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Before we wrap up all things 2017, we’d like to leave you with some impressions, insights and info from our recent event and start looking into 2018’s agenda.

In this issue: we proudly present our first “Best Music Business Journalist of the Year”, Cherie Hu; Helienne Lindvall expands on our sessions on music streaming to consider the songwriters’ and artists’ perspective; and Rhian Jones asks who’s responsible for the wellbeing and health of those working for and in the music industry.

We’ve also checked in with some of our esteemed 2017 speakers and asked them for their assessment of this and next year’s most relevant issues. And, finally, we’re pleased to present some of our 2017 session reviews. Expect more to come in 2018 as we are already planning not only our next conference but also future issues of our Conference MAG!

Don’t hesitate to let us know your thoughts about our magazine by writing to us at feedback@reeperbahnfestival.com. We’ll also be making all of our magazine articles available online as individual posts. Please check our social media channels, newsletter and website for these and feel free to share them.
Music Business Journalist of the Year

Cherie Hu

Interview
Christian Tjaben
At this year’s Reeperbahn Festival Conference we proudly celebrated our very first International Music Journalism Awards. Besides awards for “Best Music Journalist” and “The Year’s Best Work of Music Journalism” (both with winners in the “German-language” and “international” categories) and an award in the German “Under 30” category for new talents, we also gave an award for “Best Music Business Journalist of the Year”. The winner in this last category, by quite a large margin, was American journalist Cherie Hu.

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**HU:** Thank you so much! I myself was definitely surprised to hear the good news, especially given my background and relatively recent involvement in the industry – but yes, in retrospect, my unique perspective has certainly been an asset in my career. My overarching goal as a journalist is to write about and for people like me: young, entrepreneurial and curious professionals who want to know what’s really going on in music, and where the true opportunities lie for growth and innovation. I’m deeply passionate about educating future leaders in addition to current ones.

**REEPERBAHN FESTIVAL:** First of all, congratulations on winning our first “Best Music Business Journalist of the Year” award! To be honest, we didn’t anticipate that we would have a winner that contradicts most prejudices one might (rightly or wrongly) have about the profession. Quite obviously, you’re not a 50-plus-year-old white male! Do you think people voted for you because you are young and female or despite it?

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Also, even though my work has spanned a combination of quicker news pieces that take only a few hours to write and longer features that require weeks of research and interviews, I think there’s a much bigger opportunity to cultivate a unique voice in the latter space, which is where I started out. Since I began writing about music as a college undergraduate, I incorporated a rather academic and research-oriented lens into my early writing, which I think gave me a leg up simply because there weren’t many other young people doing the same thing at the time.
REEPERBAHN FESTIVAL: What is your professional career so far?

HU: I’ve written a music-tech column for Forbes for the past two years, and recently joined Billboard.biz as a contributing editor – which has allowed me to cover a much wider range of topics beyond tech, including artist management and music-focused social impact initiatives. You can also find my bylines in Music Ally, Cuepoint and the Harvard Political Review. I’ve had the honor of speaking at and moderating panels at conferences including SXSW, Sónar+D, FastForward, SF MusicTech, Sørveiv, and L.A. Comic Con.

My early work experience in the music industry has heavily influenced my approach to journalism. In summer 2015, I worked as a research assistant at Harvard Business School, where I helped launch a new project with their Digital Initiative about innovations in music business models. That was the first time I learned about companies like PledgeMusic, CASH Music, Future of Music Coalition and Patreon, and really set the stage for how I understand tech’s role in growing and empowering the DIY music community. I’ve also interned in product marketing at Ticketmaster and in account management at ticket sales analytics startup Jamplify, which has equipped me with an in-depth knowledge of the live and ticketing sector that I think is still lacking in music journalism.

My first-ever exposure to the industry was a two-week A&R internship at Interscope Records in January 2015 – that was my first time meeting people who were both ambitious and genuinely passionate about the music business, and it set a hopeful tone for everything else I’ve done since.

REEPERBAHN FESTIVAL: You publish articles on a wide array of music business-related topics – covering everything from traditional music-business structures (like labels etc.) to streaming platforms, from data analysis to the financing / venture capital aspects of startup culture. Which topics are most relevant for you and what skill set does today’s music business journalist need to have in order to approach these?

HU: While I’ve covered a wide range of topics under the umbrella of music and tech, I think they all point to a fundamental tension between entrepreneurship and the status quo. I love profiling successful music entrepreneurs and their projects, but I’m also not afraid to point out where and why they might fail at the hands of industry incumbents. This is not a narrative that I fabricate from scratch – it runs wild in the music industry’s blood – but only recently have people actually come forward and articulated not only what that tension looks like, but also how it might actually encourage rather than stifle future progress.

As for necessary skills in journalism, I believe the best writing on any topic connects the dots between otherwise disparate ideas. With the music industry in particular, there are so many conflicting perspectives at play: What do artists want? What do labels want? What do fans want? What do tech entrepreneurs want? What do we lose from generalizing the entire industry into buckets like these? Answering these questions is difficult for even the most senior music executives—and particularly for professionals who spend all their working hours hyper-servicing a narrow range of clients, and who might not be able to afford a bird’s-eye view on what’s going on.

