

COVID-19

IMPACT ON THE BRAZILIAN MUSIC MARKET

DATA
SIM



DATA SIM is the research group and data management hub for the brazilian music market created by São Paulo's International Music Week - SIM São Paulo.

We generate data and analysis that subsidise the elaboration of strategies for the music sector, with the goal of improving and making the music market and making measurable its economic and social benefits.



WHAT WE DO

- Conduct researches, studies and mappings of the music market, focusing on cities
- Produce brand new primary data about the music market
- Collect secondary data from other public and partners' databases
- Analyze socioeconomic impacts of projects and music festivals (in its various formats)
- Parse numbers broken down by market sectors and the economic and cultural relation between them



CREDITS

Daniela Ribas | Research Director

Fabiana Batistela | Executive Director

Katia Abreu | Communication Manager

Pena Schmidt | Special Advisor and Data Analyst

Renata Gomes | Researcher and Data Analyst



PROJECT DEVELOPMENT
DATA SIM

**PROJECT CONCEPT & DATA
ANALYSIS ADVISING**
Pena Schmidt

METHODOLOGY

DATA
SIM

METHODOLOGY

Research on the **Impacts of COVID-19 on the Brazilian Music Market**

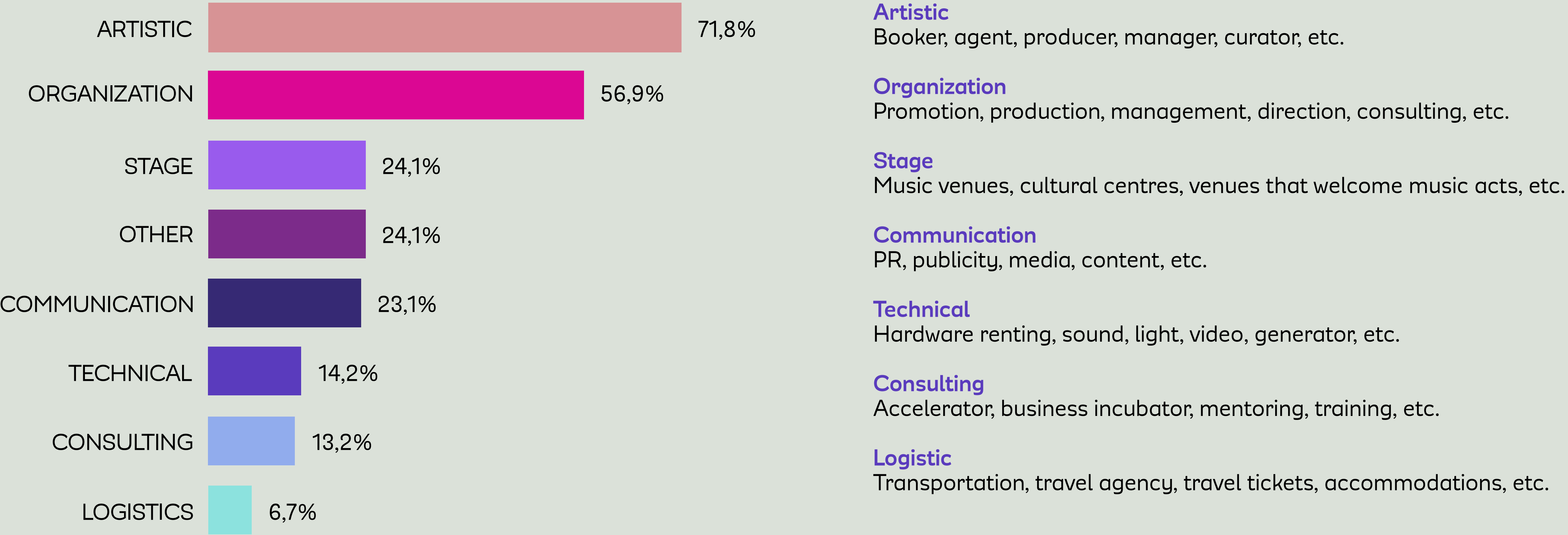
- Primary data collection done through a survey distributed online from **March 17th - March 23rd of 2020**
- SIM São Paulo promoted the **survey's participation** through its audience via direct mail and social media channels
- Results:
1399 respondents
536 usable answers (from entrepreneurs of a large, medium, small or micro-sized companies registered in *General Taxpayers Registry*)

