Ardijah	We would try to find a distributor over there before we get there
Baitercell	For certain styles distance means very little, for others it is a crippling hurdle
betchadupa	Nothing, we are enjoying the way we do things now and it seems to be working in the way we want.
Bex Riley	Use my sexuality to get more money
Breaks Co-op	Organise synchs for major motion pictures before the album is released
Brother J	Stay longer
Cloudboy	Secure a management structure beforehand and not expect to establish it on location
Damian Binder	I would have more gigs set up and more people set up to turn up to them.
Dei Hamo	Have no game plan?
Donald Reid	Tour as support existing solid act
Donna Dean	Sight see more!
Ermehn	Take more people (musicians) with me.
Goldenhorse	Not sure, nothing..
Goodshirt	Ensure I have enough funds to do it successfully with strong contacts and potential release.
Jacky Tarr	Taking a tour manager, not do it myself it gets too much. Think about a release strategy before releasing album and drink less!
Jakob	Being more organised
James Ray	Have and set realistic goals and miles stones by which to measure ones efforts
Katchafire	We would have more control over our merchandise and get a special tour manager who knows more about the markets
Khas the feelstyle	To be there! (1st album is an introduction, 2nd one is the ticket to the market)
Misfits of Science	Yes, approach will be different, a lot more steps, go more prepared and will go with a marketing plan & ready package to sell
One Million Dollars	Do it with the music under our own label. Take more/some samples and more/some CD stock/merchandise to sell.
Paul Garner	Ideally my next CD will be released as part of a record deal, with the marketing and distribution benefits that come with that.
Steriogram	Always try to be better, be more productive, be the best you can
The Black Seeds	Hopefully have album out, more promotion for tour, make more contacts and try to get festivals.
The Brunetts	Evaluate band members commitment.
The D4	Be more confident in my decisions
The Greenmatic's	I haven't yet, but when I do it will be through a record company, otherwise I'll have to much to do myself since I also manage the band, write all the song etc
Trinity Roots	Hook into an existing tour network, contacts and distribution. Practice makes perfect.
Twinset	Tour closer to the release date of our next album.
Voodoo Maya	to go overseas when there is enough money to ensure sufficient organisation such as pick ups from the airport, taxis, etc

5 Comparison of Selected Music Markets to New Zealand

This section will describe the Australian and Canadian music markets in terms of music industry data, governmental support and industry support to the music industry. Every market will be compared to New Zealand to discover strengths and weaknesses of support methods in New Zealand.

5.1 Limitations

In 2004, the Australian Council published a working paper on how to approach a cross-country comparison of cultural statistics that points out key problems inherent in this type of comparison, including definitions of the arts varying between countries, the difficulty in accounting for both direct and indirect sources of arts funding and the fact that exchange rate conversions do not take into account the very real differences in cost of living between countries (Australian Council, 2005). Due to these factors, none of the monetary values in the following descriptions or comparisons of Canada or Australia are converted into New Zealand dollars. Comparisons based on monetary values would be largely meaningless for the reasons stated above.

However, although the Australian Council has illuminated these key problems inherent in the comparison of markets there are still areas that bear comparison. The volume and the nature of funding and support in a country speak greatly to the way that a country perceives itself culturally. This cultural aspect of Arts based funding in any country will naturally be affected by geographical and social realities, such as the physical size and relative wealth of a market and the logistical issues arising due to this size or the ethnic construction of that country's population. The success of a Government's Arts policy, taking into account the size and construction of a market, can clearly illuminate what kind of policies achieve results. The interrelation of markets is an actual fact of the global marketplace and as such it is both

natural and necessary for the governments of markets that interact to draw parallels when questioning the efficacy of their policies.

5.2 Australia

5.2.1 Facts and Figures

According to IFPI (2005), Australia is the 8th biggest music market worldwide with a total wholesale market value of approximately AUS\$550 million. Spurred by a piracy rate of 10%, sales of physical recordings have continued to fall, with annual CD sales down 9.8% in total in 2005, incorporating a decline of just over 4% in volume for CD albums. This result underscores the ongoing highly competitive retail environment for entertainment based products, including competition from DVDs and Console Games (ARIA, 2006). DVD Music Video sales fell for the first time in 2005, by 16% in value, indicating that the formats' previously steep growth rate had been driven by rapid adoption of the DVD player (IFPI, 2005). Unsurprisingly, with a broadband penetration rate of 68% in 2004, the digital music market is set for growth in Australia, with several legal download services now launched, including iTunes in late 2005. The wholesale value of the digital market in 2005 was almost AUS\$8 million (or around 1.5% of the overall value of the wholesale market). Amazingly, 34% of that overall value was earned during the last two months of the year following the October launch of Apple iTunes. These early results point to the likelihood of significant growth in the digital market during 2006. In recognition of the explosion of digital sales, ARIA will launch a digital download chart in 2006 (ARIA, 2006).

5.2.2 Government Support

Under the aegis of its arts policy the Australian Government supports a “vibrant and diverse arts and cultural sector through policy advice and programs that promote cultural excellence, sustainability and access for all Australians” (DCITA, n.d.). This includes support for visual arts and crafts, performing arts and exhibition touring programs, festivals, the contemporary music touring program, national arts training, and regional arts organizations (DCITA, n.d.). This Government funding for the music industry is channeled through its main arts funding and advisory body, the Australia Council, and through the Department of Communications, Information Technology and the Arts.

DCITA. The Department of Communications, Information Technology and the Arts administers three main programs; Tax Incentives, the Contemporary Music Touring Program and Playing Australia.

1. Tax Incentives. The Register of Cultural Organisations is allowed to offer tax deductions to donors who invest into cultural bodies. These bodies have to be established primarily for a cultural purpose and have to be a limited company, an incorporated association, a trust, or a statutory body. “The Register’s provisions are contained in subdivision 30-F of the *Income Tax Assessment Act 1997*, and apply to cultural bodies appointed to the register from March 25th, 1991. Donations made to registered cultural organisations are given a 100% deduction from taxable income” (DCITA, n.d.). To date, over 1000 organisations have been registered. Table 9 shows, that since the inception of the Register, music organisations have received AUS\$69.7 million in donations. In addition, AUS\$65.3 million has been allocated to performing arts venues, music teaching and services.

Table 9.
Donations under ROCO 1991-2004

Organization Type – Music	Amount AUS \$)	Organization Type – Performing Arts Generally	Amount AUS \$)
Music Teaching	1677593	Venues	25800935
Audio/Recording and Publishing	394582	Teaching	8207919
Opera and Music Theatre	38430096	Services	31347916
Popular and Music Performance	490662		
Primary Music Creation	564088		
Symphony/Chamber/Choral Groups	22634743		
Festivals	5556358		
Total	69748122	Total	65356770

Source: Mandeville, 2005

2. Contemporary Music Touring Program. With a budget of AUS\$1 million over four years, the program aims to increase Australian audience access to live Australian contemporary music, particularly in rural and regional Australia, by increasing commercial opportunities for Australian musicians through support for tours of live performances. Assistance is available to all professional members of the contemporary Australian music industry through a direct grant system. Grants are available to cover all touring costs, including accommodation, equipment hire, travel and freight. Applications are assessed by an expert committee that then makes recommendations to the Minister for the Arts and Sport (DCITA, n.d.).

3. Playing Australia. Since 1992, this program has supported or partially funded Australian tours by local performing arts companies and artists. Federal grants are available to companies, producers, venues, and presenters whose work makes Australian culture more accessible to Australians. Funding takes the form of a direct grant or a so called ‘guarantee against loss’ (GAL). Under this guarantee the

Government agrees to reimburse loss making projects, already within the grant process, up to a prearranged amount. These losses generally take the form of transport fares, freight, allowances and accommodation (DCITA, n.d.).

Australia Council for the Arts. This council was created in 1975 to foster the development of the arts in Australia through grants, services and awards to professional Australian artists and arts organisations. The number of grants given annually is approximately 1,700. In addition, it advises the Minister responsible for the Arts, who informs the Commonwealth Government (DCITA, n.d.). The council is in charge of the following programs: The Music Board, Business and Market Development, and the Contemporary Music Development Program (DCITA, n.d.).

The Music Board. The Music Board manages all Arts Council programs in the music arena. It aims to “support works of the highest quality across the broad range of Australian music practice through grant programs and special initiatives” (Australia Council, n.d.). ‘Highest quality’ is defined as work that has demonstrated excellence, is developmental or has demonstrated potential (Australia Council, n.d.). The Music Board administers 10 different grants, briefly described in the following (Australia Council, n.d.).

- **New Work.** There are two types of New Work grants: one to support emergent creative artists and one to support established creative artists. Costs associated with a project’s creative development can be included in the application, including professional fees, travel, and a justifiable amount of administrative costs.
- **Presentation and Promotion.** This fund supports efforts that increase opportunities for Australians to experience the arts. Funding is available for singular projects that present, publish, distribute and/or market quality music of any style. There are two types of grants available for presentation and promotion purposes and further grants

available for other projects. The former covers some or all of the expense incurred by CD recording, manufacture and distribution, and the latter includes touring costs within Australia; festivals, showcases, publications and marketing.

- **Skills and Arts Development.** This grant supports the ongoing professional development of artists and artistic practice; periods of professional study, overseas opportunities, residencies, master classes, and mentoring between a developing artist and an experienced artist.
- **Triennial Grants.** This grant assists a limited number of outstanding organisations, which must be previous recipients of Australia Council grants, to advance the public's understanding of Australian musical culture.
- **Fellowships.** The Fellowship gives proven artists the opportunity to devote two years to creative work and professional development by providing AUS\$40,000 per year for two years.
- **Partnerships.** This grant fosters strategic partnerships between artists and organisations that normally would not align. Examples of partnership activity may include a residency by an artist, group of artists or ensemble within a non-arts organisation such as a research institution; a partnership between artists and an arts council or regional centre which would give artists access to specific communities or networks; and a partnership between an artist and a media organisation which would give artists access to technologies and marketing tools.
- **International Pathways.** This joint initiative between the Australia Council for the Arts' Music Board and its Audience and Market Development Division aims to provide strategic support for international activity by offering greater long-term benefits to the artists, the art form, and international market development. The maximum total request per application is AUS\$20,000.

- **International Residency.** In 2004, for the first time, the Music Board offered a fully funded 3-month residency at the Australia Council's Arts Studio in Paris. It gave a music artist or art worker the opportunity to complete a period of professional development with accommodation expenses, an allowance towards travel and living expenses paid by the Council.
- **Program Grants.** The Arts Council offers several one-year grants to organisations that enrich the quality and diversity of music practice in Australia. Successful applicants must provide programs that involve young people, offer services that develop music practice in Australia and present a significant annual event.
- **Young and Emerging Artists' Initiative (bUzz 2004).** This flexible funding program distributes grants up to AUS\$2,500 for applicants under the age of 26 who have not previously received support from the Arts Council. The funding can cover performance, recording or professional development costs.
- **ABC National Radiophonic Residency.** This six-month residency for new media artists with ABC Radio National in Sydney is set to commence in April 2007 and will welcome proposals from across Australia. The residency will provide artists with resources and space within a broadcasting environment and may result in specific installations and performance.
- **Project Fellowships.** In 2006 three Project Fellowships were offered to artists for significant creative and developmental projects that benefited artistic development and contributed to musical practice in Australia. The application process was open to individual applicants with a particular focus on Indigenous artists and projects involving Youth. Project Fellowship applicants were not eligible for New Work, Skills and Arts Development or Fellowship grants.

Business and Market Development. The council has invested over four years into the Association of Independent Record Labels and the Music Manager's Forum. These are the key independent organisations which push the independent music sector in Australia. The council also provides funding to allow music industry players to attend international trade shows. In addition, the program makes sure that rural areas have equal access opportunities to artists and its representatives, including national and international fairs (DCITA, n.d).

CMDP. Even though the Contemporary Music Development Program was only launched in 1998 and stopped after four years, some of its key strategies had a significant impact on the development of the contemporary music sector in Australia. The program provided 'Export Marketing Advances'; repayable loans to music managers and independent record labels to foster the development of overseas markets for their signed artists. An 'Australian Exposure Program' grant was given to music industry companies to endorse Australian music at overseas trade shows. An International Pathways program provided grants to support the international touring and market development activities of Australian artists (Alston, 1998; DCITA, n.d.). In addition, the CMDP administered a national statistical research project which generated a comprehensive statistical outline of the contemporary music industry; a Contemporary Music Working Group that worked to identify and implement a process or structure to provide long-term support, integration and opportunities for the Australian contemporary music industry; and an organisation called Australian Music Online which is a comprehensive web resource that effectively promotes new Australian music across the digital domain through an extensive network of content sharing partnerships (AMO, n.d.).

