



NuFocus

Increasing the Export Capacity of New Brunswick's Music Industry

Report Presented to:
Musique/Music NB and its Executive Director
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Research and Report Prepared by:
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Table of Contents

Acknowledgements	3
Report prepared by	3
Background.....	3
Executive Summary	4
Methodology	5
Original and Revised Targeted Outcomes	6
Summary of research findings:	7
Literature Review	7
Key Informant Discussions – What the Industry Leaders Had to Say	7
Results of Artists’ Survey – What the Artists’ Had to Say	12
Where the Lines Converge	14
Key recommendations:	15
Annexes	17

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Report prepared by

The work undertaken within this project was led by Janice Goguen, Market Expansion Strategist with support by Jonathan Keeley, Research Assistant, both of NuFocus. The author ascertains that the research findings and conclusions detailed within this report are an accurate representation of the interviews, literature reviews and surveys conducted, as per the described methodology.

As the work was being carried out and priorities that are common to industry and artists were emerging, it became evident to the author that the immediate market development needs of the industry (and subsequently directions to be taken by MNB) were different than the actions identified in the original targeted outcomes of the project.

Therefore, after consultation with MNB, it was agreed that the outcomes of the research would vary somewhat from the original targeted outcomes, so as to better respond to the needs and actions expressed by stakeholders and to best ensure sustainable market expansion for NB music artists.

Background

As with many of New Brunswick's and indeed Canada's industry sectors, businesses who are intent on sustaining growth must at some point focus on expanding beyond the Maritime provinces or even Canada's borders. The rewards of market expansion or exporting can be significant, but minimizing the risk and increasing the chances of succeeding in new markets requires careful preparation.

To quote a section of the 2015 study, Sound IMPACT | A Profile and Economic Impact Assessment of New Brunswick's Music Industry commissioned by MNB, NB-based musicians are challenged to grow their businesses and increase earned incomes '.....Because of small, dispersed population and distance from major music centers, including major music markets in Canada and globally. Therefore, in order for the music sector to function effectively and

sustainably, it needs to facilitate industry activity both across the province and with the world outside the province. A key point here is to generate a system that allows music artists to build markets beyond the province's music industry ecosystem, while remaining within New Brunswick.'

Given that part of MNB's mission is to '...foster the New Brunswick music industry', the purpose of this research was to identify the market-growth opportunities and challenges of individual artists and the actions that can be taken by MNB to foster an ecosystem within which New Brunswick artists may increase their market capacity and achieve sustainable levels of market expansion or exporting beyond the Maritimes. ¹

Executive Summary

The research phase of Musique/Music NB's proposed three-year export strategy focused mainly on obtaining industry and artists' insight into the opportunities and perceived challenges of growing the market and touring potential of New Brunswick's music artists, and on identifying an inventory of tools and resources that support market expansion.

The research methodology used for the project included a review of relevant reports, websites and program offerings that support market development; interviews with 12 music industry leaders from both within and outside of New Brunswick and a survey of over 250 MNB members and non-members, which generated a survey response rate of approximately 20%.

Over the course of the research, a very interesting and indicative synergy became apparent between the key points and suggestions brought forward by the industry leaders interviewed, and a concurrence of many of the key points, expressed as 'needs or challenges' to market growth, by a representative number of artists who responded to the survey.

Specifically, the key informants almost all pointed to the need to increase the touring capacity of NB music artists in the near term, by providing opportunities for skill development in the areas of showcasing, touring-related business skills and market expansion strategy development. Parallel to this, most saw MNB's primary role as a strategic relationship builder with stakeholders in key markets and in other organizations as the most significant way the organization could contribute to expanding the market potential of the music industry.

Several industry leaders suggested that MNB should focus mainly on developing a strong cycle of inbound and outbound market development activities, with inbound participation on a

¹ The Prov. of NB defines exporting as generating revenues from beyond the Maritime provinces while the federal government defines exporting as sales to markets outside of Canada. For the purposes of this study, we will consider Canadian markets beyond the Maritimes as potential key markets.