RESULTS

DATA
SIM

SPECIFIC SEGMENT OF COMPANIES AFFECTED BY COVID-19 IN THE BRAZILIAN MUSIC MARKET

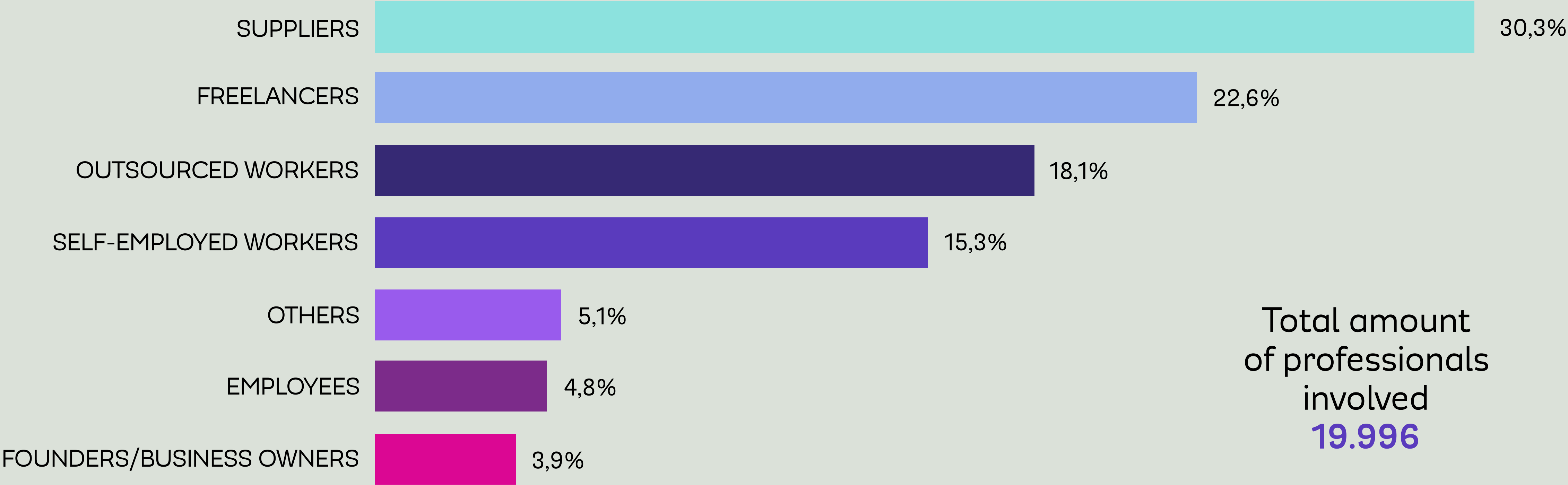
Answers: 536 (multiple answers)



Note: some graphics may be displayed on different scales through this document to ensure a better reading experience.