CARP. The Culture and Recreation Portal of the Australian Government provides access to online services and information in the fields of culture and recreation, from all levels of government and the non-government sector. It provides access and search facilities for over 3,600 Australian culture and recreation websites, as well as online resources such as news and

events from the Australian culture and recreation sectors, an Australian culture newsletter, internet development resources, and Australian stories on specific topics about Australian history and culture (CARP, personal communication, November 22, 2006).

AMC. The Australia Music Centre was founded in 1974 as the main resource for compiling information, publications and musical scores relating to Australian music (AMCOZ, n.d.). The centre is financially supported by the Music Board, the New South Wales Ministry for the Arts and other arts agencies such as Creative New Zealand and The Song Company for certain projects. It administers projects which support the presentation and development of Australian music including awards, prizes and composer development initiatives. The Centre represents and assists more than 450 Australian composers' both nationally and internationally. It publishes a bi-annual journal, monographs, music scores and resources relevant to students and teachers studying Australian music, including 'teacher kits & repertoire'. In 2005, the Music Centre opened a shop and library providing public access to a unique collection of over 20,000 works of sheet music and recordings (AMCOZ, n.d.).

5.2.3 Industry Support

APRA and AMCOS. These organisations operate in both New Zealand and Australia and are explained in Section 3.2.2.

ARIA. The Australian Record Industry Association, Ltd is a "trade association of major and independent record labels, manufacturers and distributors" (ARIA, n.d.). The Association acts as an advocate for the interests of more than 100 member record companies, both domestically and internationally, by compiling industry information and views and acting as a focus group for the recording industry. It administers the annual national ARIA Music

Awards and 'Support Act Limited', a benevolent fund for members of Australia's music community experiencing financial difficulty (ARIA, n.d.).

AIR. The Association of Independent Record Labels, founded in 1996, is the trade body representing Australia's independent recording sector (AIR, n.d.). The Association is funded in part through the Australia Council's Audience and Market Development Division and works with government to promote policies that benefit the industry. Air's primary goals are fostering a commercially viable independent recording industry in Australia and acting as an advocate for its members' interests and beliefs (AIR, n.d.).

AMPCOM. The Australian Music Performance Committee supports Australian music through monitoring adherence to voluntary industry codes. "The purpose of this code is to promote the role of broadcasting services in developing and reflecting a sense of Australian identity, character and cultural diversity, by prescribing minimum content levels of Australian music, in line with the objectives of the *Broadcasting Services Act 1992*" (ARIA, 2005). The committee is comprised of an independent chairperson and representatives from the Federation of Australian Broadcasters, the Australian Record Industry, the Australian Music Publishers Association, AUSMUSIC, the Musicians' Union of Australia and the Media Entertainment and Arts Alliance (ARIA, 2005). The Committee's objectives are "to maximize the exposure of Australian music on commercial radio; to monitor the voluntary Australian Music Code of Practice; to oversee the music industry's production of Australian music performances and composition; to monitor the effects of the code on performers, composers, producers of sound recordings, musicians and broadcasters; and to review the code and propose changes where the Committee sees fit" (ARIA, n.d.). According to AMPCOM (2005), stations with Mainstream Rock, Album Oriented Rock, Contemporary Hits, Top 40 and Alternative formats are informally required to program 25% Australian content; Hot/Mainstream Adult, Contemporary, Country and Classic Rock Stations are required to

program no less than 20%; Soft Adult Contemporary, Hits and Memories, Gold and News Talk/Sports Talk stations should program at least 15%; Oldies, Easy Listening, Easy Gold and Country Gold are expected to play not less than 10% and niche format stations such as Nostalgia, Jazz or Smooth jazz must play not less than 5%. These quotas are negotiable depending upon the availability of suitable Australian music for programming (AMPCOM, n.d.). A major focus of the revised code is its commitment to licensees supporting new Australian music⁵. The code requires a substantial part of three categories' quotas to be constituted with new Australian music; Mainstream Rock 25%, Country 20% and Soft Adult Contemporary 15%. Licensees who do not program new music are not expected to meet these requirements.

Each year The Federation of Australian Broadcasters (FARB) is entitled, under the code, to negotiate their new Australian music quota content with AMPCOM based upon the Recording Industry of Australia having produced a similar or greater level of new product than the year before. If there is a substantial decrease in the production of new Australian music in any year, the code allows for a revaluation of the new music portion of each format's local content quota.

AMRAP. The Australian Music Radio Airplay Project is a community radio initiative that works with musicians and community broadcasters to create increased radio airplay opportunities for contemporary Australian music (AMRAP, n.d.). The project is funded by the Commonwealth Government through the Community Broadcasting Foundation.

PPCA. Established in 1969, the Phonographic Performance Company of Australia is a national, non-profit organisation that represents the interests of record labels and Australian recording licences. The organisation grants licences for the broadcast, communication or

⁵ 'New' means a sound recording of a previously unpublished performance of a musical item performed by an Australian which has been on sale to the Australian public for a period not exceeding 12 months from the date of its initial release in Australia (AMPCOM, 2005).

public playing of recorded music and currently licences more than 35,000 venues across Australia, including radio and television stations, clubs, hotels, bars, restaurants, gyms, shops, halls and dance studios (PPCA, n.d.) The PPCA Performers' Trust Foundation, which was established in 1975, is funded by the PPCA and invests in performances for charitable institutions such as hospitals; scholarships for the promotion of musical and theatrical education in the general public and provides assistance to beneficiaries unable to care for themselves (PPCA, n.d.).

IRR. International Royalties Rescue was initiated to “administer the recorded performance remuneration right for performers, ensuring Neighbouring rights income is administered effectively and performers and their representatives are informed of the facts facing many artists’ international income” (AMO, n.d.). That is, the right for performers to receive remuneration whenever a recording they have appeared on is broadcast or played in public in international territories.

SCALA. The Songwriters, Composers and Lyricists Association Inc. of South Australia is a non-profit, voluntary, incorporated association established in 1987 for artists of any style of music (SCALA, n.d.). Funded by member subscriptions it does not normally receive government grants. SCALA encourages the activities of song writing, composing, and lyric writing by providing information and support to members through activities such as workshops and seminars. The organisation encourages and assists the employment of members by providing a service that enables members to collaborate on innovative musical projects which, in particular, bring composers together with lyricists for the express purpose of creating innovative music for commercial applications. It does this by offering its members a wide range of events; such as ‘open mike’ nights, radio programs, free music festivals and other events that allow them to interact artistically whilst forging business relationships (SCALA, n.d.).

5.2.4 Comparison to New Zealand

Because of the size and proximity of the Australian marketplace and the opportunities it affords, it is a natural choice as an export focus for New Zealand artists. According to RIANZ CEO Campbell Smith, Australia is usually the first market that New Zealand artists attempt to export their music into due to the geographical closeness of Australia to New Zealand (personal communication, May 27, 2005). Because of this fact and due to long standing commercial ties with Australia, both the New Zealand government and trade organisations have formed mutually beneficial co-operations with Australian music sector entities. APRA is the most telling example of these co-operations, being based in Australia whilst maintaining a branch in New Zealand. This arrangement largely benefits New Zealand artists due to the increased size of the joint administration representing them. Creative New Zealand and the Australia Council for the Arts run several projects in cooperation, including the TransTasman Composer Residency Exchange and Fuel4arts. The Australian Music Centre, in collaboration with SOUNZ the Centre for New Zealand Music, established the Trans-Tasman composer exchange residency in 2003 to further develop musical relationships between the two countries (AMCOZ, n.d.). In addition, Culture and Creation maintains several partnerships within the creative industry of New Zealand and Australia, working with agencies such as Creative New Zealand and the NZMIC. In the private sector Trans-Tasman companies such as Lion Nathan support both the New Zealand and Australian music industry through support for festivals such as the Big Day Out.

Despite these co-operations, Campbell Smith contends that the Australian market exhibits marked differences to the New Zealand music market (personal communication, May 27, 2005). The most obvious difference between Australia and New Zealand is the economic size of the Australian market and its ranking in the global market in relation to New Zealand; 8th and 35th respectively. Also telling is the relation of domestic music content to international

content. Australia has about 10% less international content in the charts than New Zealand, resulting in a higher percentage of domestic content (IFPI, 2005).

The structure of funding schemes, criteria for funding eligibility and application processes in Australia are similar to those in New Zealand but the number of grants administered in Australia is larger and more diverse. In Australia, there are over 1,900 grants and services from over 1,200 organisations. This includes shire councils, state government art bodies and private providers (DCITA, n.d). In 2005, over 4,700 musicians applied for a grant. The annual report of the Australia Council 2005/2006 outlines a support for music, including opera, of AUS\$71 million. This total constitutes 50% of all monies spent on Government supported art forms. The amount of funding awarded to successful applicants ranges from AUS\$500,000 annually for the Contemporary Music Touring program to smaller grants such as the Young and Emerging Artists' Initiative.

New Zealand Government funding to the wider music sector over the past three years totals approximately NZ\$75 million. In addition to this, an average of over NZ\$5.14 million in Government funding has been provided directly to the contemporary music industry each year since 2001. In the financial year 2005/2006, Creative New Zealand received 1,578 applications and offered 473 project grants totalling more than NZ\$7.3 million to artists and arts organisations. Of these, 266 were applications for music funding. The Arts Board was able to fund 77 (29%) of them, with grants ranging from NZ\$1,300 to NZ\$40,000 (Creative New Zealand, 2006). NZ On Air spent NZ\$4.9 million in total on their campaign to get more New Zealand music played on the radio (NZ On Air, 2005) and the NZMIC received NZ\$1.3 million from the Government for the same 12 month period, NZ\$500,000 of which was for the Outward Sound international music marketing & touring program (C. Andersen, personal communication, December 21, 2006).

Both countries maintain a strong funding base for indigenous artists. In 2005/2006, the

Australia Council provided funding of approximately AUS\$6.5 million to Aboriginal and Torres Strait Islander Arts. This figure was comprised of 151 grants, 33 for individuals and 118 for organisations (Australia Council Annual Report 2005/2006). This National funding for Indigenous Arts is supplemented by State funding, such as the **Indigenous Regional Arts Development Fund (IRADF) in Queensland (Arts Queensland, 2006)**.

In New Zealand the Maori Music Industry Commission, the Maori Broadcasting Funding Agency (Te Mangai Paho) and the Te Waka Toi arm of Creative New Zealand work to develop and support the national Maori music industry. In 2005, Te Mangai Paho distributed funding of approximately NZ\$270,000 for the production of music CDs (Te Mangai Paho, 2006). Te Waka Toi offers New Work grants for musical works that promote Maori language (Creative New Zealand, 2006) and NZ On Air supports Maori music through its funding of Iwi stations and the creation of Maori music promotional materials (NZ On Air, 2005). The main difference between the two markets in regard to Indigenous music stem from the Australian Government's focus on building local touring and the benefits this provides to all Australian musicians.

The Australian Government funds a number of incentives that aim to promote successful tours of Australia by Australian musicians. The Department of Communications, Information Technology and the Arts, in line with its aim to "support works of the highest quality across the broad range of Australian music practice" (DCITA, n.d), administers three programs that directly effect touring; Tax Incentives, the Contemporary Music Touring Program and Playing Australia. Between 1992 and 2004 the Department offered tax deductions to a multitude of bodies, who in total donated approximately AUS\$67.7 million to music organisations. Another AUS\$65.3 million has been donated to performing arts venues, teaching and services generally. The Contemporary Music Touring Program offers AUS AUS\$500,000 per annum to a wide range of successful applicants in the form of direct

funding and Playing Australia offers 'loss guarantees' to touring parties or productions (Mandeville, 2005). Supplementary to this, The Music Board administers a presentation and promotion fund that includes a local touring cost component.

It is the nature of the activities carried out by the DCITA and the way they interrelate that makes them different to any offered by funding bodies operating in New Zealand. The Australian government hopes, by fulfilling the aims of its music funding policy, to increase Australian audience access to live Australian contemporary music, particularly in rural and regional Australia, by increasing commercial opportunities for Australian musicians through support for tours of live performances (DCITA, n.d.). Although the New Zealand Government, through its agency Creative New Zealand, states as one of its aims the maintenance and growth of existing audiences and the development of new audiences for New Zealand-made music, there is no singular body or program that concentrates specifically on growing local touring opportunities for musicians. Creative New Zealand will offer substantial grants for local touring, as it did to Fat Freddy's Drop in 2005 when it offered them NZ\$19,000 to develop their touring network in New Zealand, but does not maintain an arm expressly for this purpose (Creative New Zealand, 2006).