Therefore, for music business journalists, it’s important not just to do your research and demonstrate your knowledge, but also to present multiple perspectives in an accurate, digestible and actionable way. People usually read business journalism to make business decisions, so actionability is more important than ever. I also can’t overemphasize the importance of spending as much time as you can with music professionals, and taking a constant pulse on their most pressing concerns and questions.
Once you understand their perspective, you can shape your writing in a way that empowers them with valuable knowledge and tools they can wield in their daily lives, and earn their trust in the process. Combining these elements will already elevate you above a lot of writing that’s being published about the business today.

Another important skill that is directly related to “connecting the dots” is pattern recognition. History is most intriguing when it repeats itself, and the most evergreen pieces point to wider trends across multiple industries, stakeholders and time periods that no one has noticed or is willing to bring to light. To boost pattern recognition abilities, I think journalists can borrow a concept from the tech/design world of a “T-shaped” personality – deep, unparalleled expertise in a single field (the vertical line in the letter T) coupled with the ability to learn and collaborate across a much broader range of disciplines (the horizontal line in T). For me, my “T-shaped” perspective is augmenting deep expertise in music with a boundless curiosity for TV, movies, fashion, gaming, fine arts and philosophy. In its newfound period of growth, the music industry will likely widen its horizons and look to adjacent industries for expansion and inspiration, so I think this T-shaped approach will be more and more relevant moving forward.

**REEPERBAHN FESTIVAL: In the music business of old, everything is/was about contacts, networks, knowing the right people, etc. – one of the reasons the words “music business journalist” might conjure up the image of a 50-plus-year-old white male (see above). Do you think digitalization has brought about so much of a disruption that we now have a new, leveled playing field, or that the new digital music business is even more diverse etc. than the old one?**

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**HU:** Speaking from my own professional experience, I think there is a more level playing field in the sense that the internet age allows younger, more diverse people to gain recognition and build new careers from the ground up in an otherwise legacy-oriented industry like music. I got my Forbes contributor position in part by submitting my scrappy WordPress music blog as my writing sample – as DIY as you can get. It’s analogous to how anyone can start posting music to SoundCloud or BandCamp, and how the rise of certain Latin and Asian genres today points to the power of streaming to elevate otherwise geographically-confined sounds onto the world stage.

However, just because it’s a more “level” playing field doesn’t mean that you don’t have to put in the work, and this is where I think a lot of people fall short. If the barrier to entry is twice as low, I believe you need to work twice as hard to stay afloat above the rest of the noise.

For my career, that meant doing twice the amount of research for articles, interviewing twice the number of people and putting myself out to conferences and other public platforms twice as often from the very beginning.

In this sense, networks and contacts still matter, because the internet doesn’t go on autopilot for you. In fact, I once heard Hartwig Masuch (CEO of BMG Rights Management) make a really insightful point that digitalization actually makes mainstream artists and back catalog more relevant than ever before, because of something called the paradox of choice: when presented with a wider variety of choices, we actually gravitate towards what we are already familiar with. I think it’s crucial that aspiring music entrepreneurs keep this in mind and develop a keen sense of what is and isn’t familiar in the industry – after all, it’s important to know the system and the rules before you even think about breaking them.

Also, as I mentioned in my answer to the previous question, succeeding in music requires that you surround yourself deliberately and constantly with people who are deep in the industry’s trenches, and take the time to understand what their values and concerns are. You are truly only as knowledgeable and powerful as the people with whom you surround yourself.
REEPERBAHN FESTIVAL: In the music business of the last two decades the roles of the hunter and the hunted have seemingly changed time and again between music companies / rights owners and tech companies / digital distribution channels. While one side’s business models have been pushed to decline by new, more convenient technology, the other side’s business models have been constrained due to the powers that successfully defend intellectual property rights etc. Do you think these conflicts will endure or have the respective branches formed a new functional alliance?

HU: The hunter/prey analogy is really interesting to me because it reinforces the notion that music and tech cannot coexist, which goes against my fundamental motivation for writing about their intersection. I do think that as long as people see “music” and “tech” as two separate industries, their conflict will endure. Part of it boils down to marketing: unlike most tech products, artists are not objects, they can talk back to you and have their own stubborn opinions about what their brands should be. Another part of it boils down to organizational styles and human resources. For example, knowledge and networks tend to flow much more freely and openly in the tech world, whereas the music world is still stifled by NDAs and senior execs who want to protect their egos and ensure their legacies. In addition, labels and publishers still invest shockingly little in data science, leaving most of the analytical prowess to streaming services and distributors and losing a lot of leverage in the process. Plus, while the aggregate music industry is now in a growth state, it seems that even the biggest music corporations need much more financing before they can feel comfortable prioritizing technological innovation over market share.

On the other hand, I don’t know of any other industry aside from music where rights owners and digital distribution channels are so dependent on each other for success – in other words, if a major label like Universal Music Group pulled its entire catalog from Spotify, both companies would likely go out of business within a few years. I think part of building a “functional alliance” between music and tech will involve a gradual overhaul in senior management. I recently came to the realization that most execs at music-tech companies seem to have worked either for several years in music before transitioning to tech, or for several years in tech before transitioning to music. Conflict is inevitable in both circumstances, for all the reasons cited above. I look forward to seeing more music-tech leaders who were cultivated at that intersection from the ground up, and who can embrace more open innovation practices and make “digital” the core fuel behind an entire music company, rather than a single, siloed department to which everyone else has to catch up.

