

Digital futures?

Live streaming
in South Africa



Research report
July 2020

DIGITAL FUTURES? LIVE STREAMING IN SOUTH AFRICA

**RESEARCH REPORT
JULY 2020**





Digital Futures? Live streaming in South Africa *Research report July 2020*

Concerts SA in association with the SAMRO Foundation, IKS Consulting and Music In Africa research on music live streaming models during COVID-19.

Research conducted and report compiled by Jess White of Akum Agency; Associate Researcher, IKS Consulting.

Photo Credits:

Cover: Mpho Sebina performing in a live streaming event supported by ConcertsSA. pic courtesy Untitled Basement

James French, SAMRO, page 3

Untitled Basement: cover, pages 8,9,13,15,16,27,28,30,32,36,42

Soda Studio: pages 18,23,25,29,35,38,39,41

Watcha TV: pages 17,28,45

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7 August 2020



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FOREWORD: CONCERTS SA

We began our last report on the South African live music industry, *It Starts With A Heartbeat* in 2016, with the statement that “The rhythm of our hearts is as important to our lives and our bodies as the music is to the heartbeat of our communities, villages, townships and cities.”

That statement has assumed new force and poignancy in 2020, in the context of the SARS-CoV-2 pandemic, the struggle against which has necessitated a lockdown of live music venues and activities. For South Africans, 26 March 2020 was the day live music died; many of our colleagues in neighbouring countries across Africa have faced the same situation.

What unfolded subsequently has been heartbreaking for Concerts SA. Our collective pulse has slowed and the drums beat faintly.

Since our foundation in 2013 as a collaboration with the Royal Norwegian Embassy in Pretoria and Rikskonsertene (Concerts Norway) as well as SAMRO, our mission has been to understand and nurture the growth of live music in Southern Africa. All our previous research has underlined the importance of audience: the people who buy tickets, and from whose appreciative collective energy musicians feed as they play and compose.

Under lockdown, the impact on live music all along the value chain has been devastating. Although that was not the focus of the research we present here, conversations with the various livestreaming entities we have surveyed point towards bleak business prospects, and this has been reinforced by additional anecdotal evidence from musicians we talk to. Some are even contemplating the sale of instruments and equipment simply to feed their families. (Assessing this will be the focus of additional research currently engaging us.)





Pic: Signing ceremony on the 18th November 2019 between the SAMRO Foundation and the Royal Norwegian Embassy, at Osmic House, the Royal Norwegian Embassy Headquarters in Pretoria. Front, Ambassador Astrid E. Helle and Andre Le Roux; Back - Emile Ormonde, Martin Andestad, "Friisø, Alf.Yngve.Friiso, SAMRO Foundation Chairman Kutlwano Masote and Zola Lumko. Pic James French, SAMRO Foundation

The hope of earning income in some way from performing and streaming live music is one of the pivoting strategies the South African live music industry is working on, and one alternative survival and resilience strategy CSA will support in the absence of live concerts. So it was urgent for us to explore this strategy and improve our understanding of how real an alternative platform for expression and income stream it is in South Africa.

For that reason, we embarked on urgent research. Our project was co-designed with our associate Jess White of Akum Agency, who had already researched other aspects of the impact of Covid on music tour cancellations across Africa.

What we have produced is a snapshot of the livestreaming landscape in South Africa: role-players, histories and business models. We are surveying a very new landscape: apart from a



few early adopters most of the entities we interviewed began live streaming in response to the straitened circumstances of lockdown. This is evident in the hybridity and fluidity of the models being adopted that we describe.

It is these new entrants who will be the engines of transformation as livestreaming grows and develops. Even if lockdowns are moderated and restrictions eased, even if a Covid vaccine emerges from trials, livestreaming is now an established part of the music scene. But many South African entities outside metropolitan centres are not yet equipped to explore it.

So our research report concludes with recommendations for musicians and other role-players, and for government. The time for intelligent policy intervention through models of short and long term policy making and praxis is now, while livestream development is in process and there is flexibility and space for new approaches and new kinds of entrants and models. This research provides some directions and options.

Music is still the heartbeat of life. This is aptly illustrated by the #JerusalemaDanceChallenge which has given hope and joy across the world in the midst of crisis. We call on all who care about our societal and cultural future to help keep that heart beating in a way that provides both short and longer-term revenue for venues and players – onstage as soon as we can, but now through our phones, computers and broadcast platforms as well.



Andre le Roux
Managing Director IKS Cultural Consulting/
Project Management: Concerts SA



FOREWORD: ROYAL NORWEGIAN EMBASSY

In Norway as in South Africa the impact of SARS CoV-2 has been felt harshly on the live music industry. We too value music as a place of refuge from despair and isolation, something that is needed even more now as we struggle worldwide against the damage done by a destructive pandemic. The Embassy's collaboration with Concerts SA to date has made some remarkable achievements in supporting exciting music across genres and, even more, in taking that music to places and audiences who might not, otherwise, have had the chance to be inspired by it. That work has been underpinned and guided by informative research, grounded in and informed by CSA's growing roots and respect within South Africa's live music ecosystem.

So it pleases me that Concerts SA has responded so swiftly to the impact of the pandemic and to the new technologies that may offer some hope, by conducting and publishing this first piece of research on live streaming in South Africa. I hope that those who read the document will see the value of what has been discovered, and absorb the lessons from what role-players to date have experienced. Now more than ever we need solidarity, the holding of hands across borders, and the administration of micro-grants to the most vulnerable that has helped ConcertsSA succeed in its work, just as it will be solidarity that helps the world eventually defeat the SARS-CoV-2 pandemic and find healing.

Let us hope this report serves as a clarion call to all concerned to support African live music in surviving this difficult period and integrating live streaming successfully into its repertoire of future activities, returning to actual rather than virtual stages stronger than ever as the world regains its health and people find their wellbeing.

- Ambassador Astrid Emilie Helle

WHAT IS CONCERTS SA?

Our roots: Concerts SA (CSA) is a joint South African/Norwegian live music development project founded in 2013 and housed within the SAMRO Foundation. CSA receives financial, administrative and technical support from the Norwegian Ministry of Foreign Affairs, SAMRO, the SAMRO Foundation and Concerts Norway. Currently, Concerts SA is administered by IKS Cultural Consulting and a team of associates.

Working with musicians, promoters, venue owners and audiences, and supporting the sector through research and skills development, CSA aims to build a vibrant and viable live music circuit in southern Africa, and to develop appreciation of live music through performances and workshops at schools, with a growing presence in basic education.

We consistently maintain that live music can play a far greater role in both the South African culture and economy. This demands fast, focused intervention, premised on grounded South African (and cutting-edge international) research. In the Sars-CoV-2 period, our work with venues, promoters and artists in developing a sustainable circuit of live performance platforms has been joined by research into, and support for, digital and other alternatives.

One early starting point was research mapping the national live music circuit (documented in our 2014 publication, *Song Lines*, at http://www.concertssa.co.za/wp-content/uploads/2015/03/song_lines_report.pdf), identifying programmes to strengthen that circuit as an optimal intervention axis.

Our approach and achievements: We have evolved a unique model of delivering “cultural micro-grants” to support our strategic objectives. Quantitatively and qualitatively, our beneficiary reach surpasses that of major South African non-profit and governmental arts funders.