The tax benefits offered to donors to The Arts in Australia are constantly being reviewed by the DCITA, who are investigating ways that the Australian Government can encourage greater philanthropy for the charitable sector through enhanced income tax provisions. The DCITA has done this by initiating discussions with other countries that provide tax benefits for Arts donors, such as Singapore, France and Germany (D'Art Report, 2003). It has done this in partnership with The Centre of Philanthropy and non-profit studies, whose stated purpose is to educate and resource a new era of philanthropy in Australia. In 2002 a paper commissioned by the two organisations suggested that there has been a natural dependence of the arts on Government in Australia because of two factors: the strong role of Government in

ongoing programs of support, and the lack of skill of many arts organisations generally in how to seek and sustain donors. Through the DCITA, the Australian Government is seeking to create a culture of philanthropy akin to that of the United States, where arts organisations are not necessarily reliant on Government funding to survive (Fishel, 2002).

These targeted programs and the Government policy that informs them have no counterpart in the New Zealand Government's arts policy. The Labour Government has clearly stated that it does not intend to introduce tax incentives for sectors targeted for growth, amongst which is included the New Zealand arts industry. Rather, it has suggested that Government and business work together to identify roadblocks to growth, and work in a co-operative way to unlock them (Cullen, 2006). In October 2006, it invited submissions from the public regarding the feasibility of adopting the type of tax deduction structure employed in Australia. The focus of these discussions, however, is not Arts philanthropy and is rather focused on individuals giving their time and relatively small amounts of money to charitable organisations. At present, individuals can claim a rebate on donations of up to NZ\$1,890 and Companies and Maori authorities can claim deductions for donations they make, although the deductions cannot exceed five percent of the net income of the company or Maori authority (Dunne, 2006). In contrast to this, in 2003 the Australian Government set up Artsupport Australia, an organisation dedicated to promoting philanthropy in the Arts. Amongst its many programs, Artsupport offers one-on one mentoring to develop and grow philanthropic funding sources and assists with the preparation of grant applications and building relationships with the philanthropic sector. It also makes presentations to arts boards and seeks to educate and inspire them to become more actively engaged in philanthropic fundraising (Artsupport Australia, n.d.).

The Australian Government also actively supports the creation of charitable foundations, which require an initial outlay of between AUS\$250,000 and AUS\$1 million to set up (Philanthropy Australia, n.d.). The large amounts of money donated to the Arts in Australia

since the introduction of these tax deduction policies has understandably affected the number and quality of live venues in Australia that musicians, both professional and amateur, have access to. The Creating Heat Report warned that New Zealand was sorely lacking in circuit venues in the 100 to 300 person capacity, suitable youth orientated / family venues and venues that can operate without noise control restrictions (Creating Heat Report, 2004).

In contrast with Australia, the New Zealand Government focuses strongly on building an infrastructure designed to promote the growth of the music export sector. Although New Zealand is five times smaller, Australia spends AUS\$1.3 million less on music export support than New Zealand (Mandeville, 2005). The New Zealand Government's 2005 investment of NZ\$5.4 million to support export growth of the New Zealand music industry, which included NZ\$2 million for the NZ Music Industry Commission and \$3.4 million for NZ on Air, is unparalleled in Australia. The Phase 3 International Touring Support grant, offered to New Zealand musicians through the New Zealand Music Industry Commission's Outward Sound program, is at NZ \$60 000, roughly three times larger than the largest music export grant offered by the Australian Government's Pathways program. Through this type of support, the New Zealand Government has committed itself to an export funding program based on the suggestions made in the Music Industry Export Development Group report, Creating Heat.

The report states that although the exact financial return to the government through taxation is hard to quantify due to the complicated revenue streams of the music industry, present export earnings of approximately NZ\$5 million can be increased to NZ\$50 million within 10 years through the policies it suggests. The report suggests that this can be achieved through investment in New Zealand musicians and allied bodies, with the aim of creating international successes and revenue that will invigorate the growth of the music scene in New Zealand. It points out that the follow on effects of music export success are manifold and include

increased professional development opportunities for music professionals, increased career opportunities for Youth and more cross-promotional opportunities involving the branding of New Zealand as a unique entity in global innovation and tourism (Creating Heat Report, 2004). Recommendations made in the report have largely been supported by the music industry in New Zealand (Anderton, 2005).

The difference in funding focus between the two countries is also apparent within the area of education. According to Mandeville (2005), New Zealand lacks in Training and Career Development, and Youth Initiatives. However, this imbalance has been remedied in recent times by the NZMIC, who work with The Ministry of Education to produce educational materials for schools in New Zealand. These include teachers' books, audio CDs, CD-ROMs, VHS tapes and DVDs. The Commission also supports a mentoring program, organising classroom visits by professional musicians (NZMIC, 2005).

In 2004, the Australian Government undertook a comprehensive National Review of School Music Education. The findings of the report are to be used as the basis for a dramatic update of Music Education in Australia, focusing on the improvement of teacher education and professional development by promoting the development and sharing of resources (DEST, 2006). In furthering education, the Government also supports young artists in developing national touring opportunities through workshops such as the National Music Workshop. Grants are available to programs such as Skill and Arts Development, which includes periods of professional study, overseas development opportunities, residencies, master classes and mentoring between a developing artist and a new artist. Fellowships for outstanding artists to the amount of AU\$40,000 per year for two years are also available (Bishop, 2006).

Both New Zealand and Australia support Classical Music heavily in relation to its relative market share but Australia possesses a distinct edge in the area of continuing musical

education. The Australian and New South Wales Governments, recognizing the difficulty of attracting world class teachers to Australia due to a lack of facilities and focus, founded The Australian National Academy of Music (ANAM) in Melbourne in 1996. Academy Musicians are given lessons by some of the finest musicians in the world, including concerto performances with orchestra and tuition in chamber music. Working in tandem with touring programs such as the Musica Viva school tour program and Touring Australia, ANAM offers a rigorous program addressed to preparing young musicians for all aspects of professional life (ANAM, 2006).

In New Zealand, continuing education study awards funded by The Ministry for Culture and Heritage include The Butland Music Scholarship, The Edwin Carr Foundation Scholarship and The Jerry Wise Young Performers Scholarship. These grants and the one-off grants for continuing education awarded by The Arts Board of Creative New Zealand, generally in the area of Classical music, are usually in the region of NZ \$5,000 to \$NZ 10,000. The two notable exceptions funded by the Ministry are the Patricia Pratt Scholarship, up to US\$50,000, for advanced study overseas and The Mozart Fellowship at Otago University, up to NZ\$46,000, enabling composers to focus on their art for one year (Ministry for Culture and Heritage, 2006). Not surprisingly, due to the lack of continuing education opportunities for classical musicians in New Zealand, the majority of educational grants given to individuals are for overseas study. In the 2005/2006 funding year, Creative New Zealand gave out 18 grants for continuing musical education, 10 of which were for individuals to study overseas. The remaining grants were to organisations in New Zealand hoping to provide further education possibilities for young classical or instrumental musicians at home (Creative New Zealand, 2006). For non-classical musicians the grant structure that supplies recording costs for new artists seems to take the place of ongoing formal musical education in both countries. However, because the Australian Government's focus is on developing local touring and

promotional opportunities for Australian musicians, and because of the size of the Australian market, there is a far greater likelihood that new artists will be able to build a sustainable professional career.

In both countries the ability to sustain a long term career relies heavily on the interplay of financial and radio support for new artists. In New Zealand, the New Zealand Music Code, an 'agreement with targets' established by the music industry, radio stations and NZ On Air aims towards maintaining voluntary local content targets of 20% (RBA, 2006). The New Zealand Government has clearly stated that it believes the voluntary New Zealand music airplay quota and NZ On Air's dual funding and airplay promotional roles have been critical to the recent growth in New Zealand music and that these must be maintained (NZTE, 2005).

The percentage of local artists played across New Zealand's radio stations reached 22.7% in May 2005 (NZMIC, 2005). In Australia, the Government has gone one step further and funds a body, The Australian Music Performance Committee, to monitor adherence to voluntary codes that prescribe minimum content levels of Australian music, in line with the objectives of the *Broadcasting Services Act 1992* (ARIA, 2006). These codes, although voluntary, are enshrined in law and far more specific in terms of what broadcasters must do than the casual agreement between broadcasters and the Government existing in New Zealand. A major focus of the codes in Australia is their commitment to licensees supporting new Australian music. The code requires a substantial part of three categories' quotas to be constituted with new Australian music; Mainstream Rock 25%, Country 20% and Soft Adult Contemporary 15%. The code also requires that broadcasters comply with these quota levels between six in the morning and midnight every day, thereby ensuring that the majority of listeners get to hear new Australian music (ARIA, 2006).

In the future, both New Zealand and Australian broadcasters will inevitably make the shift into Digital Audio Broadcasting (DAB). Radio New Zealand entered into tests in late 2006

and currently transmits long-wave broadcasts to the Pacific using Digital Radio Mondiale, a format similar to DAB. It is believed that limited DAB services will be available in New Zealand from late 2007. In Australia, the government has mandated that digital radio will be running in all state capitals by 2009 (Schwarz, 2006). Further to this, in line with its existing policies and recognising the plethora of new co-operations digital media platforms will create, it has announced its intention to extend legislation to protect local radio content in regional markets by requiring commercial radio licensees seeking mergers in regional markets to meet minimum standards for local content (Coogan, 2006). In contrast to the New Zealand Government, the Australian Government seems to understand the implications DAB will have for musicians.

For the first time ever, with the introduction of DAB, pause/rewind functionality will be available on radio, together with the ability to record and download. Some cars available in Australia already possess DAB functionality (DCITA, 2005). The extension of content quotas across new media in Australia will drastically increase the ability of local musicians to profit from their copyrights, as more Australians are exposed to opportunities to hear and purchase Australian music. So far, the New Zealand Government has made no announcement regarding the widespread adoption of DAB (Coogan, 2006).

The attitude of the Australian Government to digital media as a promotion tool for Australian Music has grown out of the 1998 Government funding initiatives to support music industry development that included a commitment to the development and implementation of a strategy for the online promotion and marketing of Australian music. This led to the creation of Australian Music Online (AMO), a “web-based initiative that aims to advance the marketing and promotion of new Australian contemporary music, across a diverse range of genres, both nationally and internationally” (AMO, n.d.).

5.3 Canada

5.3.1 Facts and Figures

With a population of 32.2 million people, Canada is the 6th largest music market in the world. In 2003, a total of 58.6 million record units were sold for a turnover of \$743 million (IFPI Report, 2004). Despite a piracy rate of almost 10% actual sales of physical units ad risen slightly by 2005, driven by releases from Michael Bublé, 50 Cent, Coldplay and Il Divo. During this same period total sales revenue fell 4.6% in value, primarily due to retail discounts. However, Canadian artists have seen their sales increase since 2001, with sales of Canadian albums increasing from 6.8 million units in 2001 to 8.5 million in 2004, an increase of 25.3%. In 2005 local music accounted for 22% of total sales (IFPI, 2005). In contrast, foreign artists have seen their sales fall 20.2% over the same period. This trend is largely due to the fact that Canadians strongly support local music. One recent survey contends that 93% of Canadians feel music by Canadian artists to be equal or superior to music by international artists (Wilson, 2006). The 2005 Pollara report, based upon the findings of a national survey into public perceptions of Copyright, suggests that the rise in physical sales has perhaps been driven by the growth of the digital download sector. The report, commissioned by the Canadian Recording Industry Association, contends that people who download copyrighted music on file-sharing networks will also frequently buy the same music and that file-sharing often functions as an extension of ‘try before you buy’ (CRIA, 2005).

In 2005, the Minister of Canadian Heritage announced an investment in Canadian Arts of CAN\$342 million over three years (Alliance for Arts, 2005) and in 2006 artists and arts organisations in 510 different communities across Canada received more than CAN\$132 million in funding from the Canada Council for the Arts. In its Annual Report for 2005-06 the Council reported that it awarded 5,780 grants with a total value of CAN\$120.5 million and that of this total, approximately CAN\$27 million went to the music sector (Canada Council

for the Arts, 2006). The Council's funding is augmented by the monies available to the contemporary music sector through the Canada Music Fund, which gave out approximately CAN\$25.5 million in 2004. Supplementing this, The Department of Canadian Heritage's Cultural Industries Development Fund has a pool of CAN\$28 million available to artists for fixed term low interest loans, a proportion of which must go to music. Government funding for music and in support of Public Broadcasting is heavily subsidised by the contributions that private broadcasters make in compliance with CRTC's requirement that broadcasters make financial contributions to initiatives that develop Canadian musical talent. Since 1998 private radio has given CAN\$59 million to FACTOR, Musicaction, Radio Starmaker Fund and Fonds Radio Star. Between 1998 and 2004, the private sector gave a further CAN\$149 million directly to CTD programs promoting Canadian talent in local and national markets (CAB, 2006). Amongst others, the organisations mentioned and their role within the Canadian music industry will be described in the following.

5.3.2 Government Support

Department of Canadian Heritage. The Canadian Government offers programs in support of the music industry and musicians through the Department of Canadian Heritage and Foreign Affairs. The majority of Government programs are administered by the former, whilst programs in support of export and international collaboration are delivered by Foreign Affairs Canada.