5:1 ratio with outbound, so as to maximize resources and expose the greatest number of artists to outside market experts and showcasing opportunities.

Another important point raised by several of the industry leaders was the development of a tool or system by which the touring readiness or market capacity of artists could be assessed and tracked, providing a searchable inventory of market-ready artists to increase the degree of participation of NB artists in showcasing and touring opportunities.

From the artists' perspective, of the 53 respondents, 28 professional and semi-professional artists indicated they intended to expand their markets within 12-24 months, with most regarding touring and market skill development as important or very important to ensuring their success. This suggests the existence of an important pool of potential music exports who recognize the need for skill development to successfully expand their markets and increase their revenues, and who would be willing to commit to developing the skills within the timeframe of the proposed export strategy.

On the topic of key markets, industry leaders see potential in almost every market, depending on the genre and style of music act. Therefore, the research did not delve too deeply into any specific market, but provided highlights of the market opportunities that were referenced in the interviews.

To summarize the recommendations, it is suggested that MNB turn its immediate attention to examining and choosing a short list (two-three) of key markets to develop over the course of the next three years. The market selection will serve to drive the efforts of the organization in the development of stakeholder relations and the delivery of market-specific skill development opportunities for its members, over the course of the export strategy. To maximize its efforts aimed at improving the touring readiness of artists and track the impact of the organization's market-development efforts, it is recommended that MNB seek collaboration opportunities with other MIAs and government partners in the identification of tools and best practices that support market development.

Complete details on the above information and supporting documentation can be found in the full research report and the attached annexes.

Methodology

Following an initial client discovery session involving members and staff of MNB, through which insight was gathered on their perspectives of the role of MNB in expanding the markets of the music industry, a three-part research methodology was deployed. The main findings of each research activity can be found in the appropriate sections of this report.

The three main areas of data gathering included:

A review of relevant reports, studies and export strategies as well as best practices currently used by other similar organizations (music industry associations, MIAs). The review also looked at programs and services that are relevant to the market expansion of the NB music industry.

Interviews with 12 key industry informants, including experienced touring artists, artist managers, funders and other MIAs, from within and outside of New Brunswick. The purpose of this was obtain the industry's views on export perspectives, identify best practices from other jurisdictions and gather advice on how to increase NB artists' access to expanded market opportunities.

A survey of MNB's members and other artists from throughout the NB music community, to gain input on the importance of market growth and the perceived impediments to market expansion, as well as insight into what specific measures are needed, from the artists point of view, to help increase market expansion within NB's music industry.

Original and Revised Targeted Outcomes

As mentioned earlier in this report, the original targeted outcomes were revised so that the resulting recommendations were more relevant to the expressed needs and suggestions of the music industry and artists and the actions to be followed by MNB. The following shows how the targeted outcomes were adjusted from the originally agreed upon targets.

- Identification of *a short list of potential* strategic export markets *from which a two-to-three target markets will be considered* within the timeframe of the Export Strategy (2016-18). ²
- Recommendations on training to the industry (artists and service providers) that would have the greatest impact on market growth
- Identification of most suitable market development industry delegates for the October ~~2016~~ 2017 Festival (506)
- Identification of both in-bound (2016-18) and out-bound (2017-19) market development initiatives suitable for the NB music industry

² As the research pointed to several key market opportunities, it was agreed that further market research and consideration was required to select a short list of markets to be targeted by MNB in the short to mid-term

Summary of research findings:

Literature Review

Because of the breadth of literature available that supports the main themes of this research, we limited the review to sources that could directly support the main target outcomes and a limited market scope. The sources reviewed included a review of areas of potential collaboration among MIAs; a list of festivals providing potential venue or market opportunities for consideration by MNB; a profile of the key elements of successful showcasing workshops, and a list of presenters and music industry associations based throughout Canada and the US, as well as a list of useful web-based resources.

Summaries of this following can be found among the annexes to this report.