Pic: Tu Nokwe at Iketleng in Vereeniging, Gauteng. Photo by Christine Msibi, Jozi Unsigned

In 2014, our first full operational year, the project touched a remarkable 335 concerts – close to one gig daily that year. During 2015, support and facilitation grew to 593 live shows involving close to 1 000 musicians for over 70 000 audience members.

From the start, CSA has positioned itself as a capacity builder, stimulating and energising live music circuits through partnerships. Our primary vehicles have been the CSA's School Circuit Programme, the Venue Circuit Programme and, more recently, the Music Mobility Fund. Concurrently, CSA drives targeted, relevant research initiatives, which underpin:

- sharing research findings as a public resource;
- framing and using team development in our own programme;
- engaging in arts-related policy issues; and
- employing research findings as a public advocacy tool.

CSA has achieved brand recognition among diverse stakeholders including local and regional cultural development agencies and arts organisations, educators and learners.

Our programme decision-making is evidence-based and informed by regular monitoring and research, employing reference groups, reviews, surveys and other tools and collaborating with university researchers. This feedback helps us modify and update our offerings, ensuring CSA remains the leading driver in the field, shaping and growing live music circuits where none existed before.

For more information, visit <http://concertssa.co.za> and www.iksafrika.com, follow @ConcertsSA on Twitter (<http://twitter.com/ConcertsSA>) or like Concerts SA on Facebook (www.facebook.com/ConcertsSA).



BACKGROUND TO THIS RESEARCH

The Coronavirus (COVID-19) pandemic effectively shut down live performance across the globe in March 2020. In that month South Africa declared a national State of Disaster, and imposed a lockdown which, amongst other things, prohibited public gatherings, and in this, live performance events. At the end of July 2020, South Africa was approaching 450,000 positive cases, with close to 200,000+ active cases. It was anticipated that the probability of general opening for live performance during the remainder of 2020 remains low.

To address the social and economic challenges represented by the lockdown, Concerts SA, a joint South African/Norwegian live music development project, commenced this research in June 2020. The research's objective was to unpack the different live streaming activities in South Africa and assess the underlying business models to produce a snapshot survey of the live streaming landscape. This report maps extant business models and begins to evaluate the risks and opportunities for live streaming. It discusses how musicians can benefit and how various role-players might better support live streaming.

Pic: Kenzhero and Bokani Dyer, courtesy Untitled Basement



*Pic: Paul Hanmer,
courtesy Untitled
Basement*



METHODOLOGY

The research took the form of an investigative exercise to identify live streaming operators and other relevant entities, in what is still an emerging area of business represented by a relatively small cohort.

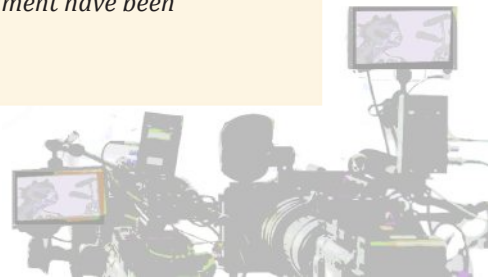
This was followed by the distribution of a self-administered questionnaire, including an ethics clearance form, to the relevant live stream operators, including organisations and individuals. (A link to the questionnaire may be found at Appendix E.) The respondents were also offered the option of a telephonic interview.

In total 15 relevant operators were identified. 12 were live stream platforms and the remaining three, while not platforms, played key roles in facilitating live stream activities.

In addition to the results from the questionnaire the following contributed to this report:

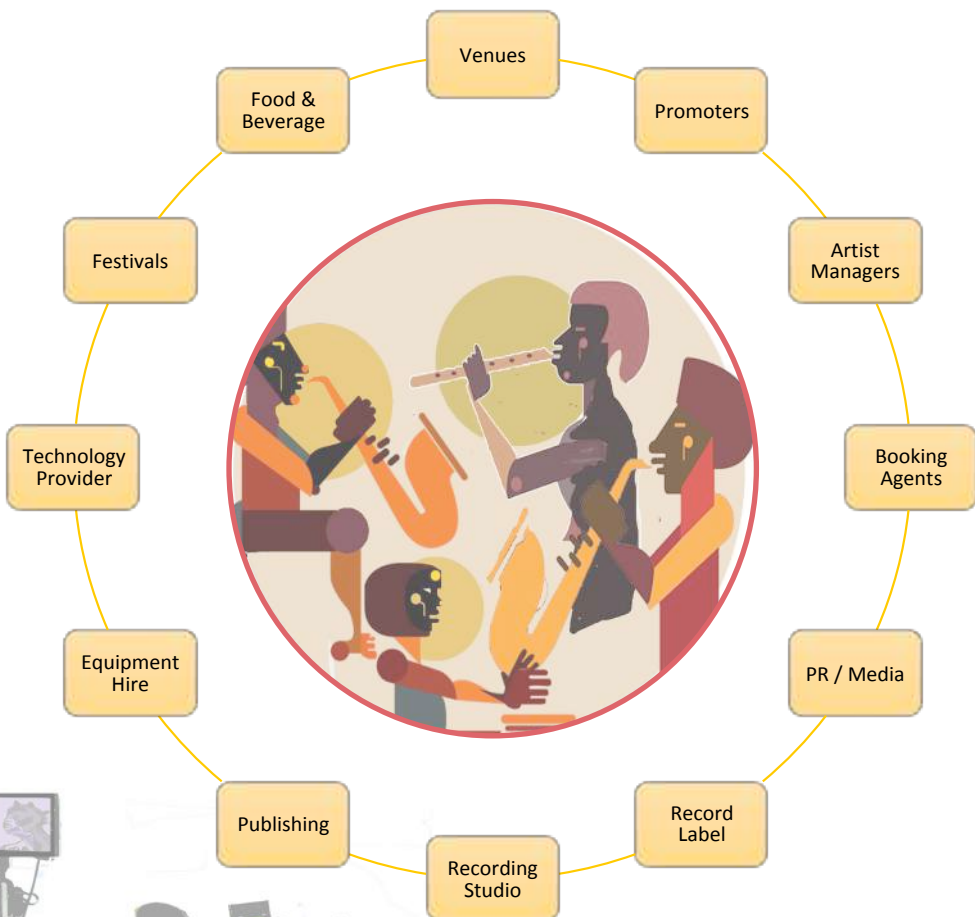
- desk research
- informative contextual and background conversations with various other relevant role-players, including respondents who declined permission to publish their confidential business information and are thus not named.

NOTE: all percentages cited in this document have been rounded from the original data.



WHERE DO LIVE STREAMING PLATFORMS FIT ON THE MUSIC VALUE CHAIN?

Live streaming platforms within South Africa are managed by companies occupying multiple points on the SA music industry value chain, ranging from venues, equipment suppliers and artist managers to production companies. Other important role-players include licensing agencies, music publishers and one major national festival.



WHO ARE THE LIVE STREAMING PLATFORMS?

We define a 'live streaming platforms' as business entities that either:

1. transmit live performances online as they happen; or
2. pre-record live performances for subsequent transmission.