CCA. The Canada Council for the Arts advises to the Minister of Canadian Heritage and supports the development of the arts in Canada through grants, scholarly awards, services and awards to Canadian artists and arts organisations (Canada Council for the Arts, n.d.). The Council administers the Canadian Musical Diversity Program through two funds; grants for Specialised Music Sound Recording and Grants for Specialized Music Distribution. In total,

19 Grant programs are administered and 17 endowment awards/prizes are handed out annually by the Council. This includes grants to both individuals and organisations from all areas of the Canadian Music Industry; professional development for managers and agents, recording, new music project funding, new music multi-year and annual funding, grants for specialised music distribution, professional orchestra program, opera/music theatre program, music touring grants, music festival grants, music festival programming, music festival travel grants, organisational development program, music project grants, artists and community collaboration fund and visiting foreign artists program. The Canada Council for the Arts also administers 'Music Is My Business', a web portal designed to help Canadians navigate the complexities of the music business and the Canadian Government's music funding structure (Canada Council for the Arts, n.d.).

CMC. Established in 2002, The Canadian Music Council is comprised of 19 industry professionals nominated by key industry groups and appointed by the Minister of Canadian Heritage, whom it advises on strategies that meet governmental objectives for Canada's music industry (CMC, n.d). It acts as a 'sounding board' for the Department of Canadian Heritage and fosters dialogue and partnership agreements between all music industry sectors. It also provides advice for the Department's Canadian Music Fund.

CMF. The Canada Music Fund promotes the Canadian music industry at every level through three public policy goals; preparing Canadian musicians and entrepreneurs for global and digital environments; supporting existing and emerging media to widen access to Canadian music; and increasing opportunities for Canadian musicians and music business entrepreneurs to significantly contribute to Canadian cultural expression (CMF, n.d.). The fund is comprised of seven complementary components, each one contributing uniquely to the aforementioned goals (CMF, n.d.). These components are described briefly:

- **Creators' Assistance Component.** Supports Canadian composers, lyricists, and songwriters in developing their craft so that artists, performers, and producers can access quality Canadian compositions and that Canadians continue to hear culturally relevant music.
- **The Canadian Musical Diversity Program.** This program assists Canadian musicians and entrepreneurs involved in the production, distribution, and promotion of specialised music that enhances diversity. The program is administered by the Canada Council for the Arts.
- **The New Musical Works Program.** This program is administered by the Foundation to Assist Canadian Talent on Records (FACTOR) for the English-language sector and La Fondation Musicaction (Musicaction) for the French-language sector. It provides creators, artists, and entrepreneurs with opportunities to develop their skill and expertise whilst producing and promoting music.
- **The Collective Initiatives Program.** This program aims to promote Canadian music across the board, providing financial assistance for conferences, award shows, real and virtual showcases, and market development initiatives. Administered by FACTOR and Musicaction, the program is open to Canadian not-for-profit organisations, associations and/or corporations.
- **The Music Entrepreneur Program.** This program assists established Canadian music entrepreneurs in fostering Canadian talent for the global industry. This program is open to successful firms that develop and market Canadian musical talent and whose principal business is the production and marketing of Canadian content musical recordings. The program is administered by Telefilm Canada, a federal agency dedicated to the development and promotion of the Canadian film, television, new media and music industries.

- **The Support to Sector Associations Program.** This program aims to assist Canadian non-profit music sector associations and their musician members to make informed decisions regarding their careers and businesses within the industry. Administered by the Department of Canadian Heritage, the program is open to non-profit music sector associations.
- **The Canadian Music Memories Program.** This program ensures the preservation of Canada's musical heritage, thereby assuring Canadians access to that heritage. The program is administered by Library and Archives Canada and the Audio-Visual Preservation Trust of Canada.

Trade Routes Program. This program provides Canadian arts and cultural entrepreneurs with access to a full range of Government trade programs and services operating under the Team Canada Initiative (Canada Council of the Arts, n.d.). There are three types of support provided by the Trade Routes program; Contributions, New Information Resources and Access to Skilled Expert Advisers (Canada Council of the Arts, n.d.). Trade Routes funds arts and cultural organisations to become 'export-ready' and then helps them build their capacity for success in the international marketplace by providing market information and guidance, both locally and internationally, through its team of skilled advisers (Canada Council of the Arts, n.d.).

FAC. The Department of Foreign Affairs works to promote Canadian culture and values on the international scene (FAC, n.d.). Within FAC, the Arts and Cultural Industries Promotion Division (ACA) awards travel grants to successful applicants for international touring that cover up to 30% of the total costs. FAC also offers support for Canadian festivals and conferences that foster relationships between national and international industry sectors (FAC, n.d.).

CRTC. Since 1968, the Canadian Radio-Television and Telecommunications Commission has overseen the implementation of broadcasting policy (CRTC, n.d.). In 2000 the CRTC began producing annual Broadcasting Policy Monitoring Reports, which help the CRTC monitor how its policies, regulations and programs contribute to meeting the goals of Canada's Broadcasting Act (CRTC, n.d.). CRTC policies and regulations which are related to the music industry include Canadian content, French-language content for French-language radio stations and Canadian Talent Development (CRTC, n.d.).

- **Canadian Content.** The Broadcasting Act requires the CRTC to ensure that each “broadcasting undertaking . . . shall make maximum use, and in no case less than predominant use, of Canadian creative and other resources in the creation and presentation of programming” (CRTC, n.d.). Commercial radio stations must ensure that a minimum of 35% of all popular music broadcast each week is Canadian and that this quota is also adhered to between the hours of 6 AM and 6 PM. A minimum of 10% of special interest music and 7% of weekly ethnic programming must be Canadian. Speciality television stations that play music videos are also subject to regulation; pop speciality video stations and French language stations must program 30% and 35% Canadian content respectively.
- **French-language content.** French-language content quotas set a minimum requirement of 65% French vocal popular music played in a week and include a requirement that a minimum of 55% of popular vocal music in French be played between 6 AM and 6 PM.

Canadian Talent Development (CTD). The CRTC considers that cooperation between the radio and music industries plays an important role in promoting Canadian music and fostering Canadian talent. The CRTC requires radio licensees to make financial contributions to initiatives that develop Canadian musical talent (CRTC, n.d.). Since the adoption of the 1998

Commercial Radio Policy through to October 2003, more than CDN\$27 million was committed to CTD initiatives by 84 new radio stations (Mandeville, 2005).

5.3.3 Industry Support

CRIA. The Canadian Recording Industry Association is a non-profit organisation founded in 1964 that represents the interests of companies that create, manufacture and release records in Canada (CRIA, n.d.). The Association collects statistical information and lobbies government on behalf of its members regarding law changes that affect the recording industry. CRIA certifies Gold and Platinum Awards for best selling recordings and is strongly involved in the current argument raging in Canada regarding anti-piracy measures in the entertainment industries. CRIA claims its members represent 95% of the musical releases available in Canada and is Canada's representative on the governing council of the International Federation of the Phonographic Industry (CRIA, n.d.).

SOCAN. The Society of Composers, Authors and Music Publishers of Canada Foundation is the not-for-profit Canadian society that administers the performing rights of musicians in Canada (SOCAN, n.d.). In support of its 75,000 members it also sponsors an independent body, the SOCAN Foundation, which protects the rights of, and offers professional development to, composers, lyricists, songwriters and music publishers. The Foundation administers the Canadian Music Fund's Creative Assistance Program on behalf of the Department of Canadian Heritage and sponsors publications, research, residencies, competitions, workshops, international showcases, classical concerts, competitions, industry associations, and festivals (SOCAN, n.d.).

FACTOR/Musicaction Canada. A private, non-profit consortium, the Foundation to Assist Canadian Talent on Records serves the English-speaking sector of the industry while its counterpart, la Fondation Musicaction serves the French-language sector of the industry (Department of Canadian Heritage, 2001). FACTOR and Musicaction administer the CRTC CTD contributions from sponsoring radio broadcasters as well as two components of the Department of Canadian Heritage's CMF program. In total, FACTOR and Musicaction provide in excess of CAN\$11.5 million annually in support of the Canadian music industry (Department of Canadian Heritage, 2001).

CAAMA. Founded in 1991, the Canadian Association for the Advancement of Music and the Arts is a national, non-profit organisation dedicated to the professional and commercial development of Canadian performing artists and the sound recording business they work in (CAAMA, n.d.). CAAMA represents over 2000 performing members and aims to raise awareness and appreciation of Canadian artists and the Canadian recording industry both at home and abroad. The association does this by identifying and investing in export opportunities for Canadian music producers and musical products. It offers support, education and professional consultation that has been tailored to meet the specific needs of its members. Events organised by the association include the Canadian Music Week and educational seminars for members new to the recording sector (CAAMA, n.d.).

SAC. The Songwriters Association of Canada provides a number of programs and services to its members, including 'Date with a Tape', 3-hour song/demo critique sessions; 'SongShop', a series of day-long critique sessions for developing songwriters and 'Power SongShop', which is an intensive weekend-long workshop where songwriters work one-on-one with experienced professionals (SAC, n.d.) The SAC also offers two additional forms of member support: a professional song-writing and production assessment service and a service which registers songs and thereby ensures copyright for the creator (Canadian Song Depository).

CARAS. The Canadian Academy of Recording Arts and Science is a not-for-profit organisation working towards the development of opportunities to promote and celebrate Canadian music (Historica, n.d.). CARAS organises Canada's Juno Awards, administers the CARAS Music Education program and maintains the Canadian Music Hall of Fame; inducting 57 music professionals since it was established in 1978 (Historica, n.d.).

Radio Starmaker Fund / Fonds RadioStar. Created in 2000 by the Canadian Association of Broadcasters in partnership with the music industry, the parallel programs of the Radio Starmaker Fund and Fonds RadioStar are private funds with a stated purpose of making "a substantial and discernible difference to the careers of Canadian artists" (Radio Starmaker, n.d.). Each fund provides assistance to established artists whose label is making a significant investment in the development of their careers. Both funds also provide support for independent record labels and Canadian artist management (Radio Starmaker, n.d.). Since becoming fully operational in September 2001 the Radio Starmaker Fund has committed over CAN\$9.2 million to support English-Canadian artists (Mandeville, 2005).

CMC. Established in 1959 The Canadian Music Centre holds Canada's largest collection of Canadian classical music scores, with holdings numbering more than 15,000 (CMC, n.d.). The CMC is currently digitalising its catalogue and is engaged in several national outreach projects, as well as administering several awards (CMC, n.d.).

CIRPA. Officially chartered in 1974, the Canadian Independent Record Producers Association represents independent producers and record labels in the Canadian industry. The association was created amidst concerns by independents that the formation of broadcaster-owned record companies would impact heavily on their business. CIRPA was instrumental in the setting up and funding of FACTOR in 1982. The association actively lobbies Government in the interest of its members. Most recently, CIRPA has been actively involved in the

Copyright law debate raging in Canada (CIRPA, 2006).

CMCC. Founded in 2006, in response to what they felt was the unrepresentative nature of the CRIA when speaking for Canadian artists. The Canadian Music Creators' Coalition is a not-for-profit association of Canadian musicians which aims to speak as the voice of the artistic side of the Canadian recording industry (CMCC, n.d.). At present, their main aim is to combat major label actions in the Canadian recording industry, particularly those surrounding copyright protection. The association believes that suing fans and placing digital locks on downloads is detrimental to the long term sustainability of Canadian musicians' careers (CMCC, n.d.). Their charter urges the Canadian Government to recognise that "the vast majority of new Canadian music is not promoted by major labels, which focus mostly on foreign artists and that the government should use other policy tools to support actual Canadian artists and a thriving musical and cultural scene. The government should make a long-term commitment to grow support mechanisms like the Canada Music Fund and FACTOR, invest in music training and education, create limited tax shelters for copyright royalties, protect artists from inequalities in bargaining power and make collecting societies more transparent" (CMCC, n.d.).

5.3.4 Differences to New Zealand

Due to the enormous disparity in size between the Canadian and New Zealand markets, comparisons based on monetary values are not illustrative of real difference. Rather, it is the way that each market has been affected by foreign influence and their individual responses to this influence that is useful for the purpose of this study. This influence has been exerted in the main by the foreign based major labels and broadcasting conglomerates operating in both countries. Worldwide, IFPI and Nielsen Soundscan estimate that the four major music labels;

Universal Music Group, Sony BMG, Warner Music Group and the EMI Group held a market share of between 71% and 81% in 2005 (IFPI, 2005).