Key Informant Discussions – What the Industry Leaders Had to Say

As described above, the purpose of these discussions was to hear from leading music industry representatives on what they felt were the market expansion opportunities and challenges facing the NB music industry and what actions MNB may consider to help foster an ecosystem that is more conducive to sustained business growth for NB musicians. The topics were addressed differently depending on the interviewee, but the responses have been grouped around a number of main points of focus.

What is most needed to assist NB artists with market development?

- ❖ There seems to be a need for greater artist preparation for showcasing; there is a perception that NB artists are less present at showcasing venues and are sometimes (often) ill prepared for showcasing;
- ❖ An offering of continuous, progressive market development training;
- ❖ From an artist, manager and presenter perspective, a tool or system to ‘assess’ and track the artists’ degree of touring readiness would be valuable for both development and sourcing purposes, and
- ❖ The music ecosystem would benefit from increased linkages and partnerships with presenters and other key industry people in target markets, as a means of sourcing knowledge and market training for artists as well as developing the ‘market pull’ needed to access new opportunities.

Apart from talent development, what knowledge pieces are essential to successful showcasing/touring?

- ❖ Understand the business of touring: what you need to know about self-managing vs. working with a manager; how to talk to agents and presenters;
- ❖ Understand the different market entry strategies and the related touring cycle (festivals, trade shows, concerts, etc.);
- ❖ Learn about your target market and recognize market differences; develop 'presentation' skills that are appropriate to the market;
- ❖ Understand where your product fits in the market and recognize the degree of appreciation for your genre or style; understand your venue (festival vs. concert, for example);
- ❖ Learn the basics of market development: understand the market supply chain and where and how to best enter;
 - Social media marketing for artists: how to develop an electronic press kit, and
- ❖ How to develop a multi-year market development strategy that includes market profiling, presentation and showcase training, management and financing.

What/where are the perceived opportunities for growth?

- ❖ Markets can be defined by geography or by the music genre, since not all genres have an equal space in each geographic market. Markets can also be segmented by the type of show, as in festivals vs. concert halls. Essentially, markets exist for each main music genre, including classical music, and the 'way into' the market is the same, that is through identification of industry or music genre champions or stakeholders in the target market, understanding the entry into the market and the touring cycle of the genre and maintaining market focus over a sustained period of time.
- ❖ From an artist's perspective, the first optic of market analysis must be from the genre, i.e. where is there a demand for my product? This can be determined through the identification of music associations, gatherings (festivals, concerts), music training facilities or relevant presenters in the market.
- ❖ From MNB's perspective, geographic markets must be assessed by the opportunities and accessibility for the main genres that are represented. Below is a list of markets identified by industry leaders interviewed that are believed to hold significant opportunities for the NB music industry. Further research and examination are required to more closely examine these opportunities and arrive at a reasonable number (two-three) to be pursued by MNB in the timeframe covered by an anticipated export strategy (three years).

Markets:

Europe:

- ❖ French-speaking sub-regions of France (Northeast, Northwest, Southwest France and Paris³), Belgium, Switzerland; each of these sub markets has its own particularities and opportunities, yet is large enough to explore on its own. A lot of reconnaissance and development work has been initiated under SPAASI (Acadian artist international marketing program), but the perceived opportunities extend beyond SPAASI's capacity to develop
- ❖ English-speaking EU: UK, Paris; good recognition of Canadian or East Coast brand, particularly in the UK.
- ❖ Other regions: Scandinavia, Germany, Iceland; Canada has good brand recognition in these markets which appears to be open to diversified offerings.

United States:

- ❖ many regional opportunities for both English and French-speaking acts, and many genres (Northeast, Southeast, Mid-West and Pacific), although US remains a challenge because of visas and fees that are required of artists.

Oceania:

- ❖ Australia and New Zealand are seen to have great potential and have a strong appreciation for the East Coast or Canadian brand, as other MIAs and Atlantic-based arts organizations have developed relationships in these markets.

Asia:

- ❖ Great, unexplored potential but requiring significant 'groundwork' to develop. Development of this market could be considered under a multi-faceted cultural or multi-sectorial market development initiative. Some parts of Asia are also being targeted as key export markets by the Province of New Brunswick, which could extend opportunities to the cultural and music sectors.