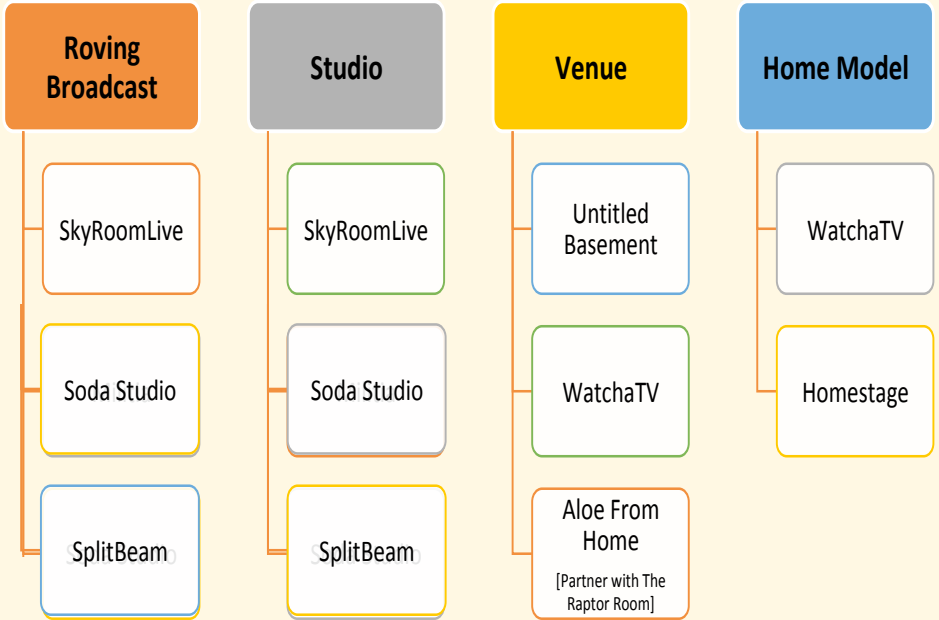
The platforms do so with or without the involvement of other partners, and with the aim of generating revenue by diverse means for the various role-players.

The platforms encompass a wide range, from early adopters who began live streaming long before the pandemic (such as *SkyRoomLive* which began more than a decade ago), to more recent pre-pandemic operators like *Watcha TV* (since 2015), and more recent entrants such as *Untitled Basement* (pre-recording shows since 2019) and *Soda Studio* (2020). Of the companies surveyed 38% are recent initiatives undertaken in direct response to the COVID-19 restrictions on live performance and gatherings. including *SplitBeam* (a member of the Gearhouse group of companies), *Aloe From Home* and *Homestage*.

Some individual South African musicians were also early adopters of live streaming or pre-recording opportunities for their own music for their social media channels. However, this activity was often largely viewed as a supplement to their main occupation of live performance. As such they did not fall within the 'platforms' definition outlined above and thus were not included in this research. This may change in future if lockdown conditions continue to limit other options for live work, and subsequent research may reflect this.



WHERE DO COMPANIES LIVE STREAM FROM?





Pic: Carlo Mombelli, courtesy Untitled Basement

WHAT TYPES OF COMPANIES ARE INVOLVED IN LIVE STREAMING?

Small/micro/medium enterprises (SMMEs) with below 10 employees represent nearly half (42%) of the live streaming platforms surveyed.

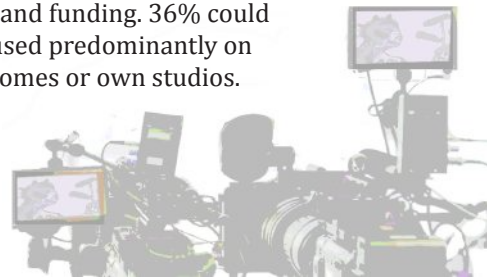
Larger SMMEs (10-50 employees) represent a quarter (25%) of the live streaming platforms surveyed.

Sole Independent contractors represent 17% of the live streaming platforms surveyed and the same percentage was recorded for enterprises classified as 'Other' such as the Makhanda National Arts Festival and Sony ATV Music Publishing.

27% of respondents had their origins in music management and promotion. The remainder had diverse origins: music production (stage and recording) and other music-related activities or as pivots from other pre-Covid small live music activities.

100% of respondents were willing to live stream all music genres. 9% also live streamed events and genres outside music.

54% of respondents employed multiple production locations and resources depending on the event and funding. 36% could offer their own studio/stage; 18% focused predominantly on music produced by artists from their homes or own studios.



WHAT ARE THE BUSINESS MODELS?

Most international research to date, largely conducted pre-COVID-19, has explored live streaming business models through the lens of monetisation of a generic end-product for a commercial platform operator. Far less attention has been paid to models of the music content-creation process involving diverse role-players, such as venues seeking an alternative to staging live shows, or to models of revenue realisation for performing musicians. Given the orientation of Concerts SA, those are among the core concerns of this research.

For generic commercial platforms, four main monetisation models have been in use:

Model	Description
TVOD	Transactional video on demand. Viewer pays a one-time fee to watch, rent or download.
SVOD	Subscription video on demand (eg Netflix). Viewers pay a recurring fee for unlimited access to content.
AVOD	Ad-supported video on demand (eg YouTube) Viewer pays nothing, advertisers pay the platform to support the presence of content.
HYBRID	Combines elements from the above, eg subscription plus pay per view.



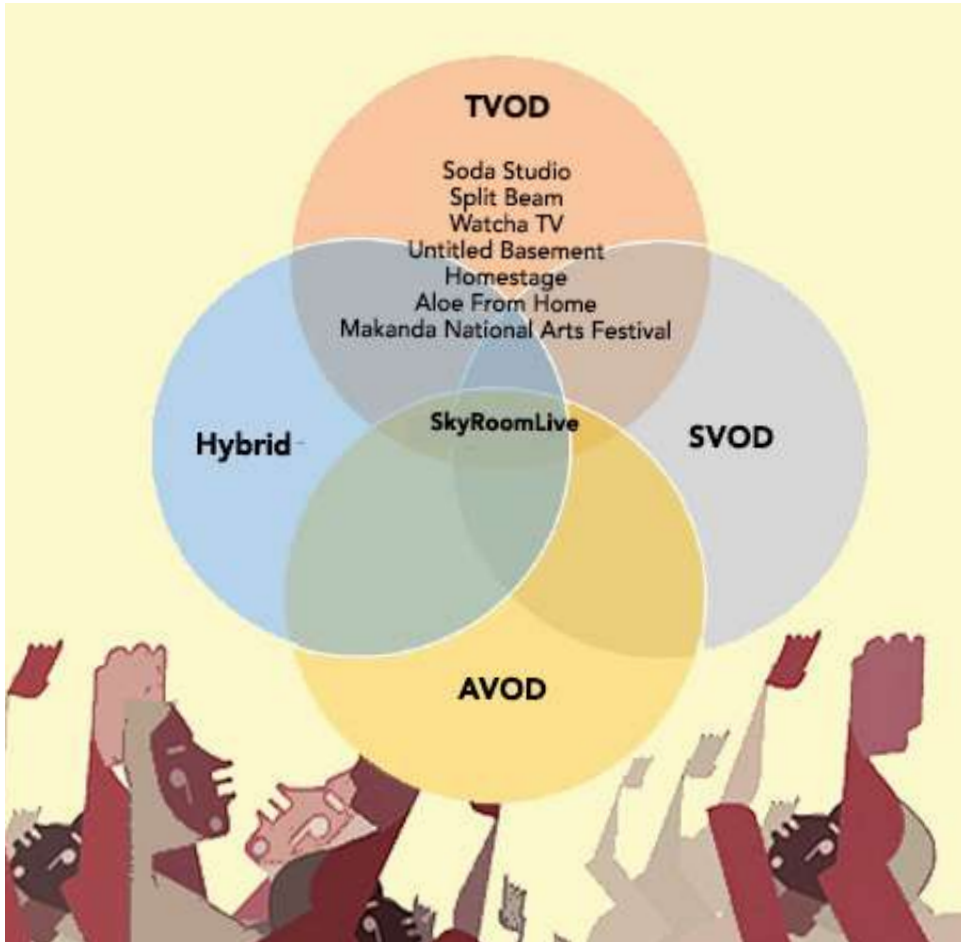
SkyRoomLive

SkyRoomLive works across all of the models, the other platforms are primarily TVOD.