PROFESSIONALS INVOLVED IN THESE COMPANIES' OPERATIONS

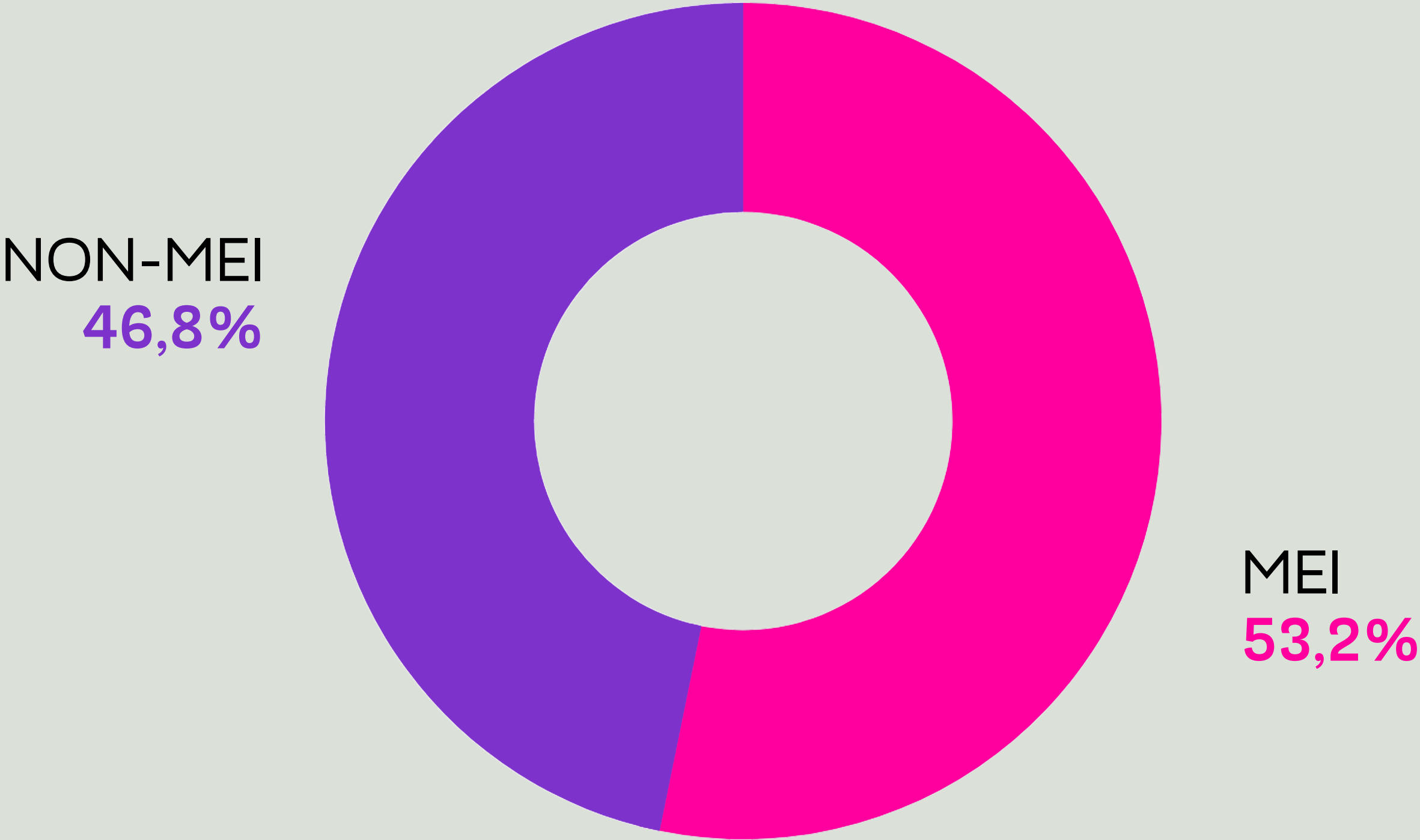
Answers: 536 (multiple answers)



Note: some graphics may be displayed on different scales through this document to ensure a better reading experience.