REEPERBAHN FESTIVAL: What is your current professional “obsession,” which topics currently concern you most?

HU: I wouldn’t say I have a single “obsession,” since I’m always trying to cast a wide net for anything interesting in the industry, but there are a handful of topics I would like to write about more in the future. International and emerging markets, particularly in Asia, are always top-of-mind for me. I recently wrote feature articles about the rise of Asian-American rappers and the evolution of the Indian music landscape, and hope to continue this thread with articles about music in China, Korea and Japan. The fact that the New York Times recently published a feature about the rise of Chinese hip-hop is pointing to a paradigm shift where non-western, non-English-speaking artists are gaining truly global recognition for the first time. I also strongly believe that the music industry’s growth will involve more tight-knit collaborations with other industries like film, TV and gaming.
I’m currently working on an article about video game music, and plan to write more pieces about film music and the sync licensing business in the near future.

A third trend I’ve been following closely, admittedly with some skepticism, is the adoption of blockchain in the music industry. I doubt that blockchain’s ultimate implementation in music will be as much of a disruptive utopia as its early entrepreneurs make it out to be, but its promise is nonetheless a fundamental cultural and financial shift that simply cannot be ignored.

Plus, awareness and support of the technology is growing. The first time I ever heard the word “blockchain” was during a workshop at Berklee College of Music, during which most people in the room were completely clueless (including myself). Fast-forward two years to the latest SF MusicTech Summit, in which nearly everyone who attended the blockchain panel owned some form of digital currency and were much better-versed in the blockchain music startup landscape.

The fact that Björk offered cryptocurrency rewards to her fans, Ghostface Killah launched his own ICO and Gramatik renamed himself “Yung Crypto” on Twitter all within the last few months points to the quickening momentum of support, and the sheer diversity of artists who are now buying into blockchain’s power. Translating that artist diversity into fan action is the industry’s next big challenge.

The first International Music Journalism Awards (IMJAs) were presented as part of this year’s Reeperbahn Festival Conference. For more information about the awards and this year’s other winners please visit www.reeperbahnfestival.com.
“Can Music Make You Sick?” is the title of a recent study conducted by Sally Gross and Dr George Musgrave of London’s University of Westminster. It cites, among other things, financial worries, poor working conditions, and private relationships under pressure due to work-related problems as detrimental aspects of working in the music business. Who is responsible for looking after the wellbeing of the creatives and non-creatives working in our industry?
As legend goes, the glory days of the music business in the 90s were one big party and there was lots of money and time for creativity. Those days are gone (well, for the most part), and the industry has only just started to recover from 15 years of decline when it lost nearly half its revenue thanks to piracy. What’s also happened during that time is consolidation.

There are now three major record labels, which are owned by corporations whose primary business is not music, and Live Nation is ruling the touring sector. Shareholders hungry for profit creates a huge amount of financial pressure on those working within a business that’s still far from stable. Meanwhile, the independent sector is grappling with the major-dominated streaming playlist world where big US acts rule. In the live business, competition in over-populated festival land is resulting in ridiculous artist headline fees while Live Nation’s global exclusive deals often keep local promoters in the dark – all issues that were discussed on panels at the Reeperbahn Festival Conference this year.

What effect does that pressure and fear have on creativity, innovation and productivity? I see artist projects being rushed out or dropped before they’ve had a chance to find their stride, while the same producers clog up the charts because the music they make is fail-safe and guaranteed to keep marketshare up in time for end-of-year bonuses. But if you look back through history, those who had long careers are the artists that did something different, had time to develop, and had a strong sense of who they were and what they wanted to say, rather than relying on a team of writers behind the scenes.

Are music lovers becoming lifelong fans of the producers and featured artists that rule the airplay and sales charts, or the artists that are here today and gone tomorrow? If the music industry wants to create icons that fans truly connect with, promising to keep business buoyant for years to come, it needs to take a long hard look at the circumstances under which artists are now developed, and the working conditions of those aiding the development.

Mental health and wellbeing in music has been widely discussed over the last few years. We’ve had studies attempting to measure the scale of the problem, articles featuring case studies, many conference panels and the promise of a global helpline from Help Musicians. However, it’s time for further action, and that action should come from the companies that make a profit from music.

Some have already taken preventative measures. Terry McBride, who leads Nettwerk Music Group as CEO and has his own yoga company YYoga, did a talk at Reeperbahn titled “Monetizing Emotions”. He believes that following intuition is far more important than chasing a big cheque, and that the mental health and wellbeing of his employees and the work they do is interdependent. He explains: “To think they are separate you are fooling yourself. Mindful, healthy staff are happier which makes for a positive environment and more productive work.”
When it comes to artists managed by Nettwerk, the general approach has been around healthy eating and a regular schedule of daily exercise, yoga and meditation while on the road. For employees in the company’s Vancouver office, they have access to a family plan with YYoga.

What about the rest of the industry? A comment from an anonymous major record label executive in a recent study by Help Musicians is revealing. The exec was discussing the precarious nature of a musician’s career, the success of which can ultimately come down to luck. The study states: “This career turbulence is widely acknowledged across the music sector as problematic but many see it as an inevitable part of hyper-competition and the nature of subjective communication. Regardless of the problems it causes, music industry stakeholders do not see who should be accountable or if anything could be done differently.”