³ Paris is also considered to have potential for English-speaking artists

Practices or tools that have the greatest impact on market/touring expansion, both from the artist or manager perspective:

- ❖ Showcasing; often, to as many people as possible, repeat;
- ❖ Building relationships with market leaders or influencers, including presenters, association heads and agents in target markets;
- ❖ Understanding the target market and careful (and early) preparation for entry or return (a minimum 12-month window should be allowed);
- ❖ Competitive analysis leading to the understanding what makes an act 'stand out' or its 'value-added' offering in a market;
- ❖ Understand and identify the best way into a market, i.e. showcasing or through an agent;
- ❖ Maintain market focus by working the market over a sustained period of time;
- ❖ Undertaking the identification and definition of a regional brand and applying it consistently, over time, in all markets;
- ❖ Focus on 'in-bound' market development tactics and preparation of artists for showcasing. Limit out-bound activity to select artists for key showcasing opportunities and industry development efforts, and
- ❖ capitalize on in-bound experience to provide close-up, rapport-building with artists and the audience (MIAPEI model).

Strategic actions and tactics that would have the greatest impact on industry market expansion over the next three years:

- ❖ Business management by qualified artist managers has demonstrated to have a positive impact on an artist's market development success. New Brunswick needs to increase its artist management capacity to meet the growing needs of the music industry;
- ❖ Create an opportunity to develop market development agents or international cultural entrepreneurs, to foster ecosystems in key international markets. The SPAASI coordination role could be an example of this, in part;
- ❖ Re-introduction of a mentoring program for emerging artists, developing artist managers and cultural entrepreneurs, and
- ❖ Increase the number of collaborative partnerships with industry leaders and influencers in key markets i.e. festival-2-festival, association-2-association, agency-2-agency, artist-2-artist

How could MNB best meet the identified needs of NB artists?

- ❖ Identify and focus on developing two to three key markets offering opportunities for various genres and styles; maintain development efforts over the next three years with gradual introduction of new markets on a yearly basis;
- ❖ Foster and develop relationships with key industry people and associations in target markets; leverage to develop reciprocal partnerships through which to gain market insight and secure touring and showcasing opportunities for MNB members;
- ❖ To maximize resources and capitalize on exposure and information gathering, focus increasingly on creating in-bound market development opportunities and selectively on out-bound activities, reserving latter for well-developed, market-ready acts and relationship building;
 - Deliver a progressive, strategic training program aimed at increasing artists' touring readiness
 - Develop and promote an on-line tool to assess and track artists' touring readiness and inventory market-ready acts and market opportunity

What and where are the Opportunities for Collaboration?

Among MIAs

Generally speaking, the MIAs throughout Atlantic Canada and in other parts of Canada are structured similarly (membership driven, project funded) and maintain good working relationships, despite the fact (or perhaps because) they often focus on the same markets. Therefore, they recognize and are generally open to collaborative initiatives among them that would optimize their resources and have greater impact on their membership than if they were pursued individually. MNB has and continues to explore these, but should seek to expand them, particularly to share best practices and to seize opportunities in larger geographic markets.

Among Market Stakeholders

Fostering mutual trade activity is the first step towards creating sustained market expansion. Therefore, collaborative relationships between market stakeholders such as associations, festivals and agents in target markets can lead to longer term market development, greater access to opportunities and increased exposure of domestic markets to new acts, resulting the reciprocal market 'pull' for all parties.

Among other Arts and Culture Organizations

Collaborative opportunities among other arts and culture organizations should be explored to effectively develop tools and practices that support the market development efforts of all

artists, such as diagnostic assessment (export readiness) and tracking tools. Also collaborations that favor the development of ‘hybrid’ cultural products such as between music and literature or film/video and gaming can result in new, alternative business lines and revenue generators for MNB members.