In the area of radio broadcasting there is a marked difference between the two markets. Since 1929, when “the Royal Commission on Broadcasting (the Aird Commission) noted it was in the national interest to ensure that Canada's cultural identity is reflected in the radio programming available to Canadians” (Media Awareness Network, 2006), the Canadian Government has regulated broadcasting to ensure a high percentage of local content on radio in Canada. Further recognizing the importance of media as a cultural vehicle, since 1986 the Canadian Government has maintained regulations that restrict foreign ownership of telecommunications carriers to 46% and state that 80% of these carriers’ board members be Canadian (Canadian Telecommunications Act, 1986). This legislation has allowed Canadian conglomerates such as CanWest to flourish. In 2006, CanWest owns and operates over 65 leading television, radio, newspapers and online businesses in Canada. Their international operation is extensive and includes substantial holdings in New Zealand, where they own a controlling interest in New Zealand’s second largest radio broadcasting network, CanWest MediaWorks New Zealand, and fully own Channel 4, New Zealand’s leading music television station and TV3, New Zealand’s largest private television station (CanWest, 2006). The largest radio broadcasting network in New Zealand, The Radio Network, is owned by the US broadcasting giant Clear Channel Communications and the Australian publisher APN, also the largest broadcast media owner in Australia. APN also owns the Herald, New Zealand’s largest newspaper. Between them, CanWest MediaWorks and the Radio Network control commercial radio in New Zealand, their only minimal competition on radio coming from state broadcasting-owned stations (Sanderson, 2006). In both countries the co-operations that exist between major record labels and broadcasters are based largely upon the advertising dollar. For example, in New Zealand in 2006, EMI Records were regularly in the top five of all radio advertisers (RadioScope, 2006). This relationship naturally promotes mutual co-operations

that lead to a preference for major label product on commercial radio. Recently, the issue of 'payola', radio programmers receiving gifts and cash in return for playing certain songs, has re-emerged in the global music industry. New York Attorney General Eliot Spitzer is currently investigating the four major broadcasters in America and has already successfully litigated against both Sony BMG and Warner Music (CBC News, 2006). The chief organisation in the investigation into the four broadcasters is Clear Channel Communications, a major holder of broadcasting properties in New Zealand.

In the past, both the New Zealand and Canadian Governments have recognised the effect that foreign influence has on local cultural industries and have commissioned reports that have enabled them to make more informed policy decisions regarding arts funding for local arts industries. The core of recent Canadian Government policy on funding for Canadian music is built upon the findings of the 1996 Task Force Report on the Future of the Canadian Music Industry. This report, compiled by Ernst and Young Accounting and a Government appointed task force seriously redefined the way the Canadian Government viewed music funding. The report pointed out that funding for Canadian music was surprisingly low for an industry with so much potential and recognised the difficulties Canadian companies releasing Canadian music faced when competing with foreign owned major labels. In 1995, the Government allotted roughly CAN\$7 million for Canadian music (Task Force Report on the Future of the Canadian Music Industry, 1996). Recognising this lack of funding, the report further pointed out that Canadian music labels face "fierce competition from the majors because they primarily sell product that has already been paid for and tested in another market and which probably has the advantage of free publicity from non-Canadian media" (Task Force Report on the Future of the Canadian Music Industry, 1996). The report contended that the competitive advantage of these foreign owned major labels had led to a trade imbalance within the Canadian music industry. It describes Canadian Music earnings of approximately

CAN\$215 million from foreign sources in relation to approximately CAN\$320 million taken out of Canada by Foreign music entities, giving Canada a net loss of some CAN\$102 million in 1995 (Task Force Report on the Future of the Canadian Music Industry, 1996).

The New Zealand Government's music funding policy has also been influenced by studies it has commissioned on the New Zealand music industry, the most notable being the 2001 Review of the and the 2004 Creating Heat Report, both commissioned and published by New Zealand Trade and Enterprise. The 2001 Contemporary Music Industry review outlined the Government's hope that the newly formed New Zealand Music Industry Commission would become a voice speaking for the whole New Zealand music industry, although it stipulated a variety of problems facing the organisation, not least of which was funding of only NZ\$355,000 a year for five years (Douché Consulting, 2001). This funding was increased to over NZ\$600,000 a year in 2005, based upon the recommendations made in the Creating Heat report in 2004. A large proportion of this money is earmarked for the new Outward Sound initiative, which is the Commission's international division. The 2001 NZTE Review stated that, due to the "small population and the limited consumer base within New Zealand, the most significant growth will come from the exporting of New Zealand music" (Douché Consulting, 2001). This contention was supported by the 2004 Creating Heat report which highlighted the need to develop local skills and practises in order to foster international quality products that could 'grow hits' in the global market and subsequently invigorate the market in New Zealand (Creating Heat Report, 2004).

The 1996 report in Canada made several interesting points regarding export that have been actioned by the Canadian Government. It put forward the idea that Canadian independent labels were too small and without the financial resources to promote local talent to the fullest of their abilities and that the gGovernment's funding programs needed to be expanded to promote growth locally and internationally. It also suggested that the Government needed to

create incentives that would persuade successful Canadian musicians to stay in Canada. Since the report was completed, the programs offered by the Canada Music Fund have greatly increased the amount of music being made in Canada, particularly independently (Department of Canadian Heritage, 2006). The Creator's Assistance component has particularly helped, enabling local musicians to develop their craft and create professional product. The Music Entrepreneur Program has then assisted established Canadian music entrepreneurs to promote these products into the global industry.

Specialised grant funds exist in Canada for both local sound recording and distribution and the Trade Routes program has developed an international network of industry professionals working to promote Canadian music in the global marketplace. Overall, there are two Government departments working in music; Foreign Affairs and Canadian Heritage, and over twenty subgroups funded directly by these two that significantly promote Canadian music. Most of these have either come into being or been radically invigorated by substantial Government funding since the 1996 Report on the Future of the Canadian Music Industry. The Canada Council for the Arts alone administers 19 grant and 17 endowments, awards/prizes each year (Canada Council for the Arts, 2006).

In New Zealand, due in part to the size of the market, only Creative New Zealand, NZ on Air and the NZMIC contribute substantially to programs promoting contemporary music in New Zealand. The Commission has become the spearhead of the Government's contemporary music policy, drawing upon the actions suggested in *Creating Heat* and working in tandem with NZ On Air to build local and export markets for New Zealand bands and musical entities. Their Outward Sound program sound appears to be a fledgling version of Trade Team Canada's Trade Routes Program, apart from the fact that it does not employ highly placed advisors in key markets. In addition to approximately NZ\$75 million in funding supplied to the wider music sector during the three year period leading up to 2005, the New

Zealand Government now supplies in excess of NZ\$6 million a year in support of contemporary music, through the NZMIC and NZ On Air (Anderton, 2005).

Both countries responded to the broadcasting suggestions made in their respective reviews by extending or implementing quotas. Canada extended its quota to 35% and introduced strict measures ensuring prime time airplay for Canadian music between 6 am and 6 pm and New Zealand implemented the informal radio quota system it now practises, “replicating the Australian system of volunteer quotas with independent compliance monitoring” (Douchè Consulting, 2001). The effects of these measures and the adoption of increased funding initiatives, as suggested by the reviews, have had a dramatic effect on both markets. In 1995 Canadian music sales accounted for approximately 9% of the market, while in 2005 they accounted for 27% (IFPI, 2005). Although in 2004 the average percentage of domestic music was at only 22% on Canadian radio, the percentage of domestic content in the Canadian music market is twice as high as in New Zealand (IFPI, 2004). The stipulations under the *Broadcasting Act* that require the Canadian music quota to be filled during prime hours means that Canadians will hear a large proportion of Canadian music whenever they turn on a radio. Another striking difference to New Zealand is the financial contributions new private radio stations and re-licensees are required to give to Canadian Talent Development (CTD) and other organisations such as FACTOR, Musicaction, Radio Starmaker Fund and Fonds Radio Star. Since 1998, the private sector has given over CAN\$210 million to programs promoting Canadian talent in local and national markets (CAB, 2006). These incentives have no counterpart in New Zealand. Because of the lack of information regarding prime time airplay of local music in New Zealand it is only possible to look at a proportion of the total airplay. This proportion has grown rapidly since 1995, when APRA estimated local content on commercial radio to be a meagre 2%. The end of 2002, the first year under the quota, saw that figure rise to 15% and at present the figure returns regularly above 25% (NZ On Air, 2005).

The estimated percentage of domestic music sold in New Zealand has more than doubled, from 6% in 1998 to 11.5% in 2004 (RIANZ, 2005).

As impressive as they may seem, in terms of potential benefits for locally owned music entities, radio airplay figures can be deceiving. In Canada, a debate is currently raging regarding the nature of the airplay choices made by commercial radio. At the centre of the argument, in 2005 the 'Indie Pool' website launched a petition campaign aimed at forcing the CRTC to address their concern that the Canadian content rules do not place enough emphasis on new and emerging 'indie' artists. In 2006, the petition, which has over five thousand signatures from artists and musicians, has been largely ignored by the CRTC (Geist, 2006). This argument over major dominated radio play-lists has in 2006 been heightened by heated debates over the future of digital rights in Canadian broadcasting, downloading, file-sharing and copying.

RIANZ's counterpart in Canada, the Canadian Recording Industry Association (CRIA), has recently run into difficulties with its members because of the domination of its board by major label representatives. Following the CRIA's submission to the Government on the Pollara Copyright Report, the Canadian labels Anthem, Acquarius, The Children's Group, Linus Entertainment, Nettwerk, and True North Records left the Association (Geist, 2006). Their press release stated that "it has become increasingly clear over the past few months that CRIA's position on several important music industry issues are not aligned with our best interests as independent recording companies" and "we do not feel that we can remain members (of CRIA) given CRIA's decision to advocate solely on behalf of the four major foreign multi-national labels" (Geist, 2006). The most important music industry issues in contention were those of copyright and the rules governing Canadian content on commercial radio (Geist, 2006). The independent labels that left the CRIA believe that DRM technology and the suing of fans for copyright abuse is detrimental to their artists. In agreement with this

stance, Canadian musicians have formed their own organisation, the Canadian Music Creators Coalition (CMCC). Tired of being misrepresented by both the CRIA and major label lobbyists, this coalition, which includes many major Canadian artists, believe that “until now, a group of multinational record labels has done most of the talking about what Canadian artists need out of copyright. Record companies and music publishers are not our enemies, but let’s be clear: Lobbyists for major labels are looking out for their shareholders, and seldom speak for Canadian artists. Legislative proposals that would facilitate lawsuits against our fans or increase the labels’ control over the enjoyment of music are made not in our names, but on behalf of the labels’ foreign parent companies” (CMCC, 2006). This belief is clearly proven by the CRIA’s “proposing that to reflect today’s climate of international collaboration between singers, musicians and producers, less weight be given to where a song is produced and more on whether the performer himself is a Canadian citizen” (CBCA Arts, 2006) when deciding which songs are eligible as Canadian content. The CRIA also called for broadcasters to be given more credit for playing new Canadian music, thus lessening the amount they had to play. Both of these suggestions, if implemented, would clearly negatively affect the amount of Canadian independent music on commercial radio in Canada. However, the growing awareness of Canadian artists and independents that they now have alternatives to major label physical sales driven deals and standard radio promotion is creating a groundswell of independent business not based on these traditionally corporate dominated arenas. This is evidenced by companies such as Nettwerk Management in Canada, who released the last Bare Naked Ladies’ album completely independently, without label (Phillips, 2006). The company’s founder Terry McBride, CEO of Nettwerk Music Group and manager of Barenaked Ladies has stated that “Nettwerk and BNL are trying to get people to see beyond the physical number. Generating revenue, especially in the artist-run model, is about selling music in various mediums, selling concert tickets, licensing music to TV, ring tones, packed

USB drives, etc. That is how success is measured, not by the physical album sales” (Phillips, 2006).

Mirroring concerns in Canada over the major label dominated board of the CRIA, the 2001 Contemporary Music Industry review contends that the Recording Industry Association of New Zealand (RIANZ) does not really act as a voice for New Zealand music because it represents primarily companies not owned by New Zealanders. The review further states that “it must be kept in mind that globally the industry relies on hit records, and hit records are generally associated with the application of marketing muscle. The pattern overseas is for the multi-nationals to dominate in each territory. New Zealand would have great difficulty in breaking this mould” (Douché Consulting, 2001, p. 6.). Acknowledging this, it suggested the institution of an organisation in New Zealand, affiliated with RIANZ, in order to give independent music entities a stronger voice in the local marketplace. The Review stated that “it would allow Government to talk more directly with the New Zealand – owned sector of the industry” (Douché Consulting, 2001, p.12.). In response to this, the independent record producers of New Zealand have attempted to rectify the situation by creating their own organisation, Independent Music New Zealand, in 2001 (IMNZ, n.d.). The influence of foreign owned broadcasters and record producers has long been acknowledged by independents in Canada. Since 1975, Canada has had an independent record producers’ association, CIRPA that has made a major impact on influencing Government funding initiatives. Respected as the inspiration behind the FACTOR and SRDP initiatives, CIRPA acts for the independent sector, lobbying on behalf of its members to provide an alternate view to the major – dominated CRIA (CIRPA, 2006). The association is currently working with the six major Canadian independents that left the CRIA, lobbying Government in their interest (CIRPA, 2006).