And the exec says: “How much is that the responsibility of the record company? I don’t know, but it’s funny, you show people a lifestyle, and it’s not a real lifestyle because while you’re doing promotion, you’re flying around the world, you’re in nice hotels, you have a glimpse of hits, you have fans, and they can just disappear in a heartbeat. So I’m not sure whether that’s something that a record company should have to think about.” It is something that a record company should have to think about. They are dealing with human beings, not products.

So here’s a few suggestions. Send new signings on a programme that gives them the knowledge to look after their own health and wellbeing, covering nutrition, fitness, vocal coaching, drugs and alcohol, and seminars teaching about the dangerous and flighty nature of fame.

Assign them an independent coach for regular support sessions who they can call on whenever they need to. Build a package into contracts that gives artists who do get dropped help to get back into work. Athletes have a crew with physiotherapists, behavioural psychologists and nutritionists. Artists have people to further their career and little support when it comes to mental health and wellbeing, despite undergoing what is often a gruelling touring and promotion schedule.

Creative coach Clare Scivier says: “Professional footballers have an entire crew to look at every element. If you walk into a record company, there’s a press department and marketing, but there’s nothing about physical health at all. Artists have to be athletes these days physically and mentally, they have to be resilient. British Airways cabin crew have rules about how long they can fly and how many days off they have.

DJPs and artists don’t. It’s treated far too much as ‘you’re having it good now, and it could all be over tomorrow.’ We need to consider the long term rather than quick, cash in while we can, because these artists are being burnt out.”
When it comes to those working on the business side of music ... why is staying late in the office and working all hours hailed as vital for progression? Why are we sending and answering hundreds of emails a day? Why do we have our emails linked up to our phones outside of office hours? Why do those working at a computer use spare time to spend more time at a computer on social networks? When you’re in a meeting listening to music, how many of those around you are on their phones instead of closing their eyes and focusing?

All the above kills our concentration span and makes lateral thinking incredibly hard. Scivier offers a suggestion: “If you ask someone questions with a hand in front of their face, they can’t think. You need to take time out, breathe, get a glass of water, go outside and get some air. That’s when you start to [be able to strategise] and plan things. If you’re in crisis mode, there’s going to be a crisis.”

The music industry has already weathered one crisis, let’s not be the cause of another.
DATA, AI, VR AND MORE

A Day of Creative Tech Sessions at the Reeperbahn Festival Conference 2017

TEXT
Gideon Gottfried
The discussion of Creative Technology matters started with songwriter and producer Dave Stewart taking to the stage in the Festival Dome to share his vision about the past, present and future of the music industry. Stewart is best known as one half of Eurythmics – the successful rock/pop duo he formed with Annie Lennox, who enjoyed 20 years of chart success from the ‘80s onwards. As a young musician who on occasion enjoyed the mind-altering effects of LSD, Stewart recalled imagining a future when humans had been replaced by artificial intelligence (you can see the references to that in Eurythmics’ video for “Love Is A Stranger”, which was released in ‘83).

In 2017, robots exist in their most advanced form yet (check out the YouTube video “Sophia Awakens” for evidence) and in 2023, we’ll apparently have worked out how the human mind works by feeding it into a digital processor. It’s therefore not too far-fetched to imagine a world where robots can write songs, said Stewart. So where does that leave the livelihoods of songwriters? And while Visa can process transactions in 1.4 seconds, why do artists have to wait months for their royalty statements?

Which leads on to the next session, the panel “Blockchain Unchained”, where a host of experts discussed where blockchain fits into Stewart’s vision for the future. In response to his question about the speed of payments, GEMA’s Kai Freitag said it’s just not that easy to pay artists. Is blockchain the answer? “It’s very interesting from a tech point of view, but from a business perspective it’s difficult to see how we can use it in our day to day business,” he said.

However, if all those involved in distributing music – digital service providers, PROs, publishers and labels – can connect, blockchain can absolutely help artists get paid faster, said Peter Harris, founder of streaming music service cooperative Resonate. “The problem lies in data silos across different sectors. When you click play on Spotify you’re creating a spreadsheet that’s completely out of date with the technology that exists.”

The transparency that blockchain would bring isn’t in the interest of companies that have spent a lifetime keeping the inner workings of their transactions hidden, argued Stewart. The answer is to build a portal based on blockchain technology that’s exists for the 15 to 25 year old up and coming independent musician, allowing them to upload their music online, get paid for it and keep their fan data. “After we’ve got that market, we can go to those existing firms and ask them to adopt the technology, or stick to a diminishing sector,” concluded Jack Spallone from blockchain platform Ujo Music.

Continuing the forward-thinking theme, Lars Oliver Vogt, President of Live Nation Brand Partnership & Media GSA, shared his vision on the potential he sees for the live music industry and virtual reality. Finding a way to reach music fans who aren’t on the ground at festivals has always been part of Live Nation’s strategy, he said, and VR has a big role to play. Analysts have predicted the market to be worth $40bn by 2020, with half of that expected to be spent on the software.