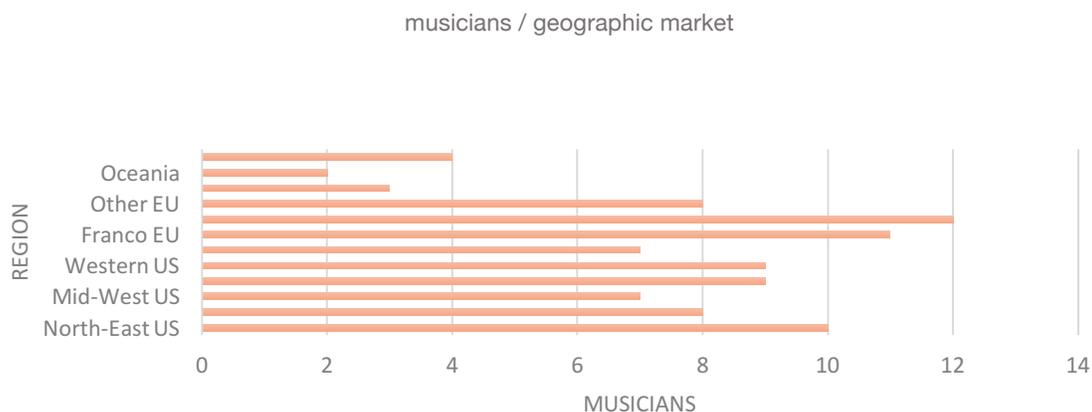
Results of Artists’ Survey – What the Artists’ Had to Say

As mentioned in the Methodology, the third part of the data gathering involved the administration of a survey of artists and other people working directly in the music industry. The survey was posted on the MNB website and through MNB’s email list of 250+ people, members and non-members of MNB. A total of 53 responses were received (37 MNB members), or an approximate 20 percent response rate which is considered to be a representative response rate for this type of survey.

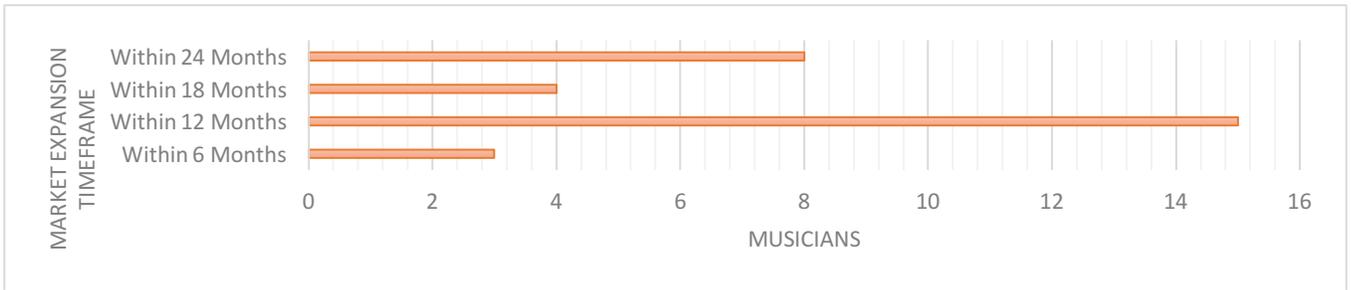
The purpose of the survey was to establish the degree to which professional artists were intent on increasing their revenues by expanding into new markets, the timeline foreseen for growing into new markets, and what they perceived as the challenges to expanding their business markets. They were also asked to rank the importance or relevance of different types of training or information to market expansion.

In summary, the respondents break down as follows (see Annex 6 for a detailed survey response sheet):

- ❖ 17 respondents identified themselves as full time musicians (relying totally on revenues generated by music), while 20 identified themselves as part-time musicians. The remaining work part-time or volunteer in other areas of the industry
- ❖ Of the total number of respondents, 30 identified as presently working in markets outside of the Maritime provinces, 13 in the United States, 16 in Europe and 1 in Asia

