

COVID-19

Industry Report | April 2020

produced by Adam Cable

Artist Management Services.



Keeping informed as to how Covid-19 is affecting the music business is proving to be a mammoth task at the moment, with changes happening all the time and a cycle of misinformation spreading at a constant rate. Artist Management Services is committed to supporting our clients through these unprecedented times by providing the most reliable information on the crisis. This report highlights some of the key challenges musicians currently face, but for further updates, please check back to our website and our various social media accounts.

Impact of COVID-19

Without a doubt, it is within the live industry that the effects of Coronavirus have been most keenly felt, with the cancellation of virtually all concerts and festivals internationally. March saw UK musicians lose an estimated £14 million in earnings, according to The Musician's Union, and this trend is only expected to continue in the coming months with the government's enforced lockdown showing no signs of being relaxed.

Major British summer-time festival, Glastonbury, is expected to suffer revenue losses of over £100 million, making regular patrons of the event worry for its long-term future. With the most hotly anticipated tours of the year (the likes of The Killers, Stormzy and The Who) all cancelled, venues across the country are seeking financial support from government aid packages. It's also worthwhile noting that the impact extends beyond musicians, backstage crew and event organisers; ticketing companies have seen their market value and share prices plummet with popular sites like Live Nation and See Tickets reporting major drops in sales, even for events set to take place next year.

Gigs are where much of the industry's money now circulates, with the selling of music to consumers now largely happening through subscription-based streaming services such as Apple Music and Spotify. It is interesting to consider whether or not this will still be the case in a post-COVID-19 era, with many artists exploring new methods for delivering their music to listeners online.



Facebook and Instagram have seen massive surges in the number of users live streaming smaller, more intimate concerts for their fans, sometimes for free, but in some cases for a small donation. The ability to tune in and enjoy a favourite band or singer on a laptop and from the comfort of your living room is an appealing prospect for many, and an experience that can reportedly feel more personal than a traditional concert. The ability to share comments and connect with fellow listeners at the same time is unique and makes us wonder whether the new streaming culture is here to stay.

Of course, although musicians themselves can create new opportunities to sell their music with live performing no longer an option, sadly this is not possible for backstage crew, who are unlikely to recoup any loss of earnings from cancelled events. Although a significant number of large-scale production companies have pledged to support their staff and protect incomes, it is estimated that almost half of crew members currently working in the UK have been forced to either make use of the governments' job retention scheme or have been laid off work for the foreseeable future.



The Response So Far

As well as the collective effort on the part of musicians across the world to forge new opportunities for themselves, there has also been widespread financial support made available by industry leaders in order to preserve what matters most: the artist and their work. Aforementioned streaming giants Spotify are just one of many big businesses donating cash to support grass-roots musicians; the 'Covid-19 Music Relief Project', starting with a fund of \$10 million, has already been rolled out in the US. Specifically, In the UK, Spotify has partnered with the PRS Foundation and Help Musicians UK to see that money directly benefits performers and creators through their existing royalty and aid programmes.

As well as looking for solutions within, the industry has lobbied the UK government for support. In letters to the UK Culture Secretary and Chancellor, both UK Music chief, Tom Kiehl, and Paul Pacifico, CEO of the Association of Independent Music, have pointed out the precarious situation for so many freelance musicians across the country, urging the government not to 'wash their hands' of the self-employed.





Is there any good news?

Well, as has been said, despite UK bars, pubs and live venues all going into hibernation for the foreseeable future, what has been truly remarkable has been the way high-profile musicians and independent artists alike have so far acted with inventiveness and adaptability in the face of such trying circumstances. Clearly there are lessons being learned here that can be applied long after this current situation concludes.

Unsurprisingly also is the fact that worldwide listenership has been hugely on the increase since lockdown measures have been introduced. Recently acquired stream data of Spotify's weekly 'Top 200 Global Chart' indicate that revenues via streaming are going from strength to strength and look to remain so in the current climate. With musicians stuck inside, thanks to the accessibility of studio-quality home recording equipment, the number of application to upload music content to major streaming sites is also thought to be up by approximately 15%, suggesting musicians are making productive use of the time.

Coronavirus is proving to be the stuff of nightmares for the music industry as a whole, and it continues to threaten to destroy the established eco-system made up of everyone: from the one-person start-up creating samples in a bedroom to multi-million corporations. One has to hope that some semblance of normality is not too far around the corner. Once business resumes, we have no doubt that music will bounce back, as indeed it always tends to.