On the emerging South African live streaming landscape, the following models were observed:



Pic: Mpho Sebina, courtesy Untitled Basement





Pic: Kenzhero and Bokani Dyer, courtesy Untitled Basement

As a novel way of doing business the majority of the live streaming operators relied on new and often innovative processes to achieve their content creation. Most of these were *event-specific*, with *hybrid financing models* to cover the costs of filming, production, musicians' fees and the venue or platform. This demonstrates that most SA live stream initiatives are still *evolving towards* a best practice.

Slightly fewer of those surveyed anticipated that *income from ticket sales* would be the major contributor to covering their expenses. This emphasises their need to achieve high technical quality and effective marketing strategies in order to provide competitive content.

MUSICIAN REWARD MODELS

Live stream operators often raised funds from a combination of corporate sponsorship and donor support in order to reimburse the musicians. Just under half of respondents paid musicians at the time of recording. The rest of the musicians relied on a percentage of ticket sales; a high risk considering the precarity of musicians' financial situation under lockdown.



MODELS WITH LONGER-TERM EARNING POTENTIAL

1. **Musician owned:** 60% of the respondents confirmed that the lead musician retained a 100% share of the recording master, giving them complete control of future earning potential.
2. **50/50:** For the remaining respondents, a 50:50 split of future control over master was split between the operator and the musicians among whom the lead musician dominated (30%).

All of these agreements highlight the need for musicians to understand both the live stream consumer market and marketing, including remaining sufficiently networked to identify and leverage from opportunities, suggesting a long-term need for more and better artist education.

Pic: Sibongile Khumalo at WatchaTV during covid-19 lockdown. Courtesy Watcha TV





Pic: Zetina Mosia courtesy Soda Studio

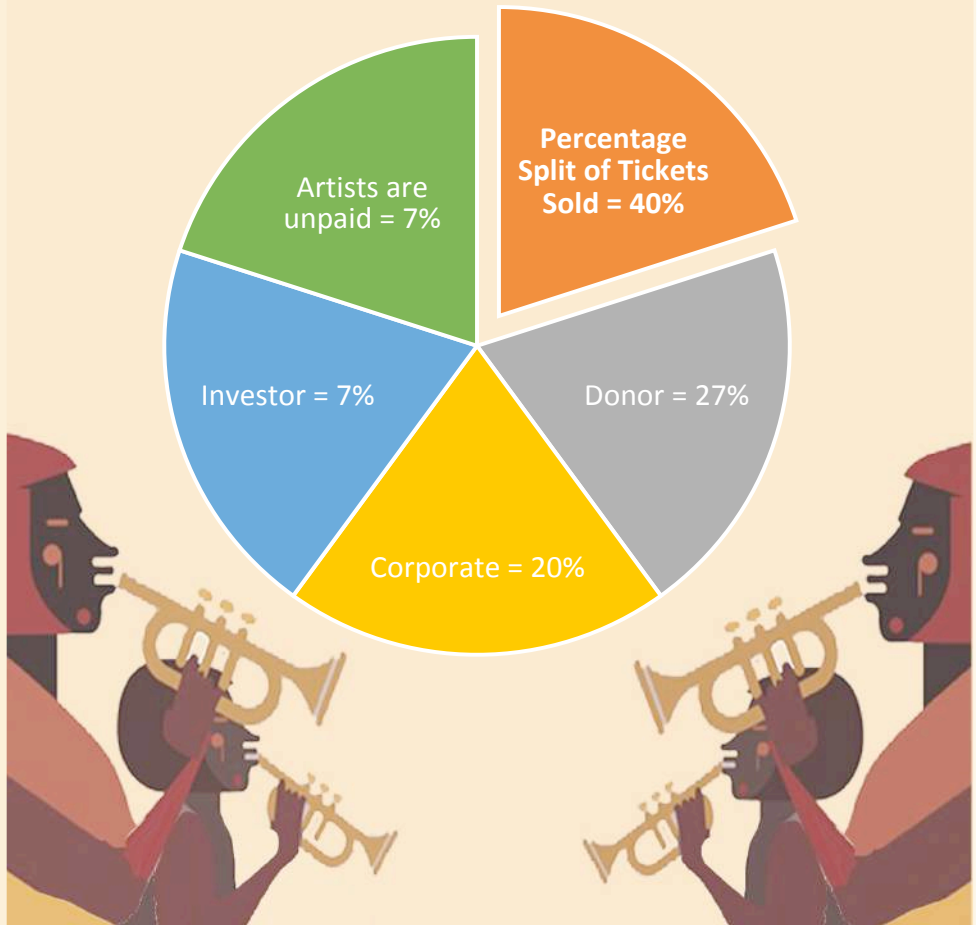
THE OUTLIERS

Outlier (minority) responses fell into three broad categories:

1. **Exact equity model:** investment risks and short- and longer-term earning potentials were all split equally between production-team, platform and lead musician.
2. **Ad-hoc model:** For some larger and more diverse (particularly longer-established) live stream platforms, these issues were contracted on an ad hoc basis for each event, with no single model predominating.
3. **Master retention model:** One donor, however, retains ownership of masters, but under a guarantee that they will be used only for promotional purposes, with the lead musician's access open.

HOW – AND HOW MUCH – ARE ARTISTS PAID?

A range of payment models are present on the internet 'tour circuit'. None yet provides a definitive answer about whether or how viable revenue is consistently achievable. What did emerge from the data, however, is that live streaming in the absence of some form of sponsorship provides a significantly smaller financial return for musicians than that which they could receive from an equivalent live performance before an audience.



MUSICIANS' PAYMENT: FOUR CASE STUDIES

The following cases illustrate the diversity of returns experienced.

Case 1: A musician who generally sells 100 tickets at R150 per ticket to a club/venue show, grossing R15 000, sold the same 100 tickets at R100 for her streamed show. She achieved this by using her own channels to proactively educate potential audience members about how to register, buy tickets and stream the show. In addition, she marketed to different audiences outside South Africa. However, despite this, her net take-home was 30% of what a live performance would have provided.



Case 2: An musician who generally sells 200 tickets at R300 per ticket, grossing R60,000, sold fewer than 100 tickets at R85 for his live streamed performance, grossing under R4,000. He was working under a 50:50 split model with other role-players in a live streaming production team. This take-home is under 10% of his normal return from a live show.