“There are lots of brands selling hardware, but that doesn’t sell without the software. Live Nation wants to be a first mover in that field. We want to be the leading producer of music content in the VR world,” said Vogt.
Heaven 17 musician and music producer Martyn Ware, founder of Illustrious — the inventors of a unique 3D AudioScape surround-sound system — brought the audience back to the present. In a keynote dubbed “The Future of Music in Urban Environments”, he gave the audience an overview of some of the projects he’s been involved in over the past few years. Those included creating the illusion that Santa Claus was swooshing through a shopping mall on his sledge, an installation on London’s Millennium Bridge that took people through the history of the River Thames via sound, or simply creating a nice soundscape on a public square. “It’s a great way to make people stay a little longer,” said Ware.

Such a soundscape was temporarily used in the party district of the city of Brighton to calm people down. It worked — during the project the number of arrests and complaints reduced by a staggering amount. Ware said that since cities are expected to become even busier and noisier, 3D sound could modify urban environments from a sensory perspective. He added that not everything could be experienced virtually, digitally, and that there will always be a hunger for real life communal experiences though.

Vogt’s keynote was followed by a discussion for which he was joined on stage by Steven Hancock, the co-founder and COO of Melody VR, Michael Brill SVP of new business development at SMG Entertainment Deutschland and Salvatore Vanasco, CEO of Xailabs. Hancock was sure that the virtual experience, no matter how well-made, would never distract from live, and that it’s simply another opportunity. VR experiments with the British Premiere League showed that football attendance did not shrink, but instead gave millions of fans abroad a way to experience the match.

Current industry estimates predict that 300m VR headsets will have been sold by 2021, with a lot of them incorporating the smart phone. Hancock intends to have deals in place to deliver entertainment content to those users. His company doesn’t do back licensing, but only creates new material with the artists it works with. “We know who gets the money. We don’t have to embark on a hundred year quest to find the artists,” he explained. According to Vogt’s estimates, a monetizable model for VR in live entertainment could arrive in four to five years time. Once the content is exciting, the hardware would sell. “Artists understand the medium now,” he said, thinking about up, close and personal documentaries as well as virtual meet and greets. Hancock said the market size of VR “is going to blow our minds. VR will be in every vertical of live.”
The next keynote dealt with the question of how far the humanization of digital will go. Konstantin Konstantinidis, founder of Metrobass, explained how close Artificial Intelligence has come to imitating human beings in the world of music in a keynote titled “Creative Computers”. He gave examples of AI creating music and other forms of art and asked if we stand at the beginning of a new era. Some of the examples were impressive—a duet machine that can accompany a piano player, and an intelligent loop machine. Musically, however, they were nowhere near as sophisticated as a human composer. Their “learning” capacities were great, but it became clear that a human element is always needed to turn the machine’s output into art.

A French artist named Benoit Carré, supported by Sony’s Computer Science Laboratory, has recorded an entire album with the help of AI using cutting-edge algorithms called Flow Machines. To create a song on Flow Machines, one selects the style and artist, and the machine creates the music. There are a few questions this new way of making music raises, according to Konstantinidis: who owns the copyrights to an AI generated song? What if someone with no skills uses AI to create a song? We might find out the answers sooner than expected… Spotify has recently poached one of the people involved in the formation of Sony’s Flow Machines.

Rounding off the first day of sessions was Tom Ammermann, founder of New Audio Technology and the acoustic mastermind behind Kraftwerk’s 3D project. Band member Fritz Hilpert had the idea to mix studio versions of the songs with elements taken from live recordings, creating a livelier sound. It was Ammermann’s job to then produce Kraftwerk’s entire catalogue in 3D surround sound. The band went on tour, taking an eight-day residency in each venue to perform one of their eight albums each day. All of which had been mixed to make them compatible with Dolby Atmos and Headphone Surround 3D. During his talk, Ammermann played the songs, before handing out shopping tips for the best equipment out there to experience 3D surround sound. His reasoning behind getting into 3D audio, and recording music in such a format, was due to a belief that having a high quality audio version adds value to a song, which artists could charge more for.
THE INDUSTRIALIZATION OF THE BLACK MARKET

Reeperbahn Festival Conference
2017 Session
“The Darknet For Tickets”

TEXT
Gideon Gottfried
Few topics spark debate in the international live music industry like secondary ticketing. After much discussion over the past few years, a consensus has emerged—nobody has an issue with individuals who cannot make it to a concert and want to resell their tickets. Even the touts hanging around in front of stadiums, trying to make a quick buck, are not the problem. Instead, the panel “The Darknet for Tickets” focused on anonymous, commercial resellers, who bulk-buy huge ticket contingents with the help of technology and resell those tickets at inflated prices. It also touched upon cases in which concert promoters directly sell tickets to secondary resellers before the start of the official on-sale. Taking part in the discussion, which was moderated by Ivana Dragila (journalist), were Ursula Goebel (Head Of Communication, GEMA), Nicole Jacobsen (MD Tickets.de), Kiki Ressler (MD Kikis Kleiner Tourneeservice), Alex Richter (MD Four Artists) and Dr. Johannes Ulbricht (Legal Advisor bdv).