ALMOST 50% OF RESPONDENTS IDENTIFIED THEMSELVES AS MEI*

Answers: 536 answers

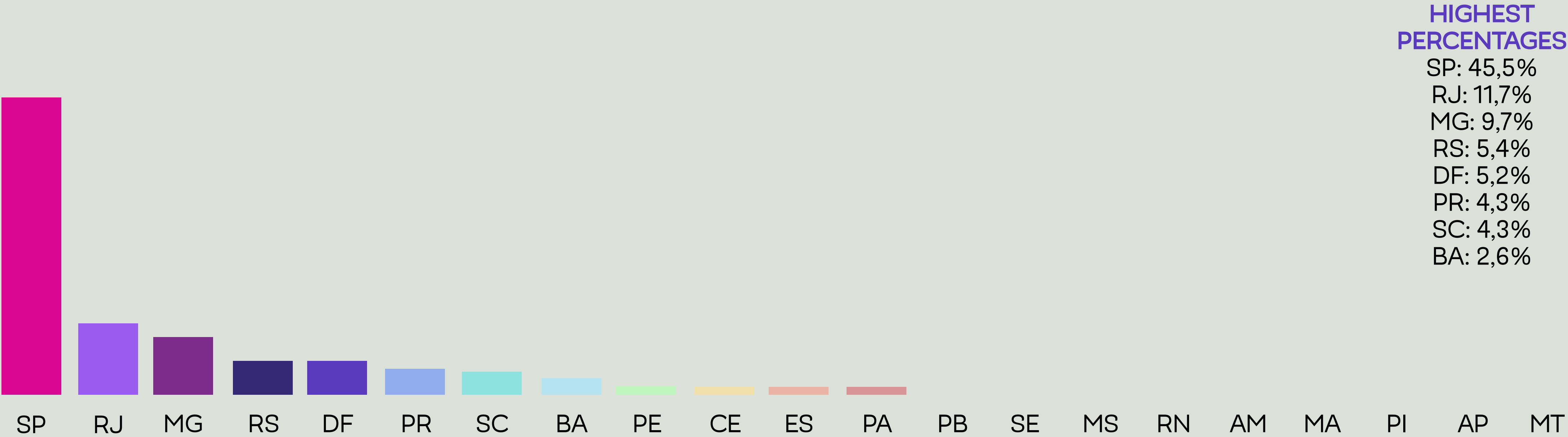


*MICRO EMPREENDEDOR INDIVIDUAL
(Individual Micro-Entrepreneur)

Note: some graphics may be displayed on different scales through this document to ensure a better reading experience.