Case 3: A hip-hop artist with a very large social media following and strong radio play, sold fewer than 10 tickets for his streamed concert. One explanation provided was that the marketing could not reach his audience base, a large percentage of whose domestic segment do not have access to wifi. Another suggestion was that audiences for this genre value most the live experiential aspects of hip-hop performance. Additionally, consumers of this genre are accustomed to streaming free and do not pay for music, except for live performances.



Case 4: Music festivals that have moved to an online streaming model are reported to be paying considerably less than live fees for artist performances. Some US/UK agents report that their established, high-selling musicians are receiving 50% of their normal performance fees, while small/independent musicians are receiving much less; sometimes no fee at all.



Notes:

These examples are based on anecdotal evidence provided in the course of the research.

They relate to the first phase of income from live streaming, where ticket sales without a donor or corporate sponsor generate between 10-25% of the net income the musician could expect to receive from performing a live show.

Further they do not quantify any of the subsequent long tail of income from royalties, syndication or other uses of the recordings.

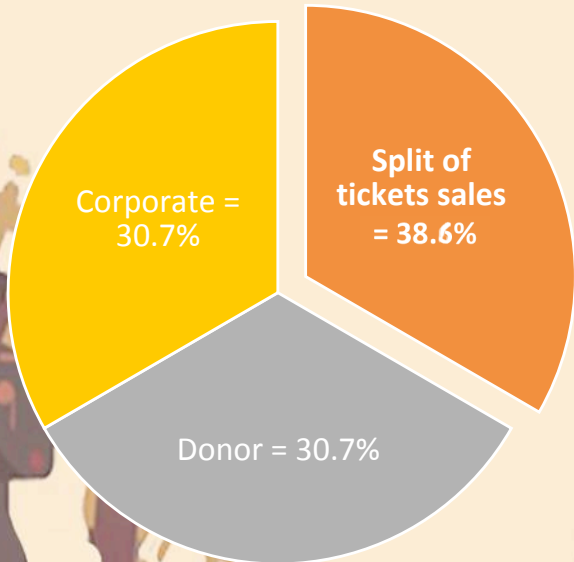


WHO PAYS THE VENUE, PLATFORM & FILM PRODUCTION COMPANY?

Many of the live streaming platforms surveyed have either entered into partnerships with venues, film production companies or have developed their own in-house production teams. Currently, the live streaming platforms, venues or film production companies are supported via hybrid financing models. As with the musicians, these combine, sometimes on an event-by-event basis, elements of self-investment, corporate or client sponsorship and donor support.

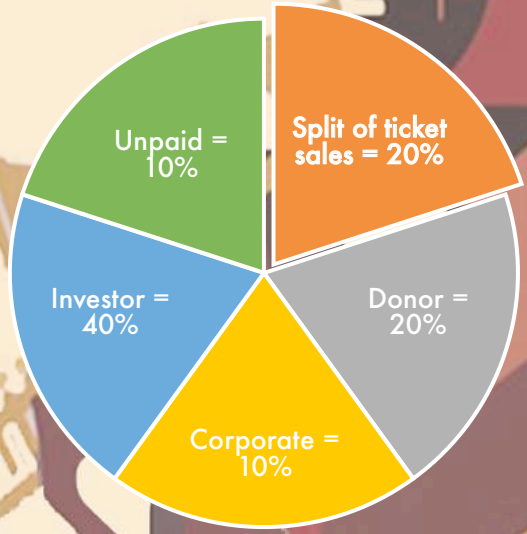
It is not clear for how long a model supported by investment or donor support is sustainable, or what alternative income streams if any exist when that investor and donor money dries up.

A: VENUE/PLATFORM



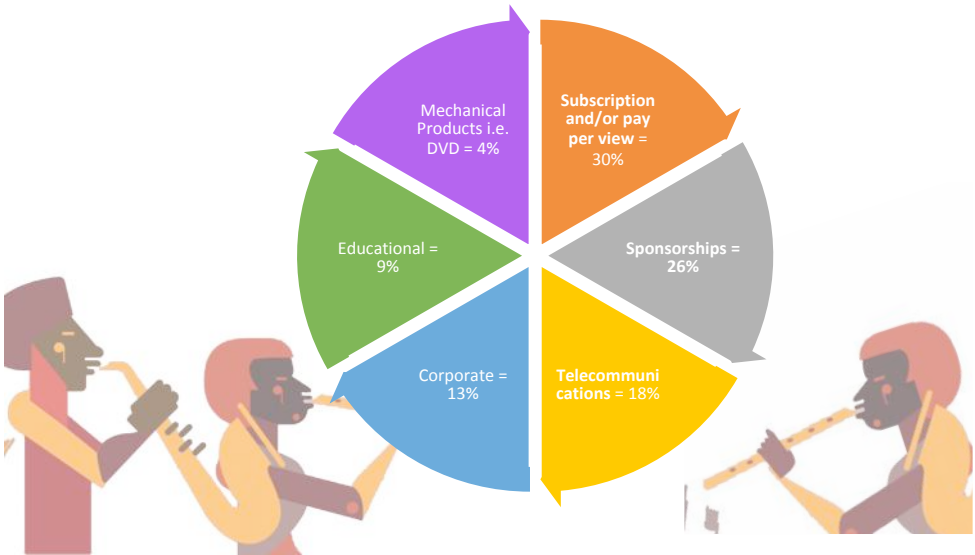
Nor is it clear at this stage for how long film production companies will be prepared to enter equity partnerships for a percentage of what is turning out to be low income from ticket sales.

B FILM COMPANY



WHO WILL ACCESS THE MANY POTENTIAL INCOME STREAMS FROM LIVE STREAMING?

Live streaming platforms have the opportunity to gain multiple additional sources of income from the recorded content, as discussed above.



60% of participants are planning to license their recorded content to local TV stations citing, among others, SABC, DSTv, Channel O and Trace TV. Although some respondents alluded to potential international partners, these remain undefined at this early, exploratory stage of most operations. The other important income stream envisaged was a subscription and/or pay-per-view model.

60% of participants reported granting total ownership of the master recording to the artist. 30% reported agreeing a 50:50 split between the venue/platform and artist. For 10% of participants, the venue/platform retains 100% ownership.





Pic: Candice Martin with Kenzhero & Bokani Dyer, courtesy Untitled Basement

WHAT ARE THE RISKS OF LIVE STREAMING?

The risks of live streaming are many, including but not limited to:

1. Contractual and pricing risks include:

- 1.1. reduced income for the musicians if ticket prices are lowered;
- 1.2. reduced income for musicians due to sales-splits with streaming platforms and/or production teams;
- 1.3. low return on investment (RoI) for film production companies because of the high cost and rapid obsolescence of filming and recording equipment;
- 1.4. issues of fraud, mistrust or misunderstanding arising in equity agreements,
- 1.5. disagreements between featured musicians and leaders when the lead musician owns the master of the recording;
- 1.6. loss of creative freedom in unbalanced/restrictive relationships.

“Live streaming platforms and artists carry the risk. There is no insurance to cover their losses. Inaccessibility of internet makes it difficult to reach a broader audience.”