According to current estimates, the secondary market for tickets is worth $8bn to $9bn annually, and counting. How did it get to this point? What had once been a black market is now a professional sector that's supported by big companies, Kiki Ressler said. The promoter explained why it's “utterly absurd” to assume the market will regulate itself. This would only be the case if promoters always charged the maximum amount they could get away with for each ticket. However, particularly when working with German artists, promoters don’t ask themselves what’s the most they can charge, but rather what makes sense considering a given artist’s fan base. Ressler recalled how tickets for his last tour with German rock band Die Toten Hosen had appeared on Viagogo prior to the official on-sale. This happens because some secondary agents engage in spec selling. In other words, they assume that tickets will be resold on those sites at some point down the line. In Germany, Viagogo is by far the most aggressive reseller, said Ressler, who warns customers to not be deceived by the “official look” of such sites. “Customers have no guarantee of actually buying a valid ticket on there.” In addition to spec selling, one could also find invalid tickets that were purchased using stolen credit card details on secondary sites, Nicole Jacobsen added. Overpriced tickets mean that fans have less money to spend on additional concerts. This harms the entire industry in the long run, including and especially the small clubs. Jacobsen believes in educating fans and personalizing tickets, with concert-goers entering their names on them and showing ID at the entrance.

She also bans tickets that have been commercially resold in accordance with the promoter, which means that a number of people are regularly denied entry into concerts.
Alex Richter pointed towards the additional expenses that came with personalizing tickets, which are costs that have to be paid by the promoter. His own company can’t afford the additional manpower required for such an endeavour, especially when there are increasing costs in all areas of the trade. All panelists agreed that the state should be lobbied in order to achieve the criminal prosecution of ticket resellers, which prompted bdv’s legal advisor Johannes Ulbricht to disagree from the audience. For one, he explained, making things illegal has always had a placebo effect. The real criminals operating on a grand scale are never interested in legal boundaries. Instead, there is a risk that private individuals selling regular VIP tickets or travel bundles would be suspected of selling overpriced tickets. He thought it more effective to work towards an online framework which rules hosting websites to be liable for anything that users upload onto their platforms. He also said that Google has to be held accountable, as it deliberately places resale platforms on top of its search results and has even placed ads on their websites.
REEPERBAHN FESTIVAL
Returning to NEW YORK CITY

Want to be part of the 2018 delegation?

Previous editions took place during the American Association of Independent Music's (A2IM) Indie Week, perhaps the most exclusive independent networking and showcasing event in the USA. In 2017, twenty-four European professionals and seven artists formed the official Reeperbahn Festival delegation and we are now inviting all potential partners and participants to join us in 2018.

For more information please contact:

nyc-edition@reeperbahnfestival.com
»WHAT’S UP, BARIS BASARAN?«
REEPERBAHN FESTIVAL: What has been the most important issue for the music (and/or entertainment) world in 2017 and what has been the best strategy to deal with it?

BASARAN: I believe our newest major issue is security and safety at our events and festivals. The rising political tensions everywhere in the world are definitely causing a disharmony. The threat of terrorism, which comes with the package, is the biggest outcome and I am afraid we haven’t seen the worst of it yet.

REEPERBAHN FESTIVAL: What development/s will shape the music (and/or entertainment) business in 2018 and how do you think this will influence our world?

BASARAN: I am sure VR (virtual reality) is going to be a thing in 2018 but I don’t expect it to go beyond being an interesting gimmick (yet).

REEPERBAHN FESTIVAL: Which problem within the music (and/or entertainment) world should be solved by the time we convene again at the next Reeperbahn Festival Conference?

BASARAN: We have more than one major problem draining this industry. Secondary ticketing is one problem; lack of headliners is another – and even if you find a headliner available in your tiny time window of the year then you have to be able to cover extremely high fees. Ah, and finally, of course, we shouldn’t forget the corporations/anomalies of the music business. However, I am pretty sure we will still be discussing all these matters next year.

REEPERBAHN FESTIVAL: One of your areas of expertise is the eastern European market. What is your prediction about the development potential there – will the live business grow or has the number of festivals etc. already reached its limit? Which eastern European markets are stronger, which are weaker, and why is that?

BASARAN: There aren’t simple answers to these questions. First of all, we have to refresh our minds by remembering the number of countries / cultures falling under the umbrella of ‘eastern Europe’. We are talking about around 20 countries. That’s if we are defining eastern Europe as it is understood in the music business. Each of these countries is different. The most common thing in eastern Europe is perhaps the huge potential for growth. I would say Poland is currently the most developed music market in the eastern European market. There is no other eastern European country where you have five potential cities to bring a band to. However, Hungary, Czech Republic, Slovakia, Serbia, Croatia, Romania, Slovenia and Latvia are my other favourite markets. I know almost all the promoters in these markets and they are doing great, great jobs despite their generally terrible governments.

Yes, politics and politicians and the corruption they are creating are the biggest problem in eastern Europe. It is totally fair to say that there is still an immense amount of room in each of these countries for further development but whether this potential can be tapped or not is another discussion. My former home, Turkey, is an example of how things can dramatically go sour for an entire market in the relatively short time of six to seven years. In addition to Turkey, Greece and Bulgaria are also doing pretty badly at the moment. Basically, the conservative governments taking over everywhere in Europe are a very concerning thing for us.
Future of the Left Musician; Prescription Records / Owner (UK/Australia)

»WHAT'S UP, JULIA RUZICKA?«
REEPERBAHN FESTIVAL: What has been the most important issue for the music (and/or entertainment) world in 2017 and what has been the best strategy to deal with it?