STATES IN WHICH THESE COMPANIES ARE BASED

Answers: 536 answers

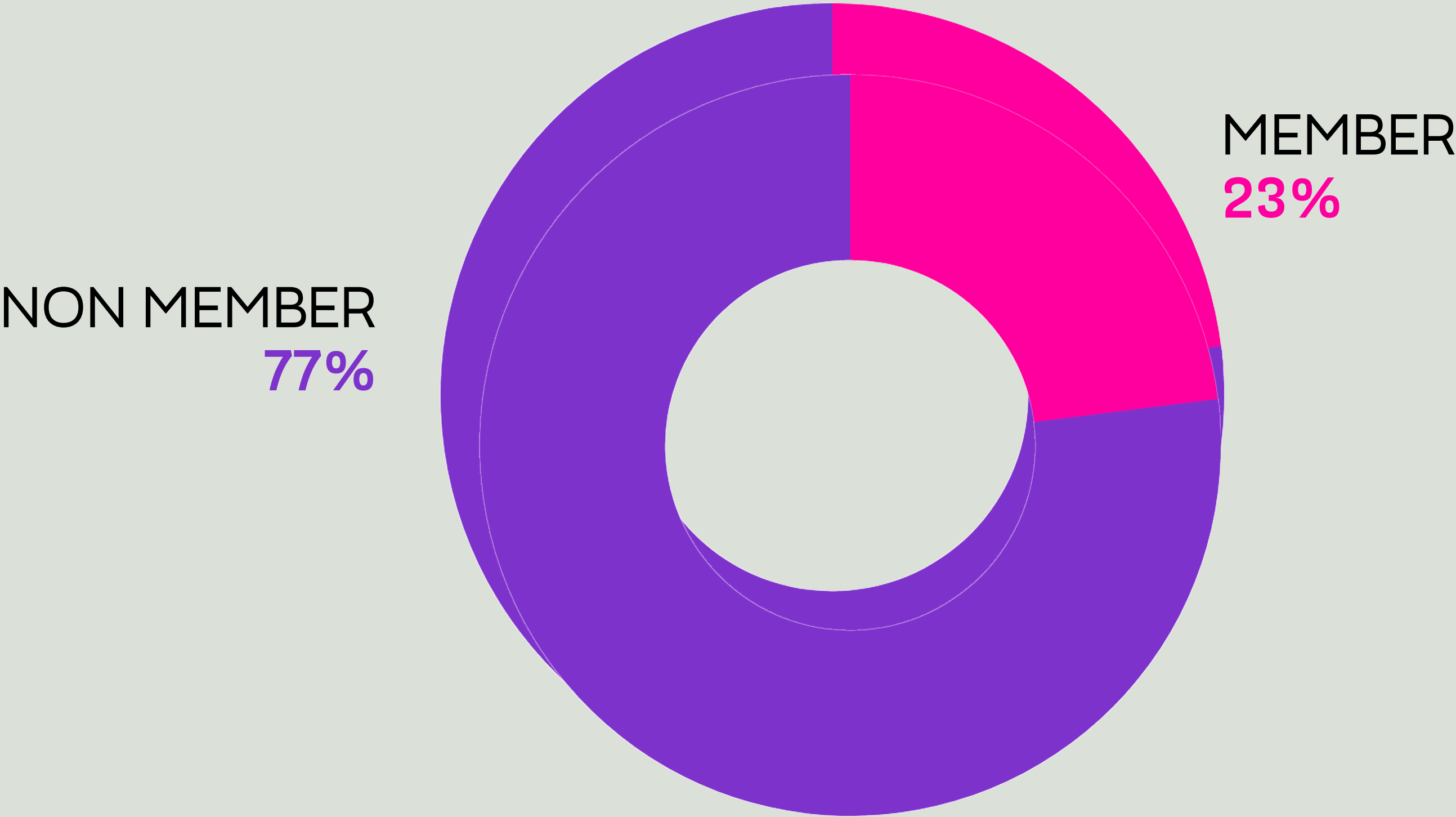


All 21 mentioned states have valid answers
States that were not mentioned among the respondents: AC, AL, GO, RO, RR, TO

Note: some graphics may be displayed on different scales through this document to ensure a better reading experience.

ASSOCIATIVISM

Answers: 536 answers



ASSOCIATIONS MENTIONED BY MORE THAN 3 MENTIONS
OMB: 17 (*MUSICIANS GUILD*)
BM&A: 10 (*EXPORT OFFICE*)
SIND. MÚSICOS: 4 (*MUSICIANS SYNDICATE*)
ABRAPE: 4 (*EVENT PROMOTERS ASSN.*)
WOMEN IN MUSIC: 3
MMF LATAM: 3

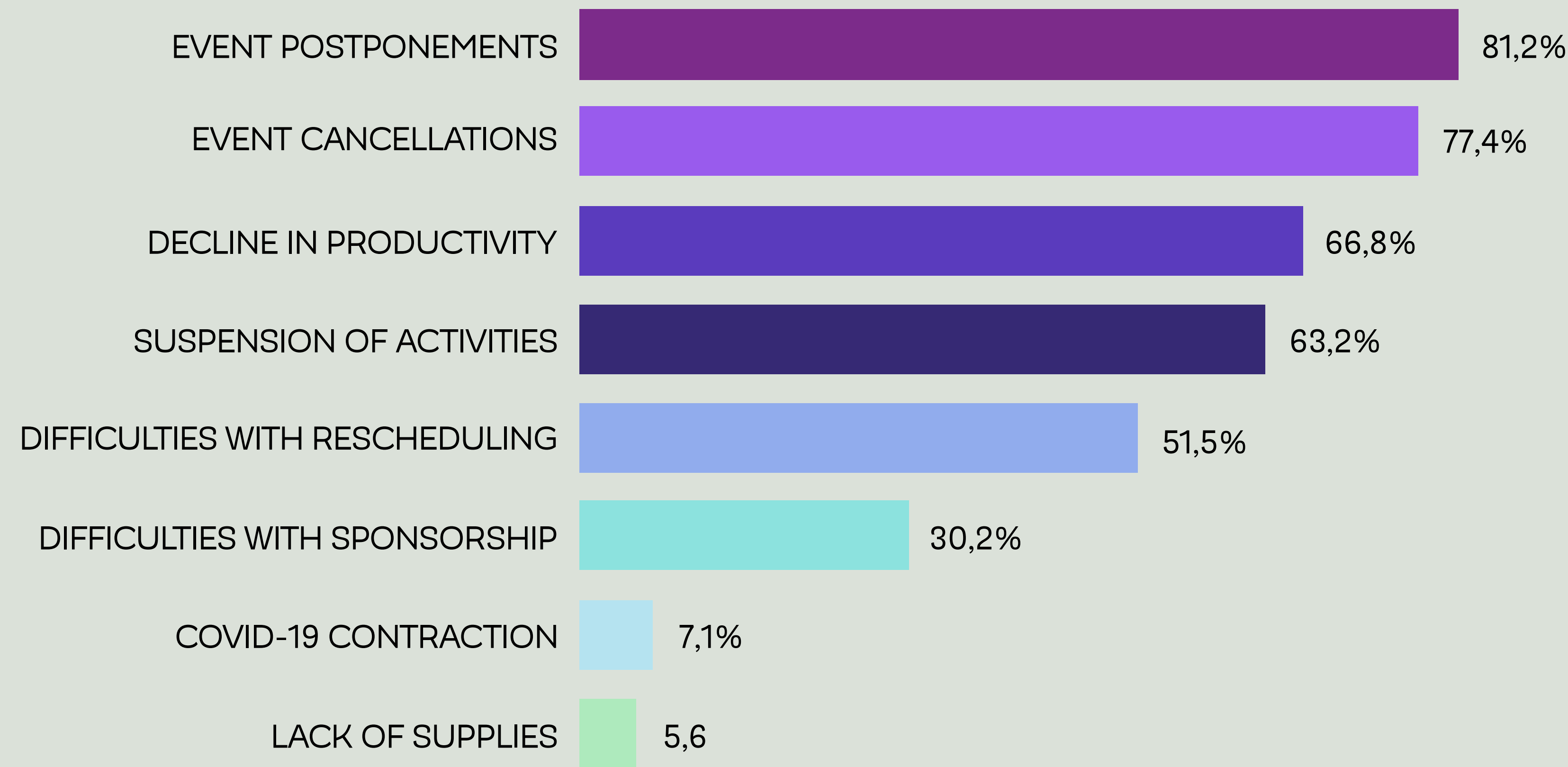
MOST COMPANIES
INFORMED NOT BEING MEMBERS OF ANY MUSIC RELATED ORGANIZATION OR CLASS-REPRESENTATIVE ASSOCIATION