**– Bradley Williams,
Untitled Basement**



2. Audience experience risks include:

- 2.1. oversupply: audience fatigue given the plethora of live streamed offerings, resulting in lower ticket sales;
- 2.2. unreliable internet connections resulting in video dropout or slow buffering, creating a poor quality audience experience;
- 2.3. the dramatic national digital/data divide in South Africa resulting in low audience accessibility due to the high cost of data, poor, unequal internet, and/or access to electricity (Walker, 2019);
- 2.4. audience preference for the 'live in person' experience also resulting in reduced ticket sales; and
- 2.5. the expansion of the "why pay for content?" culture, resulting from an increase in free live streams on social media.

“The high number of poor quality, free live streams via Instagram and Facebook has devalued the market”.

– Mark Daubeney,
SkyRoomLive

*Poster for
Ladysmith Black
Mambazo courtesy
WatchaTV*





Pic: Kenzhero courtesy Untitled Basement

3. Production risks include:

- 3.1. unforeseen delays in releasing pre-recorded content in the post-production (editing) phase, leading to a loss of spontaneity resulting in a reduction in the earning time of content;
- 3.2. limited and highly unequal access to appropriate technology, skills and knowledge among artists, excluding many from self-producing live streamed content of adequate, marketable quality; and
- 3.3. lack of an appropriate, effective marketing strategy for live streamed content, resulting from over-reliance on legacy strategies among artists, platforms and promoters.

“The high cost of internet data and poor internet quality across the country, limits the potential audience reach”

**– Siphso Sithole,
Watcha TV**

“The market for live streaming events is flooded due to the cancellation of live performances.”

**– Michael Balkind,
SodaStudio / JHB Live**





Pic: Paul Hanmer, courtesy Untitled Basement

WHAT ARE THE OPPORTUNITIES FOR LIVE STREAMING?

“The niche genres are definitely thriving and we are selling a lot of tickets to folks living in smaller towns, that are normally unable to buy tickets to concerts.”

– Gareth Wilson,
Homestage

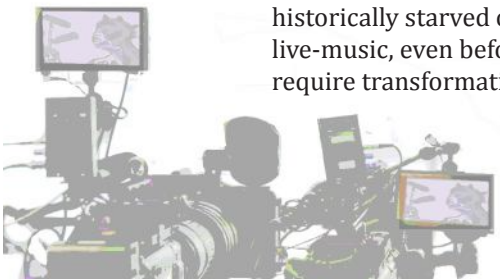
The opportunities for live streaming may not be as immediately apparent as the risks. However, given the right skillsets and attitudes from roleplayers, significant business potential does exist. These opportunities include but are not limited to:

Global reach: Artists can reach – and potentially monetise – a global audience with the right marketing. International partnerships could also encourage greater revenue where the exchange rate is favourable.

International exposure: Artists can showcase to international festivals and promoters by inviting them to their online shows.

No travel required: Audiences can access the event from a place of their choice and are no longer limited to a performer or venue’s immediate vicinity.

Greater accessibility: In South Africa, this bigger market could include remote audiences who have been historically starved of experiencing metropolitan-focused live-music, even before COVID-19. (This would, however, require transformation around data costs and access).



Such potential is particularly important since a global music market multiplies the size of any given music genre niche, while South African artists have historically been constrained by a relatively small market with limited disposable income.

Digital enhancements: Artists can utilise a broader range of creative digital tools to craft or enrich a narrative and a visual experience, and to collaborate with set designers, lighting designers and other creatives to innovate, as well as enhancing the live stream with added interview or context material.

Personalisation: Artists can shape their own broadcast aesthetic, opting either for the elaborated approach suggested above, or for a simpler approach which simply presents live-music in creation, depending on what best suits the genre or is suggested by market research.

Collaborations: Artists can create cross-national or international collaborations with fellow musicians, as was illustrated by several online music collaborations showcased at the recent Makhanda National Arts Festival.

Diversification and social media marketing: Artists can increase the opportunities to monetise their content via global social media marketing and leverage off their live streamed content to sell customised music services such as composing, and customised feeds for interest groups worldwide.

“Embrace the new reality”
– Sipho Sithole, Watcha TV

“There is an opportunity to reach global audiences & musicians and to create intimate moments that a crowd wouldn’t normally see or take note of, with the use of the camera.”
– Tourmaline Berg,
Aloe From Home

Pic: Pops Mohammed, Mayibuye, courtesy Soda Studio





Pic: Sthembiso Bhengu with Kenzhero & Bokani Dyer, courtesy Untitled Basement

RECOMMENDATIONS TO MUSICIANS: HOW CAN ARTISTS BETTER USE LIVE STREAMING?

Recommendations to artists from live-streaming platforms:

“Adjust their performance for the virtual world. Work with a narrative and use visuals to engage the audience in their livingroom”

– Michael Balkind,
Soda Studio / JHB Live

“Artist need to know their real value and do research and understand the business model”.

– Bradley Williams,
Untitled Basement

Potential ticket income is not the only consideration for artists and management teams considering live streaming. With multiple platforms and business models available, it is important for the teams to carefully research and assess each potential partner to find the most suitable avenue for the performer and their music.

Some key questions for artists who are considering live streaming:

Musicians should consider why they primarily want/need to live stream. Their reasons could be one or more of the following:

- to reach a bigger audience
- to retain their current audience in the absence of live-music
- to monetise their music
- to leave a record of their creativity



Once the musicians have identified their reason they should ask themselves the following questions:

1. How much creative freedom will the platform permit me?
2. What advice/ support/ coaching does the platform provide for me?
3. What is the revenue deal being offered?
4. What are the costs to me and (how) are they affordable?
5. Who will own the master recording?
6. Can this content be licensed to broadcasters?
7. Can this content be monetised with telecommunication companies?
8. How do I protect my intellectual property?
9. Is my music registered with a CMO to ensure royalty revenue?
10. Am I violating my existing contracts with management or label?

Recommendations to musicians who live stream:

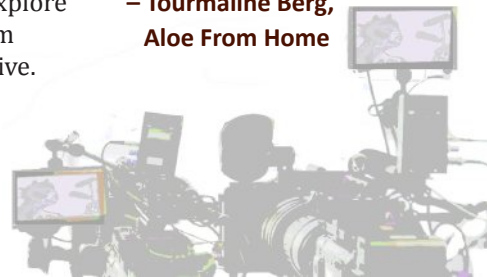
- ***Performing for an audience is different to performing to cameras.*** Artists need to consider the difference between live and live streamed performance, and learn how to accommodate the latter. The presence of a ‘Fourth Wall’ (the screen on the consumer’s viewing device) means performance will need to be adjusted. This may mean more investment of thought and resources into visuals, lighting and set design.
- ***Experimentation and collaboration:*** Artists need to make opportunities to collaborate with other creatives to explore the potential of enhancing live stream performances to make them distinctive.

“Find ways to change up their sets but also not rely solely on the platform marketing team to sell tickets. It is a joint effort.”

– Gareth Wilson,
Homestage

“SUPPORT & COLLABORATE!!! Learn as much as they can on the new way of doing things. Spread the word far and wide about their shows and their fellow artists shows.”

– Tourmaline Berg,
Aloe From Home



“Create unique shows, market to their global audience as this is a rare opportunity to engage with them all.”

– Blaise Janichon,
Park It Live

“Musicians need to understand how to interact with a broadcast audience, and to relax in front of cameras.”