Ruzicka: I find it incredible how many people in the whole entertainment world have come out in a wash, so to speak, in terms of the way they treat women. And not only women, if you look at all the sexual harassment cases recently made public. Gender and sexual power issues have plagued music and the entertainment world for decades. You’ve always heard stories about people in positions of power – unfortunately, all the time, it’s men – who would abuse that power, and young and impressionable people who would find themselves in compromising positions. What’s interesting now is that there is so much awareness. I’m hoping that there is a change in attitude by people in power, that they might think twice before using that power incorrectly.

REEPERBAHN FESTIVAL: What developments will shape the music (and/or entertainment) business in 2018 and how do you think this will influence our world?

Ruzicka: I hope that something big next year will be that all the exposure of sexual harassment we are currently seeing will have an impact. I hope we will see more equality for women in music and the entertainment industry. I think there will be a huge impact on the way big entertainment companies and corporations are run.

REEPERBAHN FESTIVAL: Which problem within the music (and/or entertainment) world should be solved by the time we convene again at the next Reeperbahn Festival Conference?

Ruzicka: I hope we can get back to people making music because they want to genuinely make good music and not because they want to become famous. As a lecturer at a music school, I’m sick of seeing a lot of young people that focus so much on the way they look on Instagram. I’m tempted to say to them, “Look, you study music, you should be spending more time practicing and writing your music, not taking photos of yourself.” I hope people will get a bit sick of that next year and will return to making original, great, exciting new music. I don’t know, but sometimes things seem a bit watered down nowadays. Instagram can be useful, but a lot of young people focus so heavily on their social media following that they forget about the actual music.

REEPERBAHN FESTIVAL: Do you like being in control of so many aspects of your career, i.e. being a “360-degree independent artist”, or would you rather have a different setup, swapping control for fewer responsibilities?

Ruzicka: People like me are natural control freaks. Sometimes the pressure is a bit much, when you are dealing with so many aspects of your music and your career. But it is really satisfying when you do have full control. There’s always a part of you that would think it’d be great to have the backing of a label. It’s mainly financial: If you had a bit more money, then that frees up time. The other thing is, if you are doing everything yourself, you sometimes find you don’t actually devote enough time to the actual craft or art of music because you’re doing all the administration as well. It’s a trade-off; it’s tricky. I think the luckiest people are those that find the right team behind them. When you’ve got a manager or label that totally, 100%, understands your vision, then that is ideal. But that is very, very rare. And if I can’t have that ideal situation then I’d rather have the 360-degree full control!

Julia Ruzicka was a speaker at the 2017 Reeperbahn Festival Conference for the session “Hit the Fan – Rules of Engagement”. For more information about this and other 2017 sessions please visit www.reeperbahnfestival.com.
German Research Center for Artificial Intelligence

AI-Researcher (Germany)

INTERVIEW

»WHAT'S UP, STEPHAN BAUMANN?«

Photo: Stephan Baumann © Stephanie Braun
REEPERBAHN FESTIVAL: What has been the most important issue for the music (and/or entertainment) world in 2017 and what has been the best strategy to deal with it?

BAUMANN: Understanding blockchain, understanding the role of VR, AR, and AI, gender mainstreaming and, generally, taking a stand on socio-political issues. Strategy? Do the research so you know your stuff and then debate the pros and cons on a solid foundation.

REEPERBAHN FESTIVAL: Which problem within the music (and/or entertainment) world should be solved by the time we convene again at the next Reeperbahn Festival Conference?

BAUMANN: Creativity often happens under psychologically challenging circumstances. Many creative artists suffer from known mental disorders (depression, bipolar disorder, anxiety disorders). The enormous physical and psychological pressure acts as an unhealthy catalyst. It would be good if the industry showed its colours here and concerned itself with education, professional support, and destigmatisation.

REEPERBAHN FESTIVAL: Which areas of marketing and/or consuming music (or entertainment) content will be most affected by developments in AI in the near future and what hardware will play the biggest role in this?

BAUMANN: “Fake music”, i.e. music that is (partly-)automatically generated by AI systems. It’s often made using GPU-based hardware, as this hardware provides the performance required for high-volume amounts of data and the requisite deep learning networks.

REEPERBAHN FESTIVAL: With digitalisation it has become apparent that convenience is more important than quality in many areas, not least, for example, when it comes to sound quality. Will AI and its need for data lead to convenience also being more important than privacy? While people can opt at some later point for an upgrade to their sound systems and can re-purchase their lo-res downloaded music (on vinyl or as hi-res files, etc.), such a “correction” in their private data history doesn’t work. Does the music business or, rather, do music consumers have to pay more attention to the protection of data privacy?

BAUMANN: Post-privacy! Convenience above everything else. AI design and development benefits from this, of course. Measuring human interaction with music, in all its facets, is an exciting feature for AI systems that predict musical preferences, consumer behaviour, and listening structures. Ultimately, consumers need to know what they want and what they’re doing. Initiatives that call on major players in these markets to be more transparent regarding their data collection mechanisms are definitely helpful, making it easier for the consumer to make a decision for or against informational self-determination.