RESPONDENTS INFORMED BEING MEMBERS OF:
43 DIFFERENT MUSIC-RELATED ASSOCIATIONS
5 COPYRIGHT COLLECTING SOCIETIES
AND OTHER 14 NON-MUSICAL ENTITIES

Note: some graphics may be displayed on different scales through this document to ensure a better reading experience.

MAIN IMPACTS REPORTED

Answers: 536 (multiple answers)

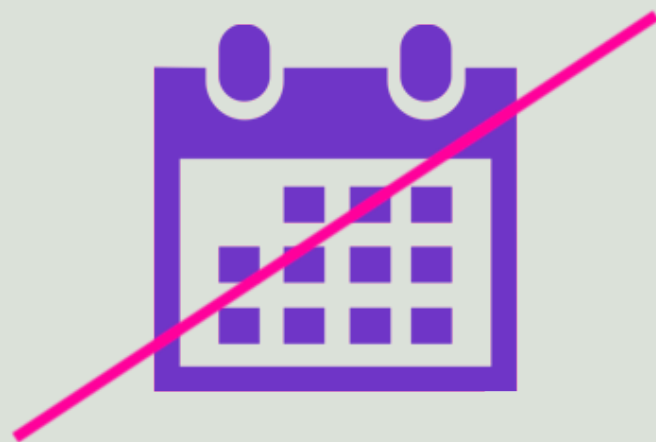


SUSPENSION OF ACTIVITIES
THESE NUMBERS SHOW THE TOTAL
AMOUNT OF SUSPENDED ACTIVITIES
(AUDIENCE RELATED ACTIVITIES)

Note: some graphics may be displayed on different scales through this document to ensure a better reading experience.