The recent politicisation of musicians in Canada may have something to do with the Canadian

Government's concentration on promoting a strong local independent market, utilising measures that work to counteract foreign domination of their music market.

From early on the Canadian Government has recognised that a compulsory radio quota and the requirement that broadcasters contribute financial support to the creation of new Canadian music is essential in preserving the delicate balance between cultural and commercial concerns. It can be argued that the legislation of the radio quota and broadcaster contributions overseen by the CRTC and the restrictions on foreign ownership of media enshrined in the Canadian Broadcasting Act have created a market in which contemporary Canadian artists have a more viable role, taking part in a wide variety of programs with both public and private broadcasting bodies. Supporters of the quota in Canada believe that "Canadian content policies increase the diversity of ideas by legislating restrictions on the use of imported content, thereby creating demand for 'authentic' Canadian content. This in turn might increase the diversity of content, which in turn might translate into a diversity of ideas, opinions, identities and representations about the world available to the Canadian public" (Boggs, 2006).

Traditionally artists have been wary about entering the political arena and clearly stating their views. The current debates in Canada have shown that Canadian based artists and independent record producers are willing to work in the political arena to take advantage of the opportunities offered to them under law by the Broadcast Act and Government funding. Whilst this willingness has been slow to come, the creation of the CMCC means that the major label controlled CRIA will no longer be able to claim they are talking for Canadian musicians or lobby Government in their name (CMCC, 2006). The response of Canadian independents and artists to the continued control of foreign based Major labels in their country offers a real point of difference to the New Zealand market. While the recent events in Canada have made it easier to gauge artist opinion regarding the state of the music industry

there, in New Zealand it is difficult to identify a consensus of opinion regarding what artists want from the industry. The 2001 Contemporary Music Industry review included the results gathered from a questionnaire survey across New Zealand's music industry. Acknowledging time constraints and what it believed to be fragmentation within the industry, only a small group of New Zealand's internationally successful musicians were serviced with the questionnaire, including Dave Dobbyn and Neil Finn (Douché Consulting, 2001).

This group believed that the main impediments to growth in the New Zealand music industry were the lack of radio quotas, parallel importing and pirating, lack of multi-national investment or re investment, multi national domination of the local market and the small size of New Zealand's population. They suggested that the Government needed to initiate the following to stimulate growth; facilitate the setting up of radio quotas, provide funding and investment for local and international incentives, funding for business skills development and placing a two year ban on the parallel importing of new releases (Douché Consulting, 2001).

As shown in this thesis the New Zealand Government has acted on most of these suggestions, particularly in relation to quotas and funding. However, the artists' concerns regarding multinational influence have had little influence on Government. Because of the lack of representative financial or statistical data collected about the New Zealand music industry it is hard to gauge what effect Government funding has had on the independent music sector or what percentage of the music played on commercial radio is actually financed independently (Douche Consulting, 2001). Many of the local artists on commercial radio in New Zealand are signed to major labels. In 2006, 17 local artists appeared in the country's top 100 airplay chart. Of these, 10 were signed to major labels and three were licensed to major labels (RadioScope, 2006). Added to this, the position of RIANZ as the main group lobbying Government, representing as it does the major labels, means that Government may be largely unaware of the concerns of the wider musical community.

This problem was until recently mirrored in Canada, where the institution of CMCC as a voice for artists, has given parliament an insight into alternatives to the solutions to current difficulties in the music industry offered by major label sponsored bodies. This development and the recent departure of the six major independents from the CRIA over the association's submission to the government concerning The Pollara Report has come as a surprise to the Canadian Government, whose previous views were informed by CRIA lobbyists (Geist, 2006). The history of Canadian legislation in support of Canadian artists suggests that the Government's growing awareness of the diversity of the contemporary music industry in Canada is likely, over time, to lead to revisions in the broadcasting guidelines that govern Canadian content on radio, offering more support to independent artists.

6 Conclusion and Recommendations

6.1 Summary

This study explored the operation of the New Zealand music industry and the activities its participants undertake to upgrade success in music export. To do this it described the local and international factors which influence the industry and how its participants operate and broadly outlined the global background and theoretical framework against which these activities take place. Firstly, it clearly defined that 'New Zealand music' is music made by someone with a legitimate claim to New Zealand nationality by birth, naturalisation or residency (RBA, n.d.). It then defined the general and specialised terms used by participants in the music industry and described the five main determinants influencing the global music industry today; technology, buyer needs, piracy, marketing and distribution and competition or strategic alliances between firms (Barzen, 2004). It showed the way these factors interrelate by describing a model created by the researcher that presented a factorial overview of the interactions inherent within the process of exporting music. This model was inspired by

Porter's (1985) generic value chain and illustrated how success in foreign markets depends on the primary and secondary activities of an artist, who functions as a product or small business. The thesis then described the four main types of record deals that inform the relationship of artist to label, in order to clarify the contractual nature of the majority of business relationships which form the basis for export partnerships in the recording industry. These are the licensing deal, the pressing and distribution deal, direct signing with a major label and direct signing with an independent label (Lathrop, 2003). Having done this the thesis outlined the general types of export approach taken by participants in the global music industry. An exporter's initial choice of either direct investment, exporting through partners in local markets, joint ventures with overseas companies or licensing product will have great bearing on the outcome of their export program. In the literature review the researcher looked at the theoretical background of marketing strategies such as the critical success factors (CSFs) strategies used by marketers (Davies, 1995) in order to highlight the importance of strategic planning in gaining competitive advantage when exporting. Discussing these and other strategies in relationship to the music industry enabled the researcher to show that the artistic nature of the music business lends it unquantifiable qualities that cannot be measured using standard marketing research. Because music companies and the whole industry have to find ways to combine hard facts such as facts and figures with soft facts such as human foibles and belief in success (Negus, 2001) the researcher discussed the Boston Consulting Group's 'Directional Policy Matrix', which puts relative market share and business growth rate in relation and is divided into the following four quadrants: 'Dogs', 'Question Marks', 'Cash Cows' and 'Stars' (Grieve-Smith, 1985). Models such as these enabled the researcher to illustrate the ways in which the global music industry prioritises its artists.

Against this background a description of the specific characteristics of the New Zealand music industry and its key institutions and participants, as well as results gathered from the

questionnaire, enabled the researcher to show the similarities of New Zealand to the global market. These similarities involve major label domination of the local market, the impact of technological advances and the traditional means and strategies of music export. The results gathered during the questionnaire process and indeed, the questionnaire process itself, helped the researcher to discover the complexities of the New Zealand music business and hone the originally wide area of study down to a more realistic thesis.

Drawing on the specific background of the New Zealand market, elucidated in the text, the comparisons with Australia and Canada enabled the thesis to show the differing support measures of local Government and industry in other countries. In particular, the comparison with Australia highlighted strengths in educational policy and taxation law that New Zealand does not possess. In relation to Canada, the comparison allowed the thesis to illuminate the relatively young nature of the New Zealand market, still largely reliant on traditional forms of music business and with a less politicised talent base. Considered together, these cross cultural comparisons allowed the researcher to highlight clear areas prime for growth in the New Zealand music market. Areas that, once strengthened, can contribute greatly to New Zealand music's export potential.

6.2 Recommendations

Because of the insights gained during the writing of this thesis, the researcher has compiled a body of recommendations for the New Zealand Government regarding the future of the New Zealand music industry and music export.

Any recommendations to the Government regarding the future of music industry in New Zealand must be prefaced by the suggestion that the Government immediately enters into a comprehensive study of the industry aimed at collecting accurate data that would allow it to make objective and informed policy decisions. At present, RIANZ does not accurately

account for the whole of the sector and IMNZ is still too new to be wholly effective as a voice for the independent sector of the market. If the Government, as stated in the Creating Heat report, wishes to gain return on investment through taxation of export earnings it must require those parties it funds to accurately account for expenditure and profit. At present, decisions appear to be made on the basis of soft facts, such as the emotional excitement generated by bands having 'hits', achieving overseas press, favourable reviews and touring. While these things may have traditionally signalled success, it is now time for the government to enter into both educational and funding programs that recognise that for musicians, the most important consideration is the building of a sustainable career.

To do this, the Government could fund the creation of a website modelled on Canadian Heritage's 'Music Is My Business', which describes in detail the way that all aspects of the music industry operate, including revenue streams, deal negotiation and live production. This site could act as a web portal into a community that allowed musicians to pool their knowledge, resources and skills. The site could also act as an interface between artists and the traditional business side of the industry, recognising that while some artists are self-sufficient, others prefer to delegate their business affairs to what they consider to be more qualified parties. Information about the efficacy of these parties could be posted and shared on the website, which could also include the facility for business people to promote themselves and to rebut any accusations of impropriety.

At present, accurate information about the efficacy of record companies, managers and government organisations is hard to collect in New Zealand and the Government should realise that the most accurate portrayal of a music company's worth is painted by the way it treats the artists it represents.

Advances in download technology and the internet, as evidenced by the rise of Apple iTunes, have already heralded significant changes for the future of the music business. Artists can

now digitally exploit their copyrights across the global market without having to tour. The revenue from usages in movies, advertising, television and internet promotion provide a far more stable income for artists than the pursuit of hits. Indeed, these avenues, when exploited correctly can create a groundswell of public interest that leads to success. In the future, the download market will be the first port of call for artists wishing to export. Comprehensive web portals that promote, inform about and sell an artist's product will allow New Zealand artists to build a fan base in foreign territories before they tour. The success of this strategy is not reliant at all on label support, but rather on guerilla marketing and word of mouth advertising, spread through forums such as MySpace and peer to peer file sharing platforms. Concerns in Government over the danger to artists' future earnings through file sharing should consider the Pollara report commissioned by the Canadian Government. This report, the cause for the recent split in the CRIA, unequivocally states that peer to peer file sharing leads to increased sales for artists and shows that organisations such as RIANZ and the CRIA, when they flatly deny to discuss alternatives to current copyright law changes, are more concerned with protecting the interests of their major label board members than sustaining and promoting the careers of local musicians.

The Government needs to invest heavily in music business administration education programs for local musicians that aim to provide artists with the tools they need to build a sustainable career. This educational support needs to be supplemented by investment into a nationwide network of not for profit venues with 300 to 500 person capacity that recognise the need to foster a spirit of professionalism in local musicians, giving them the time and space to develop their stagecraft in suitable live environments. The Australian Government's local touring incentives have created a vibrant network of regional venues that profit greatly from Government funding and educational programs that provide a sufficient number of professional musicians to fill them. The international success of Australian bands cannot be

laid solely at the feet of greater population and must surely have some basis in the structure of the Australian music business.

The ability to maintain an extensive network of venues and arts facilities in both Australia and Canada is supported by government tax incentives that promote philanthropy to the arts. The New Zealand Government should investigate the feasibility of doing this, in order to ensure that regional communities can have regular access to high quality professional New Zealand music at an affordable price. Not-for-profit venues ensure that the majority of profit from ticket sales goes to artists and not to local promoters who have cornered the market by guaranteeing fees to venues struggling to survive. If venues were free to attract benefactors under tax exemptions, they could become a real source of pride for communities, increasing both the cultural and commercial capital of music produced in each region. As in Australia and Canada, these tax exemptions would allow the Government to lessen its funding to classical music, which is traditionally a recipient of extensive corporate sponsorship when donations are made tax deductible. This money could then be used to fund the development of more programs supporting contemporary music.

Contemporary music could be further supported by strengthening and clarifying existing radio quota agreements between broadcasters and government. As in Australia and Canada, quota targets could be met during prime time listening hours, thereby ensuring that the maximum number of people would hear New Zealand music daily. The flow on effects of opportunities for radioplay and sufficient venues to play in and profit from would have a real effect on the quality of New Zealand music.

For all types of funding, the Government could draw distinctions between major label artists and truly independent artists, recognising that, at present, a web of cooperations exists between foreign owned radio broadcasting staff, major label staff and television broadcasters

that greatly benefits the musical ‘products’ owned by foreign entities. Funding these organisations to sign and release New Zealand artists does not necessarily benefit the New Zealand music community, either financially or culturally. If an artist is independent, successful and in control of their own business affairs, the money the Government recoups on investment through taxation will greatly exceed the money it will recoup from investment in major label artists.

The Government should work to ensure that New Zealand musicians understand and exploit new developments in technology and business that allow them to remain independent and locally based wherever possible and work with them to create international networks built on musical quality and the exploitation of copyrights in multiple media. Doing this could create a situation whereby the Government enjoys a substantial return on its investment and more local artists are able to live meaningful and creative lives that enrich and inform their communities in a global market that supports and consumes regional music.