Stephan Baumann was a speaker at the Reeperbahn Festival Conference 2017 as part of the “VUT Indie Days” session “It’s All About Artificial Intelligence and Virtual Reality – The Role of AI and VR in Today’s Music Industry”. For more information about this and other 2017 sessions please visit www.reeperbahnfestival.com
The future of streaming is so bright we’ve got to wear shades – at least if we go by what Warner Music Group’s chief digital officer Ole Obermann said at his presentation on the subject during the recent Reeperbahn Festival Conference. Last month, Goldman Sachs predicted that the recorded music business would be worth $40bn before too long, thanks to streaming. So why are songwriters – and many artists – still complaining?
Looking at the latest stats one could be forgiven for thinking music creators have nothing to whine about. On-demand streams are up 40.5% in the US so far in 2017 and Spotify is valued at a whopping $16bn. Investment firm GP Bullhound even claimed Spotify’s valuation would shoot up to $100bn when it goes public – which, I guess, would make it worth more than twice what the whole recorded music industry would be worth if Goldman Sachs’ predictions come true?

The main reason for the widespread unhappiness lies in the uneven distribution of the streaming revenue. But what can be done about it? Here are the key issues that need to be addressed for us to have a music industry where everyone can thrive:

1. How can we make artists ‘sticky’ on a streaming service?

When music fans like certain tracks on Spotify or Apple Music playlists, they tend to add them to their own playlists, but how can they find out more about those who made these tracks? The credits displayed on physical records have disappeared completely in the digital world. Fans can search Wikipedia, but the information there is often incomplete, certainly unreliable – and out of the control of the music creators themselves.

If we like a track, we should be able to click through on the streaming site and dive deeper. Apart from finding out who wrote, produced and played on the track, we could perhaps see short videos from the studio etc., and form a closer connection to the artist.

2. Let’s define what a stream is

Is it a transmission to the public? Is it a sale? Most songwriters would argue that it’s the latter and would therefore want to have a more equitable slice of the proverbial streaming royalty pie, instead of the current situation where they get between a fifth and a twelfth of what the master rights owners (the labels) get.

3. Why do the streaming services not credit those who wrote, produced and played on the tracks?

The short answer to this is that, currently, they don’t have that information. As a result, they simply send out a data dump of all usage on the platform to all the performing rights organisations (PROs) and publishers they have deals with and say: “Send us an invoice for what’s yours.”

Apart from the ridiculous amount of money that then has to be spent by PROs and publishers on admin to figure out the answer – cost that ultimately comes out of the writers’ pockets – it’s pretty much guaranteed that these invoices will add up to more than 100%.
In other words, it’s next to impossible to distribute the royalties accurately. If the streaming services experience too much of a discrepancy, they revert to paying out royalties according to marketshare – which puts independent publishers and self-published songwriters at a distinct disadvantage.

5. So why don’t the labels supply the publishing information to DSPs?

Here’s where things become a bit murky, and it’s difficult to tell who’s to blame. Many labels say that they don’t have that information to give – others say the DSPs can’t ingest the information anyway. From my own experience releasing a record via distributor TuneCore last year, I can confirm that there was nowhere to add who wrote, produced and played on the tracks. I even contacted TuneCore, telling them that I really wanted to add this info. They claimed the DSPs couldn’t ingest it.

Whoever is right, perhaps the easiest solution would be for the DSPs to demand the labels supply the publishing metadata – or their track won’t be featured on the platform.

6. Garbage in, garbage out

Finally, even if we provide a solution to all these questions, we need the music creators themselves to take some responsibility too. Having spoken to several of the biggest PROs, I’ve found that, on average, they get a clean registration six to nine months after a record is released. This is due to missing metadata, multiple registrations for the same song that don’t match, writers being unable to agree on a split, etc. In fact, according to pretty much every publisher I’ve spoken to, it’s estimated that at least 25% of publishing revenue is lost due to missing or conflicting metadata.

So, if you’re a songwriter or producer, and you’re shocked, dismayed or simply disappointed every time you check your royalty statement – ask yourself what you did to make sure the information provided to the PRO and publisher was correct. And if you think your publisher takes care of all that stuff, ask yourself: were they in the studio when the track was created? If not, have they mastered telepathy?
Consider this: with the average top 100 record being written by more than four writers – and more than four publishers connected to them – even if you did relay to your publisher what happened in the studio, how do you know that what you told your publisher is what your co-writers told theirs? If you’re not sure, chances are you’ll have a metadata issue, and lose out on sync opportunities and streaming royalties.

It’s not uncommon today for the publishing rights of some of the biggest records in the world to still be in dispute 18 months to two years after release – which means none of the writers get paid. We can create blockchain-based solutions and new databases all we want, but if we don’t feed them with the correct information, they’ll be useless.

Today, records can be released to the public at the blink of an eye – we need to be on top of our game when it comes to logging and registering what happens in the studio, as it happens.

Canadian PRO SOCAN just announced that they’ll supply EDM venues with a free KUVO device, which will identify music performances for real-time tracking of what’s being played in clubs. The headline in Billboard reads “EDM Rights Holders to Get Paid Faster…” http://www.billboard.com/biz/articles/news/digital-and-mobile/8006984/edm-rights-holders-to-get-paid-faster-with-new-device. They should have added: “but only if the artist supplied us with a clean registration before the release date”.

There are plenty of issues that need to be fixed for streaming to benefit all players in the industry. Let’s start with those we can affect ourselves first. /
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