– James French, SAMRO

“All artists need to engage with the technology and practice of making work for online audiences”

– Monica Newton,
National Arts Festival

“Be as creative as possible to stand out from the rest.”

– Munya Chanetsa,
Sony ATV

- **Quality production on a tight budget:** Artists need to access advice or skills training on how to produce a high quality stream from the resources they can access (e.g. home or home studio).
- **Production technology:** Equipment can be expensive, and can depreciate quickly if not regularly used. Artists need affordable access to the right equipment and technology.
- **Innovations:** This is a young sector and artists (and streaming platforms) need to be open to devising innovative marketing strategies for live streamed events.
- **Market research:** Artists and platforms need reliable market research on the tastes and consumption patterns of global audiences.

Pic: Ayanda Sikade with Carlo Mombelli band, courtesy Untitled Basement



HOW CAN THE GOVERNMENT BETTER SUPPORT LIVE STREAMING?

Given this significant potential, the South African government and specifically the Departments of Sports, Arts & Culture (DSAC), the Departments of Basic and Higher Education (DBE/DHET), National Arts Council (NAC), Department of Trade and Industry (DTI), the Independent Communications Authority (ICASA), and the Department of Small Business Development (DSBD) can clearly add value to a high-potential export-earner and domestic growth opportunity by supporting live streaming more fully.

This requires a detailed and nuanced understanding of how the industry operates and of the nature and extent of the crisis besetting live music today.

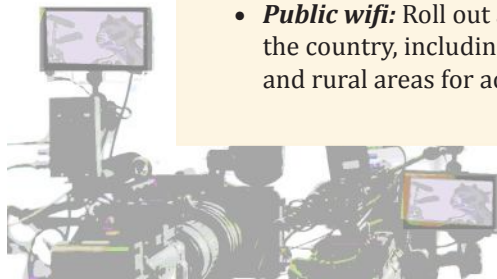
Our research respondents provided many practice-based suggestions on how live streaming can be supported so the music ecosystem can survive, adapt and recover from the state of disaster. The high dependence the research uncovered on sponsorship or donor-support points to gaps in current provisions by the state.

Suggestions for better government support:

Among the most frequently-mentioned forms of assistance were:

- **Review the funding application processes for DSAC/ NAC.** These have shown a lack of understanding of the nature of music-related activities which, even under the aegis of formal institutions such as venues, are often short-term and project based. This mirrors UNCTAD's 2018 finding of similar international patterns.

- ***Open all national facilities for the production of live streaming content:*** State controlled theatres, community centres, etc... should be adapted for the production of live streaming content, with guaranteed fees or stipends for performers and production staff.
- ***Financial aid and in-kind support to music venues:*** Support should be directed specifically to help venues pivot to hybrid operating models that include live streaming.
- ***Upskill the Industry:*** Offer in-kind and financial support for workshops and the training of musicians, promoters and venues on how to produce and market high quality live streamed content.
- ***Encourage efficient partnerships:*** Fund technical equipment suppliers to partner with streaming platforms to ensure high quality sound, lighting and filming, and removing the high VAT rates on instruments and production equipment.
- ***Encourage more equitable remuneration online:*** Put in place legislating to compel local digital service platforms, and negotiating with international platforms (eg Apple Music, Spotify etc) to create more equitable remuneration regimes including higher royalties to artists.
- ***Extend international visas:*** Lobby international governments to extend their entertainment visas. This applies particularly to visas to the USA and Europe that were unused during the embargo on international travel.
- ***Reduce data costs:*** Continue work to reinforce the work of the Competition Commission to ensure mobile telecommunications companies reduce the cost of data.
- ***Public wifi:*** Roll out access to cheaper wifi services across the country, including currently under-served low-income and rural areas for access to the arts and education.



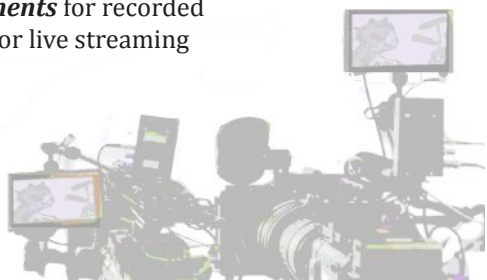


Pic: Zetina Mosia /Paul Mnisi courtesy Soda Studio

HOW CAN RECORD LABELS AND COLLECTIVE MANAGEMENT ORGANISATIONS (CMOs) BETTER SUPPORT LIVE STREAMING?

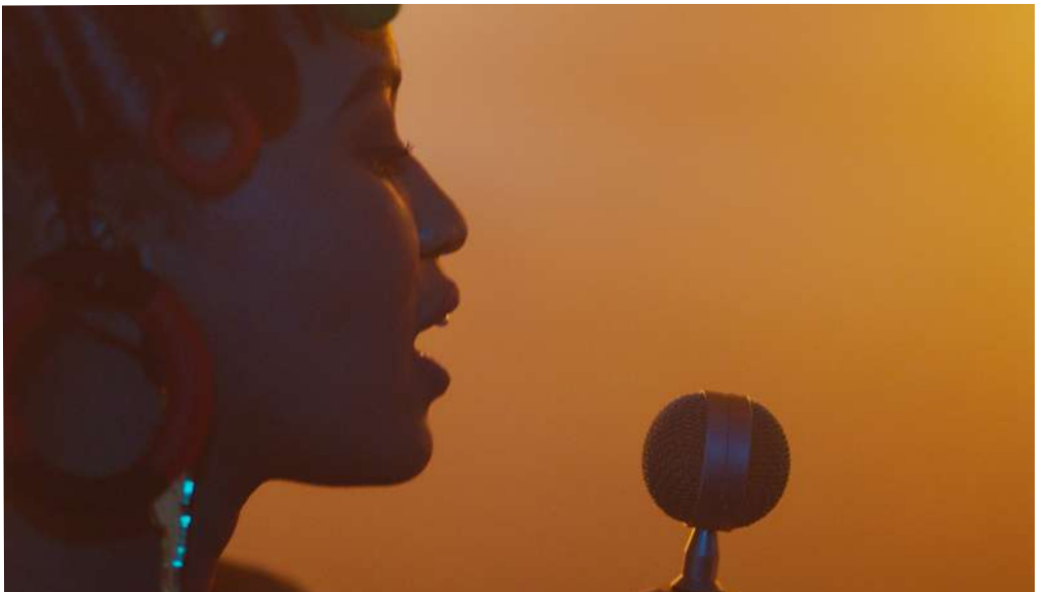
Respondents to the research indicated a strong belief that record label-deals often operated inequitably against them. This historic position was exacerbating the sharp impact of the loss of live earnings experienced since the start of the COVID-19 pandemic. Our respondents indicated a desire to see record labels and CMOs supporting and creating:

- ***simple, transparent and accessible systems*** for protecting works, collecting and distributing royalties, administering rights and governing recoup deals. This should include reforms to ensure more equity and clarity on the division between performance and mechanical royalties between CMOs, publishers and artists, with the balance shifted towards artists.
- ***increased education*** across the industry on how performance and mechanical royalties are divided for distribution between CMOs, publishers and artists.
- ***relaxation of licensing requirements*** for recorded content under label agreements for live streaming performance.