7 References

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8 Appendices

8.1 Cover Letter for Questionnaire

Astrid Kirchner

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Dear musician!

My name is Astrid and I am currently writing my Masters Thesis on Kiwi music export. Therefore, I have set up a questionnaire asking musicians on their approach of going overseas.

It would be absolutely great if you would find the time and energy to complete it. Once completed, I hope that this document will provide artists and management with valuable insights into the way in which New Zealand musicians can improve their success overseas. Obviously, the quality of the document will rely heavily on the quality of the answers and opinions that the musicians being surveyed supply.

Please feel free to write into the Word-document attached, and send it back to me via email or if you prefer snail mail you can also print it out and send it back to the address shown above. Admittedly, I would greatly appreciate if you could send it back to me as soon as possible.

Your support really helps pushing New Zealand music further into the international music market! If you have any further question please do not hesitate contacting my any time!

Cheers, Astrid

8.2 Questionnaire for Musicians

Name of you/your band: _____

Section A – Strategy

1. Before you or your band signed your record deal, how would you describe your business approach (please tick)

- ☐ I/We just played for fun, we had no business plan
- ☐ I/We were making some money, but we had no business plan
- ☐ I/We agreed on some business ideas, but we had no proper plan
- ☐ I/We had some rough plan, with some stated and agreed goals
- ☐ I/We had a well-developed business plan with specific goals and timelines
- ☐ Other (please state) _____

2. Before signing your record deal how strong was your intention to “export” your music outside New Zealand?

- ☐ I/We were not interested where our music went
- ☐ I/We wanted to concentrate on New Zealand first
- ☐ I/We had some hopes, but exporting was not a major influence
- ☐ Export was a clear goal, influencing my/our decision(s)
- ☐ Export was a major driver of artist/band decisions and plans
- ☐ Other (please state) _____

3. What type of music do you play/ write? (please tick as many as apply)

- ☐ Blues
- ☐ Classical
- ☐ Country
- ☐ Dance
- ☐ Electronic
- ☐ Folk
- ☐ Hip Hop
- ☐ Jazz
- ☐ Metal
- ☐ Pacific/ Maori
- ☐ Pop
- ☐ R&B
- ☐ Rock
- ☐ Other, (please state) _____

4. What is unique about you/ your band that you believe makes you stand out from the crowd? (please tick and write short explanation – max 5)

- ☐ Artwork

- ☐ Contacts in New Zealand

- ☐ Contacts overseas

- ☐ Distribution Channels

- ☐ Government funding

- ☐ International Fan Base

- ☐ Image

- ☐ Promotion tools

☐ Label deal

☐ Lawyer

☐ Management

☐ Market knowledge

☐ Musical uniqueness

☐ New Zealand fan base

☐ Successful International Release Schedule

☐ Price

☐ Self-Confidence/ Self-Awareness

☐ Sound

- ☐ Special Features on the record/ CD

- ☐ Other (please state)_____

5. How did you get your record deal? *(please write a short answer)*

6. Are you: *(please tick as many as apply and state with which label you signed with in NZ and overseas)*

- ☐ Direct signed to a Major label
☐ Direct signed to an Independent label
☐ Licensed
☐ P&D (Pressing & Distribution)
☐ Other (please state)_____

Signed to: (record label)

7. Why did you choose the option you did? *(please tick as many as apply)*

- ☐ I/We just wanted to have a record deal
☐ I/We wanted to go overseas and that deal was the best option for me/us
☐ The Label Deal supports my/our vision as mentioned above
☐ It looked like a great opportunity
☐ Advice of our management, who _____
☐ Advice of our lawyer, who _____
☐ Advice of friends
☐ Advice of other bands/artists, who were _____
☐ Other (please state)_____

8. How aware were you of the signing dictates of your label – In other words, the conditions under which company signed you? (please tick the option which is most suitable for you)

- ☐ I/We don't know what "signing dictates" are
- ☐ I/We'd heard about them, but don't remember them; not up to date
- ☐ I/We've an idea what they mean but not sure of the consequences for me/us
- ☐ I/We've a reasonable idea what they mean for me/us
- ☐ I'm/We're fully aware of the implications, limitations and consequences of "signing dictates" and they influenced our decision to sign the record deal we have
- ☐ Other (please state) _____

9. How aware were you of the marketing and release strategy of your label? (please tick the option which is most suitable for you)

- ☐ I/We don't know anything about marketing strategies
- ☐ I/We've heard about marketing strategies but I/we don't know if I/we have one
- ☐ I/We know I/we have a marketing strategy but I/we don't know which one. That is the job of the label not mine/ours
- ☐ I/We have a rough idea about our marketing strategies but not sure what we or the label really do regarding marketing.
- ☐ I'm/We're fully aware of our marketing strategies, goals and plans of my/our record label.
- ☐ Other (please state) _____

10. Were you supported by a manager before you signed a record deal? (please tick)

- ☐ Yes
- ☐ No

11. Which of the following 5 scenarios best describes the relation between you/your band and your manager (please tick the option which is most suitable for you)

- ☐ Manager supports artist/band's musical and creative direction
- ☐ Manager mostly supports artist/band's musical and creative direction
- ☐ Manager and band are working together equally on artist/band's musical and creative direction
- ☐ Manager mostly directs artist/band's musical and creative direction
- ☐ Manager directs artist/band's musical and creative direction
- ☐ Other (please state) _____

Section B – Export Markets

In this section you should answer questions about music markets/ countries you have visited in order to promote your music.

1. Have you been overseas within the last 10 years to promote your music? (please tick one only)

- ☐ Yes
- ☐ No (if you have chosen this option, there is no need to continue the questionnaire. Thanks for your time and effort!)

2. What does going overseas mean to you? (please tick as many as apply)

- ☐ Travelling through a foreign market and playing a few gigs
- ☐ Album release in a foreign market
- ☐ Playing a festival
- ☐ Touring in the target market
- ☐ Being there about 3 months
- ☐ Being there about 6 months
- ☐ Being there about 1 year
- ☐ Living there (longer than 1 year)
- ☐ Staying in a market as long as it takes to break it
- ☐ Other (please state)

3. What level of return on investment did you expect when you went overseas? (Please tick the option which is most suitable for you)

- ☐ None; I/We expected to lose money
- ☐ None; I/We just wanted to have a good time
- ☐ I/We wanted to break even
- ☐ Going gold in the targeted market
- ☐ Going platinum in the targeted market
- ☐ We have not thought about return on investment so far
- ☐ Other (please state)_____

4. Did you have financial goals prior to touring overseas? (please tick)

- ☐ Yes, my/our label clarified and discussed goals and aims with me/us
- ☐ Yes, my/our management clarified and discussed goals and aims with me/us
- ☐ Past experience guided my/our spending
- ☐ Other (please state)_____

5. Which markets have you targeted by exporting your music? (please tick as many as apply)

- ☐ USA = 1
- ☐ Australia = 2
- ☐ UK = 3
- ☐ Germany = 4
- ☐ Japan = 5
- ☐ France = 6
- ☐ Sweden/ Denmark/ Finland/ Norway = 7
- ☐ Eastern Europe = 8
- ☐ China = 9
- ☐ Taiwan =10
- ☐ Hong Kong =11
- ☐ Singapore =12
- ☐ South America =13
- ☐ Africa =14
- ☐ Other (please state) _____ =15

Section C – Success in Music Export

1. Was your market saturation/media coverage in those international markets: (please tick)

- ☐ Less than in NZ
- ☐ The same
- ☐ Greater than in NZ
- ☐ I/We don't know

2. Given New Zealand’s geographical isolation, how many markets do you think can be effectively worked by an artist/band, based in New Zealand, at the same time? (please tick and write a short explanation of your choice)

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5
- ☐ More than 5
- ☐ Every market where the album is released
- ☐ It depends on the size of the market
- ☐ It depends on the genre

**3. What have been the consequences for you/your band exporting your music?
(please state)**

Good:

Bad:

**4. What strengths has international music export shown in your band/music?
(please state)**

**5. What weaknesses has international music export shown in your band/music?
(please state)**

**6. What are three important lessons you have learnt form your experience
exporting your music? (please state)**

1.

2.

3.

**7. What will you do differently next time you release/tour internationally? (please
state)**

Thanks a lot for filling out the questionnaire!!!!

8.3 Tables in Appendices

Table A1

Positive Consequences for Artists who Exported Music

Name	Consequences (good) trough music export
Ardijah	Distributor are good, e-mails feedback from fans all over world, travel to places
Baitercell	Made some money, learned a lot of production and business experience that pass on to people :)
betchadupa	We have a great time doing so and have had a lot of amazing experiences making us a better band and better people
Bex Riley	Money
Breaks Co-op	picked up by Parlophone UK tastemakers pick in musicweek magazine
Cloudboy	Audiences enjoyed our shows
Damian Binder	Bigger market here in Aussi,
Dei Hamo	To finally be where we've always wanted to be
Donald Reid	Perception In NZ, people like to know you are trying to export and that you have played overseas
Donna Dean	Great personal/professional experience
Goldenhorse	Experience, relationships for international markets
Goodshirt	Travel, build solid foundation for our careers to levitate.
Jacky Tarr	Experience of touring, more professionalism, performances better
Jakob	Travelling the world and reinvest the money
James Ray	By being in house, self-managed and keeping the expenses low and manageable exporting has been cost effective and profitable
Katchafire	Money, get to see the world, dreams come true
Khas the feelstyle	Fresh, different approach
Misfits of Science	Travel, but haven't done enough to really tell
One Million Dollars	Travel to Australia & Venuatu There's so much more live music happening in London. The locals here all complain there's no gigs, bad money (well, that part's true) <i>etc</i> but when you have several times the population of NZ concentrated in one place it's inevitable there's many more opportunity
Paul Garner	
P-Money	All good
Steriogram	More people know about us
Tadpole	Travel, possible earnings
The Black Seeds	Friendships got closer and have all come back and want to do more music
The Brunetts	Excellent – we have sold a lot of albums and been signed to other labels_
The D4	Touring the world, playing shows, meeting people making money
The Datsuns	Fun, travelling with friends
The Greenmatic's	Meeting people from overseas who like my songs, they in turn show it to friends, who show it to friends, who play it on their radio show <i>etc</i> .
Trinity Roots	Positive feedback from local public and music fans in UK and Europe. Strong support from kiwis based in the territories we toured.
Twinset	We have licensed a track to a Mercedes compilation, among others
Voodoo Maya	Greater audience
Yulia	Exposure

Table A2

Negative Consequences for Artists who Exported Music

Name	Consequences (bad) through music export
Ardijah	Not getting played, in different territory trying to pitch your stuff,
Baitercell	Got ripped off by the English
betchadupa	It has cost us a lot of money and been very hard work at times, this has never outweighed the good points though
Bex Riley	So many marriage proposals
Cloudboy	We didn't secure any international distribution or significant radio play
Damian Binder	Not acceptance, because not known
Dei Hamo	Being away from family
Donald Reid	Cost
Goodshirt	Band broke up due to financial stress
Jacky Tarr	Physical effects on your body
Jakob	Lack of personal space/time; not time with girlfriend
Katchafire	All the illnesses through travelling
Khas the feelstyle	Album is not typical Hip Hop
Misfits of Science	Away from friends, partners, family
Paul Garner	Far away from family and nice weather..also, in NZ it may have been possible to be a big fish in a small pond, here the danger is getting lost in the ocean.
P-Money	In the UK: you have to be there
Steriogram	Away from family
Tadpole	Hard work, away from families, lose members
The Black Seeds	Hadn't huge success
The Datsuns	Giving up personal life, no home
The Greenmatic's	People wanting to buy my CD's, but it's too difficult for me to send them overseas because I don't break even high postage expenses
Trinity Roots	Financially a stretch to do from New Zealand. Being away from home and family. Emotional issues
Voodoo Maya	Financial loss/depth