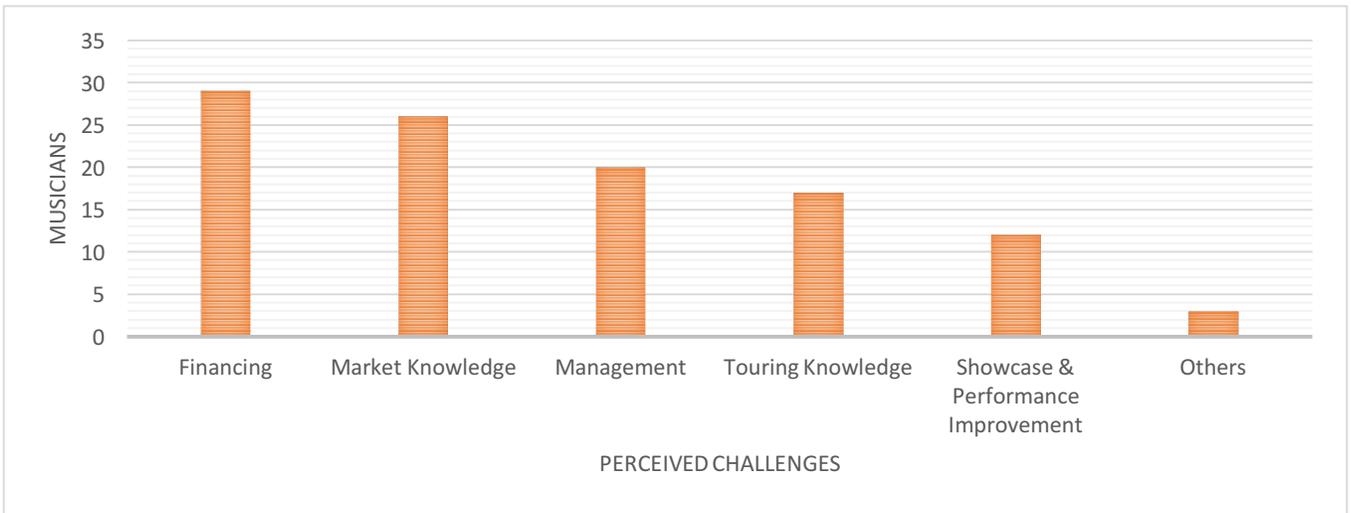


Market expansion timeframe



28 respondents indicated they plan to expand their markets within the next 24 months, with two thirds (18) intent on expanding within the next year (suggesting a pool of potential new professional artists)

Perceived market expansion challenges to musicians



All of the respondents who indicated an intention to expand their markets ranked financing and market knowledge as the biggest impediments to market expansion, followed by management, touring knowledge and showcasing know how.

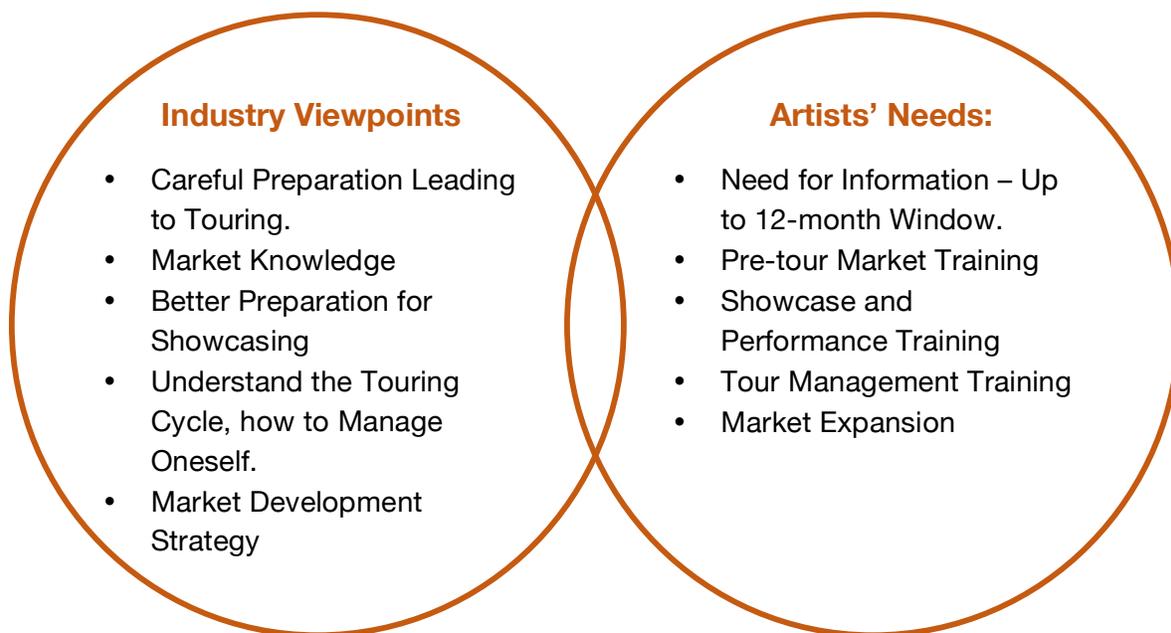
On the ranking of touring training and information services, the selections indicated as being important or very important were as follows:

