

A comprehensive study of the music market in Poland¹ - summary

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In the report we assess the economic importance of the music market in Poland in 2016-2018. For this purpose, we analysed the available financial data and downloaded online content using automated tools, which allowed us to determine the popularity of musicians in Poland. This is the first systematic study of the most important elements of the music market, in which we used innovative methods of analysis, including previously unpublished financial data and viewers statistics from the largest internet platforms, radio and television. The study can serve as a base for developing public policy supporting the culture industry in Poland.

The report has seven parts: (1) The phonographic, publishing and synchronization market in Poland 2016-2018, (2) Musicians, (3) The concert market, (4) Export, (5) Musical preferences of Poles, (6) Institutional support for the music market in Poland (7) Educational support in business development for the music industry. In this summary we present the most important conclusions from parts 1-5 of the report. Parts 6 and 7 are included in the full version of the analysis.

1. The phonographic, publishing and synchronization market in Poland 2016-2018

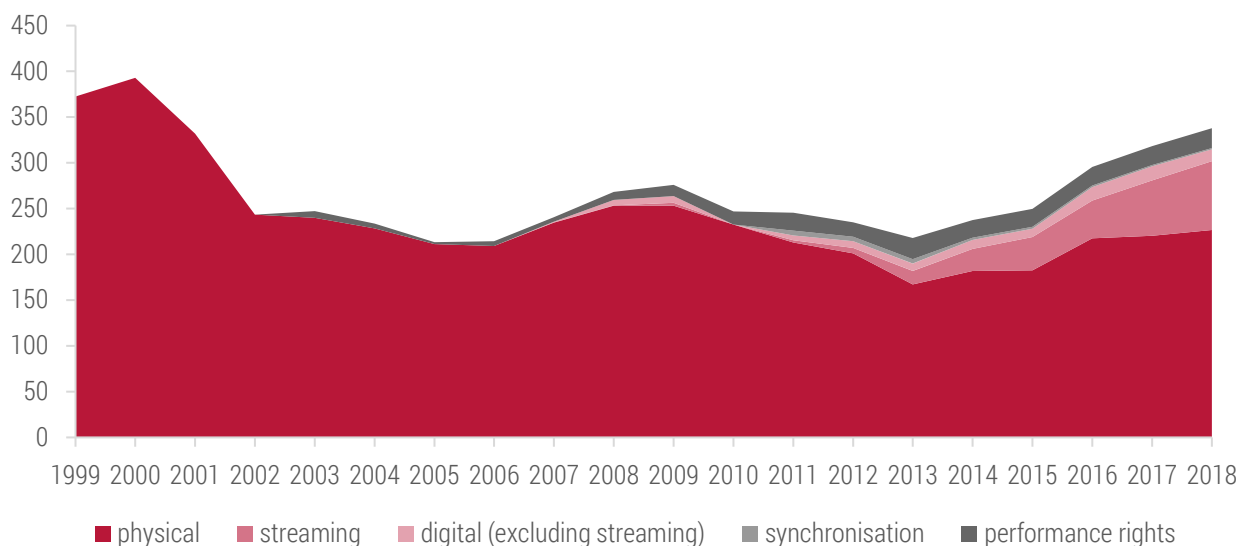
In 2018, the value of the domestic phonographic market reached PLN 360 million (EUR 83 million).² It includes physical and digital sales, synchronization and producer rights. This value has been growing since 2013, which is associated primarily with the increase in sales of physical and digital music, constituting as much as 80% of the market value. A

¹ The report was published in result of the tender "Economic research: «A comprehensive study of the Polish music market». Procedure No. 11 / BDG / PN / 2019. Contracted by the Ministry of Culture and National Heritage.

² In 2018 the annual average exchange rate was: 1 PLN = 0.23 EUR.

high percentage of physical albums sales sets Poland apart from the world market, where sales of music albums are steadily decreasing and in 2018 amounted to only 25% market share.