Table A3

Strengths Discovered due to Music Export

Name	Strength
Ardijah	Travelling, source funding, share information, confidence, we don't have to wait for anybody so you are more productive by doing it yourself
betchadupa	The amount of touring we have done has made us a very tight and rocking band
Bex Riley	money, contacts who are hot
Breaks Co-op	We are well prepared, mature and business minded. We seek to capitalise on our masters through listening, synching and publishing
Brother J	Confidence, know that sells overseas
Cloudboy	Ability to transport our musical aesthetics across cultures
Damian Binder	Solo gigs, made him much better as musician, and knowing he can do it all himself
Dei Hamo	It has strongly influenced the band to break other countries
Donald Reid	Performance, still need to release but industry support is good
Donna Dean	NZ produces some amazing talent, equal to any other country
Ermehn	Professionalism
Goldenhorse	Increased performances and professionalism, eclectic album
Goodshirt	That good songs and production will always win out over image, <i>etc.</i>
Jacky Tarr	Put things into perspective, meet other bands and see a lot of good bands.
Jakob	Professionalism; "going overseas is like a sledge hammer in the face" Its appeal to a larger audience than that NZ has revealed that NZ really isn't the best market for the genre mostly because of the country's limited outlets and proper concert promoters.
James Ray	
Katchafire	Step up in performances, get professional and friendship within band stronger
Khas the feelstyle	Freshness of style, difference of content/stories
One Million Dollars	That our existence is appreciated Knowing that I can hold my own, for example as a blues guitarist, in any company. Receiving excellent reviews for my CD. And making me believe that it may actually be possible to make a career as a musician.
Paul Garner	
P-Money	more experiences, local knowledge, skills, market knowledge
Steriogram	Band gets better, more playing
Tadpole	Performances, inspirations of international bands
The Black Seeds	Confidence, to know music holds up over there, ability to play lots of gigs in short time
The Brunetts	It has validated what we always knew – that the band has a market and can be commercially successful.
The D4	More business savvy, better live bands because we play all the time
The Datsuns	Improved playing/skills, more song writing, Hearing that my songs are getting played on overseas radio stations gave me a huge boost in confidence and inspired me to put even more effort into writing songs that could do well internationally, as well as at home in NZ
The Greenmatic's	
Trinity Roots	That we have a credible music scene in NZ and our music travels well and can compete on an equal footing.
Twinset	The broad appeal of our unique sound
Voodoo Maya	Professionalism improved

Table A4

Weaknesses Discovered due to Music Export

Name	Weakness
Ardijah	It would be really nice for independent bands to get more support from NZ (here) when going overseas; does it always have to be with a major label?
baitercell	Increased production levels, learning about international markets and how to target them
Cloudboy	Personal stress due to self-management is de-motivating
Damian Binder	That he needs more impact so back up band
Donald Reid	Need to live there and NZ'ders are perceived to have a tendency to leave & come home.
Ermehn	Lack of sleep
Goldenhorse	Maybe having a more digesting album
Goodshirt	That unless you have the support of a record company, radio stations, it is very difficult to do more than a few gigs.
Jakob	We did not expected to be so hard. We had to learn very quickly to be more professional
James Ray	Recording and producer expertise from NZ in the contemporary country genre is very limited and out dated for the international market place.
Khas the feelstyle	Getting it into stores in the UK, you have to be there in the UK
One Million Dollars	That we are too poor to effectively travel/release/market our music in Europe/Japan/USA
Paul Garner	I really need a manager/argent to help me tap into wider markets, both musically and geographically.
Tadpole	Lose members, lack of sleep
The Black Seeds	Don't easily slip into a particular market (but is also goo as we are unique)
The Brunetts	There is never money to pay members – so those not in it for the long haul have left
The D4	We need to be the best at what we do. Become better song writers and performers
The Datsuns	To deal with people all the time
The Greenmatic's	That there are so many bands out there and it's really hard to be heard unless you have a million dollar record deal with a company who promotes the hell out of your music
Trinity Roots	Not having the access to all the resources necessary to sustain the touring/marketing push. Not having enough time to build contacts
Twinset	Our lack of organisation/management
Voodoo Maya	How tight the show has to be. You have to be on to it and motivated

Table A5

List of Contacted Musicians within the Sample Frame (0=No; 1=Yes)

Bands who went overseas within the last 10 years	Returned	Official Contact	Contact Personal	Contact Label	Contact Mgt.	Contact Artist Email	Contact Artist Phone	Contacts Total
8 Foot Sativa	0	1	0	1	0	0	0	2
Adeaze	0	1	1	1	1	0	0	2
Agent Alvin	0	0	1	1	0	0	0	2
All torn Up	0	1	0	0	0	0	0	1
Alphrisk								
Deceptikonz	0	1	1	1	1	0	0	2
Amber Claire	0	0	1	1	0	0	0	2
Anika Moa	0	1	1	0	1	1	0	3
Anthony Ritchie	0	0	1	0	0	0	0	1
Antix	0	1	0	0	0	0	0	1
Ardijah	1	1	1	0	0	1	1	3
Bailterspace	0	1	1	1	0	1	0	2
Baitercell	1	0	1	1	0	1	0	1
Ben King	1	0	1	1	0	1	1	2
Betchadupa	1	0	1	1	0	0	0	1
Bex Riley	1	0	1	0	0	0	0	1
Bic Runga	0	0	1	1	1	0	0	2
Bill Lake	0	0	1	0	1	0	0	2
Blam Blam Blam	0	0	1	0	1	0	0	1
Blindspott	0	0	1	0	1	0	0	2
Breaks Co-op	1	0	1	1	1	1	1	3
Brooke Fraser	0	0	1	1	1	0	0	2
Brother J.	1	0	1	1	1	1	1	3
Carla Werner	0	0	1	0	1	0	0	1
Carly Binding	0	0	1	1	1	0	0	2
Che Fu	0	0	1	1	0	0	0	2
Chris Cox	0	1	0	0	0	1	0	1
Chris Knox	0	1	0	1	0	0	0	1
Concord Dawn	0	0	1	1	0	1	1	3
Dam Native	0	0	1	1	0	0	0	1
Damian Binder Dance	1	0	1	0	1	1	1	2
Exponents	0	0	1	0	1	0	0	3
Darren Watson	0	0	1	1	0	0	0	1
Dave Dobbyn	0	0	1	0	1	0	0	1
David Kilgour	0	0	1	1	0	0	0	2
David Yetton	0	0	0	1	0	0	0	1
Dead Pan Rangers	0	0	1	1	0	0	0	1
Deborah Wai Kapohe	0	1	0	0	0	0	0	1
Deceptikonz	0	1	1	1	1	0	0	3
Degrees.K	0	1	1	0	0	1	1	2
Dei Hamo	1	0	1	0	0	1	1	2
Deja Voodoo	1	0	1	0	0	0	1	3
Del Rey System	0	0	1	1	1	1	1	4

Bands who went overseas within the last 10 years	Returned	Official Contact	Contact Personal	Contact Label	Contact Mgt.	Contact Artist Email	Contact Artist Phone	Contacts Total
DieDieDie	0	0	1	0	0	1	1	2
Dimmer	0	0	1	0	1	0	1	3
DLT	0	0	1	0	0	1	0	2
Donna Dean	1	0	1	0	1	1	1	1
Duchess	1	0	1	0	0	1	1	1
Dystopia	0	0	1	1	0	0	0	1
Edwina Thorne	0	0	1	0	1	0	0	1
Elemeno P	0	0	1	0	1	0	0	2
Emerald Green	1	1	1	0	0	1	1	2
Emma Paki	0	0	1	1	1	0	0	2
Ermehn	1	0	1	1	1	0	1	2
Evermore	0	1	1	0	1	0	0	1
Fang	0	0	1	1	0	0	0	1
Fast Crew	0	0	1	0	1	0	1	3
Fat Freddy's Drop	0	0	1	1	1	1	1	4
Finn Brothers	0	0	1	1	0	0	0	1
Flash Harry	0	0	1	1	0	0	0	1
Fly My Pretties	0	0	1	1	0	0	1	2
Fur Patrol	0	0	1	0	1	0	0	2
Gareth Farr	0	0	1	0	1	0	0	1
Ghost Club	0	1	0	0	0	1	0	1
Ghostplane	0	1	1	1	0	0	0	2
Goldenhorse	1	0	1	0	0	1	1	3
Goodnight Nurse	0	1	0	0	0	1	0	2
Goodshirt	1	0	1	0	0	0	1	3
Gramsci	0	0	1	0	0	0	1	3
Greg Johnson	0	1	1	0	0	1	1	2
Headless Chickens	0	1	1	0	1	1	0	2
Insomniacs	0	0	0	0	0	0	0	0
Jacky Tar	1	1	0	0	0	1	0	1
Jakob	1	0	1	0	0	0	1	3
James Ray	1	0	1	0	0	1	0	1
Jonathan Crayford	0	0	0	0	0	0	0	0
Joshna	0	1	0	0	0	0	0	1
Julia Darling	0	0	0	0	0	0	0	0
Kat McDowell	0	0	1	0	1	1	0	2
Katchafire	1	0	1	1	1	1	1	3
Khas the feelstyle	1	0	1	0	1	0	1	1
King Kapisi	0	1	0	0	0	1	0	2
Kora	0	0	0	0	0	0	0	0
Like a storm	0	0	1	0	0	1	0	2
Mareko	0	1	1	1	1	0	0	2
Mark de Clive- Lowe	0	0	1	0	0	1	0	2
Marystaple	0	1	0	0	0	1	0	1
Matar	0	1	0	0	0	0	0	1

Bands who went overseas within the last 10 years	Returned	Official Contact	Contact Personal	Contact Label	Contact Mgt.	Contact Artist Email	Contact Artist Phone	Contacts Total
Melayne Web	0	0	0	0	0	0	0	0
Meterman	0	0	1	1	0	0	0	2
Midge								
Marsden	0	1	1	1	0	1	0	2
Minuit	0	0	1	0	1	0	0	1
Misfits Of Science	1	0	1	1	1	0	1	2
Moana and th								
Moahunters	0	0	1	0	0	1	0	2
Module	0	0	1	1	0	1	1	3
Nathan Haynes	0	0	1	0	0	0	0	1
Nesian Mystik	0	0	1	1	0	0	0	1
Newmatics	0	0	1	0	1	1	1	2
Nigel Gavin	0	0	1	1	0	1	0	2
OMC	0	0	1	0	1	0	0	0
One Million Dollars	1	0	1	0	0	1	1	3
Otautahi All Stars	0	0	1	0	0	0	0	1
P Money	1	0	1	1	1	0	1	2
Pacific Soul	0	0	1	1	0	0	0	1
Paul Garner	1	1	0	0	0	1	0	1
Paul Ubana Jones	0	0	1	1	0	0	0	1
Phoenix Foundation	1	0	1	0	0	0	1	1
Pierced	0	1	0	0	0	1	0	2
Pitch Black	0	0	1	1	0	1	1	3
Pluto	0	0	1	0	1	0	0	0
Rhian Sheehan	0	0	1	1	0	1	1	3
Rhombus	0	0	1	1	0	0	0	2
Rubicorn	0	0	1	0	1	0	0	1
Samonella Dub	0	1	0	0	0	0	0	1
Sara-Jane Auva`	0	1	0	0	1	0	0	2
Savage	0	1	1	1	1	0	0	3
Scribe	0	0	1	1	1	0	0	2
Shapeshifter	0	0	1	0	0	1	1	2
Shihad	0	1	0	0	0	0	0	0
Sisters Underground	0	0	1	0	1	0	0	1
SJD	0	0	1	0	1	1	1	3
Sola Rosa	0	1	0	0	0	1	1	2
Steriogram	1	0	1	1	0	0	1	1
Steve Abel	0	0	1	0	0	1	1	3
Straitjacket Fits	0	0	1	0	1	0	0	2
Strawpeople	0	1	0	1	0	1	0	3
Tadpole	1	1	1	0	1	1	1	2
Tall Dwarfs	0	1	0	1	0	0	0	1
								0
Tama Renata	0	0	0	0	0	0	0	

Bands who went overseas within the last 10 years	Returned	Official Contact	Contact Personal	Contact Label	Contact Mgt.	Contact Artist Email	Contact Artist Phone	Contacts Total
The Black								
Seeds	1	0	1	1	0	0	1	1
The Bleeders	0	1	0	0	0	1	0	1
The Brunettes	1	0	1	0	1	0	0	1
The Checks	0	0	1	1	1	0	0	2
The D4	1	0	1	0	0	0	1	1
The Datsuns	1	0	1	0	0	0	1	1
The								
Dellburgoes	0	0	1	0	1	0	0	1
The Fanatics	0	0	1	0	0	1	0	2
The Feelers	1	0	1	0	1	1	1	3
The Have	0	0	1	0	1	0	0	2
The Jews								
Brothers Band	0	0	0	0	0	0	0	0
The Lads	0	1	0	0	0	0	0	1
The Mint								
Chicks	0	1	0	1	0	0	0	2
The Offbeats	0	1	0	0	0	1	0	1
The Warratahs	0	0	1	1	0	0	0	1
The Windy								
City Strugglers	0	0	1	0	1	0	0	1
This Night								
Creeps	0	1	1	1	0	0	0	2
Timmy								
Schumacher	0	0	1	1	0	1	0	3
Tourist	0	1	0	0	0	1	0	1
Trinity Roots	1	0	1	0	0	0	1	2
Twinset	1	0	1	1	0	1	1	2
Uncle Monkey	0	1	0	0	0	0	0	1
Vocoder	0	1	0	0	0	0	0	1
Voodoo Maya	1	0	1	1	0	1	1	2
Wai	0	0	0	0	0	0	0	0
Whirimako								
Black	0	0	1	1	0	1	0	2
Yulia	1	0	1	1	1	0	0	2
Zed	0	1	0	0	0	0	0	1