MAIN IMPACTS REPORTED

Answers: 536 answers



AFFECTED EVENTS
8.141



AUDIENCE DIRECTLY AFFECTED
8.060.693



ESTIMATED FINANCIAL LOSS
USD\$ 93,255,760.00

INSIGHTS

CHALLENGES, TRENDS
AND OPPORTUNITIES

DATA
SIM

- **53.2% of the respondents identify themselves as Individual Micro-Entrepreneurs (MEI).** However, until this publication closure, initial recovery actions designed by the government addressed only small and medium-sized companies needs.
- Considering the data of the 285 MEIs represented in this research to make a projection to cover the approximately 62.000 MEIs registered in the Ministry of Finance (which includes Production, Sound, and Lighting companies) the **estimated loss** of “**Live Music MEIs**” in the country would be **USD\$545 million**. Taking these numbers into consideration, the number of professionals affected would then reach the scale of **one million people**.
- In addition to the MEIs, the survey identified other 294 respondents who run their business without having a formal register on the *National Taxpayers Registry*; for this reason, their responses did not appear in the final results. Even so, the number corroborates the **vulnerability of the sector** at a time of acute crisis.
- **The diversity of the companies' segments** and the significant amount of suppliers and third parties involved in the **music production chain** indicates the complexity of the music ecosystem. It also demonstrates the **importance of diversified, broad, and structuring measures that ought to be designed collectively** and not restricted to specific extracts of the extensive music production chain.

- **The low rate of associativism** (77% are not members or associated) **is an old problem** with a **significant impact, especially during a crisis time**. Some countries have announced recovery measures through national entities representing the different sectors of the music ecosystem. In Brazil, **the lack of a public organization with the ability to interact with all music industry chain** - added to **the institutional weakness of governmental bodies** - has prevented systemic and effective actions from being taken with the necessary urgency.
- **Associativism**, the search for multiple entities that can **legitimately** represent and express the needs of each different aspect of the Brazilian Music production chain, should be one of the corollaries of this unprecedented crisis, of this opportunity for reflection and connection. Likewise, it would be desirable to have an **organic** consolidation of one sector's associative federation, assembling the interests of the **various music professional categories** in a **horizontal e democratic way**. The opportunity would be in **not reproducing the same old political practices** (linked to specific lobbies that are already consolidated in the sector's representation) and give voice to the **many organization initiatives** that emerged in this period and that **restores the historical fights of the sector in new terms**.
- **Cancellations** (77.4%) **and postponements** (81.2%) led to **many suspensions** of audience related activities. On the other hand, we are now facing a significant **increase in online content productions** (in terms of the number of hours broadcasted by social media and other platforms). **Monetizing** these contents is crucial, and yet a **critical point in the music ecosystem**.

- **Audience engagement as a financial alternative** for artists and other professionals is necessary, but this **should not exclude initiatives for direct and indirect promotion from the public power and private initiatives**, as music is a production chain that deserves to be treated in the same way as others governmental and private investment agendas.
- **The music community** has played an important role in raising spirits, producing dozens of **virtual festivals, creating channels for discussion**, for the dissemination of good practices of isolation and asepsis, for the systematization of good practices in **cultural policy and for the recovery of the sector, raising funds for the needy**, etc. This is an added value that is difficult to measure, but which we know to be of **vital importance in a time of crisis and confinement**.
- **Free time**, essential to cultural enjoyment, has necessarily been **re-dimensioned by isolation**. This may affect domestic cultural consumption and music-listening habits. Only time will be able to tell whether these changes will be lasting and significant for the music market, and how exactly they will contribute to the restructuring of the sector. Certainly the **major players in the ecosystem** (record companies, publishers, distributors) must deal with such changes so that they can be **up-to-date with the consumer trends**.

— **Major changes in the music industry** occur in **response to crisis**, such as the arrival of the internet and the emergence of streaming platforms. **Investment is needed for innovation to arise**. The public's interest in music, live or recorded, will not wane.

— In addition to losses and bankruptcies, **cancellations and postponements** of concerts can have **structural consequences** in the sector. The giants in the area of event promotion, with greater working capital and negotiating power with agencies and artistic representation companies, may suffocate independent promoters. **Care and concern must be given to small, independent promoters and producers**, that account the large numbers of jobs and occupations and **are responsible for maintaining and renewing the local scenes that feed the large industry**. Without them, the market will become highly concentrated and with less artistic diversity. Majors, big publishers, digital distributors and streaming platforms, the instrument and equipment industry, the major **players in the market must act defending and cooperating in the recovery of this sector**, seeking a period of **better distribution of efforts and resources**.



DATA SIM | SIM São Paulo

See other studies/researches in:
www.datasim.info