- **review and rewrite** of complex publishing arrangements so that these are accessible and understandable by artists with exit clauses favourable to artists;
- **negotiate with existing streaming platforms** over the business opportunities in relation to rights. Live streaming is not the core business of record labels and CMOs, and aggressive competition damages all industry players.
- **provide professional music spaces** for the voices of artists and artist managers to make a meaningful input concerning label/CMO policies.
- **create opportunities to access label/CMO data** and data-analytics in marketing live streamed performances to international audiences; and
- provide **financial and in-kind support** to support live stream productions, from artist performance fees to data for internet connection.

Pic: Mpho Sebina, courtesy Untitled Basement



HOW CAN CAPASSO/SAMRO SUPPORT LIVE STREAMING?

Artist and artist manager respondents asserted that the live streaming income pie was far too small for the substantial slice currently claimed by CAPASSO/SAMRO. This was exacerbated by slow and sometimes poorly-explained disbursement regimes.

In this context, CAPASSO/SAMRO need to:

- improve their processes for collecting, tracking, reconciling and paying artist royalties;
- enhance communication and make processes transparent to improve the currently low levels of trust between both institutions and artists, promoters and other industry players;
- reconcile all royalty payments with bodies such as Radio Monitor;
- speed up the payment of outstanding royalties to artists;
- investigate and stamp out maladministration, mismanagement and corruption;
- investigate alternative mechanisms for paying artists for live streaming on social media platforms. (As one example, SACEM in France has started paying artists royalties for Facebook and Instagram live performances); and
- join artists and others in lobbying government to support live streaming. This has mutual benefits: as platform incomes from live streaming rise, the platforms will be better able to pay CAPASSO/SAMRO for live streaming events.





Pic: Mayibuye event, courtesy Soda Studio

PRACTICAL NOTES FOR ARTISTS ON MUSIC RIGHTS IN THE DIGITAL SPACE

The data derived from this research demonstrates how novel live streaming initiatives are in South Africa. Most entrants began their initiatives during and in response to lockdown. Thus both artists and platforms are still learning about the music rights involved, the licensing needed and the potential subsequent uses and revenue streams possible from royalty and other sources.

These issues can be very complex. We therefore recommend that streaming services draft clear contracts based on best-practice legal advice, taking into account the possible uses of recorded material and the various rights therein. Contracts should state explicitly the rights and obligations of all role-players and declare these to the relevant collection societies – of which artists should be members. These contracts should also incorporate the rights and responsibilities of record companies, music publishers and any other rights holders who may have the power to administer the music being streamed live or recorded for delayed broadcast.

Artists, or artists' managers need to read and understand these contracts before agreeing to any live stream work that hold the potential for subsequent exploitation and online revenue streams. There must be acknowledgment that the works being recorded/streamed have become globally accessible for exploitation and future revenue, even if the initial streaming gig may yield very little.

Important points to consider for both the streaming platform and the performing artist / composer:

1. Where a musician or composer is unsigned / not recorded, (i.e. writes their own unpublished songs and possibly owns their own master recording exclusively) that musician or composer should have the legal right to license the work themselves, unless they have previously mandated a collection society to do so.
2. Licensing with collection societies such as SAMRO, CAPASSO, SAMPRO, RiSA AV etc is the responsibility of the streaming service and not the performing artist / composer.
3. Registration of works /tracks/films/videos for future royalty income is the responsibility of the artist / composer and not the streaming service.
4. Reporting on how the stream and/or delayed broadcast is the joint responsibility of both the artist/composer and streaming service.

Pic: Kgafela le Marabele (centre), Mayibuye event at Soda Studio



APPENDIX A: DEFINITION OF TERMS

Artists – composers, music performers, musicians, and music content creators.

CMO - “CMO” stands for Collective Management Organization, collection societies that enable copyright owners and administrators to efficiently and cost-effectively collect royalties generated by many types of use.

Live streaming - the delivery of video or audio data to an audience over the Internet as the data is created.

Platform – a company that can record, stream and monetize content for the digital space.

Pre-recording – recording beforehand or in advance to the broadcast.

Rights – music rights are categorized into the following categories: master, mechanical, public performance, reproduction and synchronization.

Royalties – payments that go to recording artists, songwriters, composers, publishers, and other copyright holders for the right to use their intellectual property. The four main royalty types include mechanical, public performance, synchronization, and print music.

Venue - any location used for a concert or musical performance. Music venues range in size and location, from small café /restaurants to theatres or indoor sports stadia.



APPENDIX B: MONETIZATION PARTNERS

BUSQR

- QR CODE platform that allows venues and artists to accept 'donations' from live streaming on social media through the scanning of a digital code

HOWLER

- Ticketing platform with which venues and artists can partner for live stream events; can also assist with interactive Zoom rooms



Pic: Manu WorldStar. courtesy Soda Studio

COMPUTICKET

- Ticketing platform with which venues and artists can partner with for live stream events.

QUICKET

- Ticketing platform with which venues and artists can partner for live stream events.



APPENDIX C: RESEARCH LIMITATIONS AND DIRECTIONS FOR FUTURE STUDIES

The research for this report was limited by the mandate of Concerts SA in supporting “live” music. The participants were selected in accordance with this mandate and the focus of the research was predominantly qualitative. The value-chain of live-music and live streaming however extends to a far wider range of role-players, suppliers and service providers. Focused cohort studies of these could add a wider range of perspectives, insights and cases, while a quantitative study could offer a more granular level of detail on funding, costs and revenues.

No research has so far been undertaken on genre-specific aspects of live streaming. Some of the anecdotal reports from this study suggest, for example, that live experience (including aspects such as audience dancing) may matter more for some genres than for others, and that different production aesthetics may be more attractive depending on music genre. To support targeted marketing, research on these aspects is needed.

Additionally, this research had a short timeframe, and was concluded while the landscape of live streaming business models and prospects was still under construction. This aspect of the Fourth Industrial Revolution as it relates to live-music is still in process. We would therefore recommend that a longitudinal cohort study revisiting these participants and findings, and mapping trends in the subsequent 12-months be undertaken in August 2021.



APPENDIX D: READINGS AND REFERENCES

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Pic: Ladysmith Black Mabazo at the Playhouse Theatre, Durban; courtesy WatchaTV



APPENDIX E: THE QUESTIONNAIRE

The questionnaire was conducted via a Google Form which can be accessed at:

<https://forms.gle/bj792u1ssennqpzQA>



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Gareth Wilson, Homestage / Brand New Artist Solutions

Tourmaline Berg, Aloe From Home / Aloe Aloe

Blaise Janichon, Park It Live / The Good Times Co

Monica Newtown, [Virtual] National Arts Festival

Munya Chanetsa, Sony ATV

James French, SAMRO Foundation

Robert Hooijer

Gwen Ansell

Andre le Roux, IKS Consulting

and other colleagues and organisations with whom conversations were held, but who for various reasons opted not to be detailed in the final report.

The report was produced by IKS Consulting, the project managers for ConcertsSA, in partnership with SAMRO, Music in Africa and Akum Agency.



“Embrace the new reality”

– Siphosithole, Watcha TV

“There is an opportunity to reach global audiences & musicians and to create intimate moments that a crowd wouldn't normally see or take note of, with the use of the camera.”

– Tourmaline Berg,
Aloe From Home