Suggested Training	Score
Grant Application and Budget Management	49
Pre-Tour Market Training	30
Showcase and Performance Coaching	26

This would suggest that, while grant application preparation and budget management continue to be important to everyone in the music industry, those who have indicated their intent to expand their markets recognize the importance and relevance of market-development training to successful market expansion.

Where the Lines Converge

Of the many significant points that emerged from the Key Informants Interviews and the Artists' Surveys, there appears to be a number of areas where the opinions and suggestions of the industry leaders converge with the artists' expressed needs and priorities in relation to market development.



Key recommendations:

1. In the immediate timeframe and in consideration of the insight gathered by this research and other sources of information, MNB should undertake a closer examination of potential key markets and make a judicious selection of two-to-three markets upon which to focus its export development efforts over the next three years.
2. Initial market development efforts should be two-fold: the first being aimed at increasing the showcasing and touring readiness of NB artists in expanded markets. Specifically, it should introduce measures aimed at assessing potential touring artists' capacity and design a program of market development training to be delivered periodically that would allow participants to adequately prepare for new market entry in a reasonable timeframe (12-18 months). MNB should identify or adapt a tool to track the readiness and availability of NB artists for touring opportunities.
3. The second part, to run in parallel is the development of a strategy aimed at fostering and securing relationships and partnerships in selected key markets. While the artist-focused activity can be delivered by MNB staff or outsourced, the stakeholder-building exercise should be led by the Executive Director and engage him and members of the MNB Board of Directors.
4. The longer-term (two-to-three years) aim of an Export or Market Expansion Strategy should be to establish two-way market development activities with partners or stakeholders in key markets, forming a 'plaque tournante' or turntable for artists and industry experts, both in-bound and out-bound, on which to build a solid footing in given markets while increasing the exposure and demand for musical acts at home. MNB should aim for a 5:1 ratio of inbound vs outbound activity, so as to disseminate market know-how to as many artists as possible, and have 'ready' artists seen by as many influencers as possible.
5. MNB should capitalize on the best practices and established programs and tools of other MIAs and arts and culture organizations, to identify efficient and effective ways and tools with which to develop a program of sustained identification, development and sourcing of market-ready music acts.
6. MNB should engage in dialogue with other business-oriented government departments or organizations that offer programs and tools to assist in export development. Organizations such as LearnSphere, PETL, CBDC and Opportunities NB should be made aware of MNB's market expansion goals and the potential for inclusion of music industry businesses into sectorial market development activities or programs.

7. Consideration should be given to developing and adapting an NB 'brand' (subset of East Coast brand) that could be applied to all products (artists and genres) coming from NB. Consistent application of the NB brand has proven to help open doors within markets and transcends genres, styles and languages.

Annexes

- ❖ **Annex 1** - A table of potential areas of collaboration among MIAs

- ❖ **Annex 2** - A list of festivals providing potential venue or market opportunities for consideration by MNB

- ❖ **Annex 3** - Key elements of successful showcasing workshops

- ❖ **Annex 4** – A list of presenters and associations from throughout Canada and the United States

- ❖ **Annex 5** - List of Key Informants interviewed for this research

- ❖ **Annex 6** - Spreadsheet of survey results

- ❖ **Annex 7** - Programs that support market development