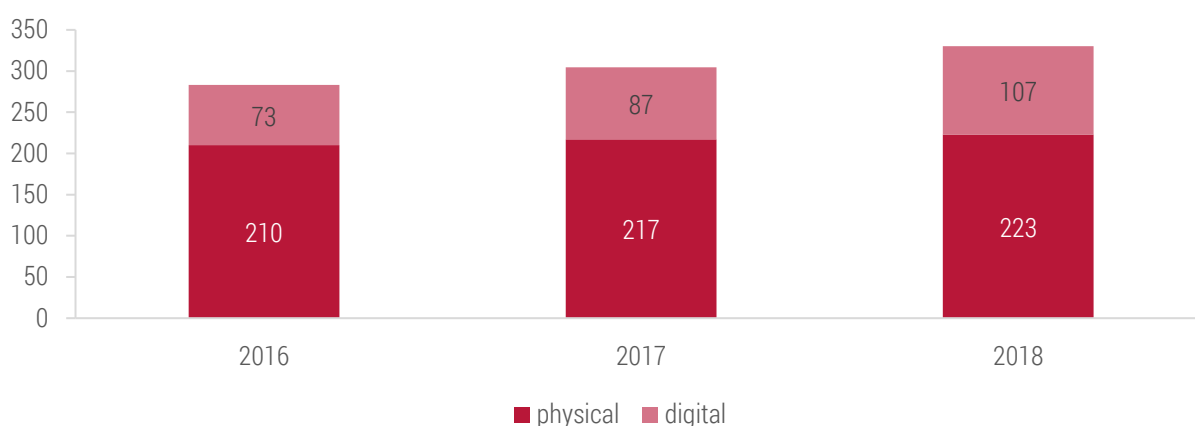
Figure 1. Value of selected segments of the Polish music market 1999-2018 (in PLN million)



Source: own work based on ZPAV and IFPI data (1999–2018)

The value of music sales on the Polish music market in 2018 amounted to PLN 330 million (EUR 76 million). Compared to 2016, it is an increase in sales of digital and physical formats by PLN 34 million and PLN 13 million, respectively (EUR 8 and 3 million respectively). Sales of physical albums increased, mostly due to a growth in the vinyl records market, which have doubled since 2016 and reached PLN 31 million in 2018 (EUR 7 million). The role of streaming also increased and in 2018 accounted for 93% of digital sales (an increase of 13 percentage points relative to 2016).

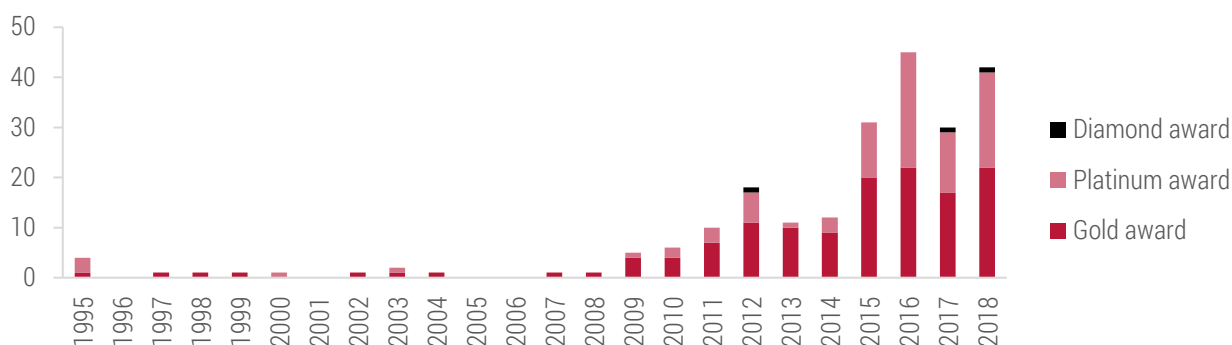
Figure 2. The value of music sales on the Polish market 2016-2018 (in PLN million)



Source: own work based on ZPAV data

Increased sales of physical albums in Poland may be related to the growth in sales certificates granted to Polish rappers since 2009. Only in 2018 Polish rappers were awarded one Diamond record (sales $\geq 150,000$ physical copies) 19 Platinum (sales $\geq 30,000$) and 22 Golden (15,000 copies). It means that Polish rappers sold at least a million copies of their records in one year.

Figure 3. Certifications granted to Polish rappers for the number of records sold in 1995-2018

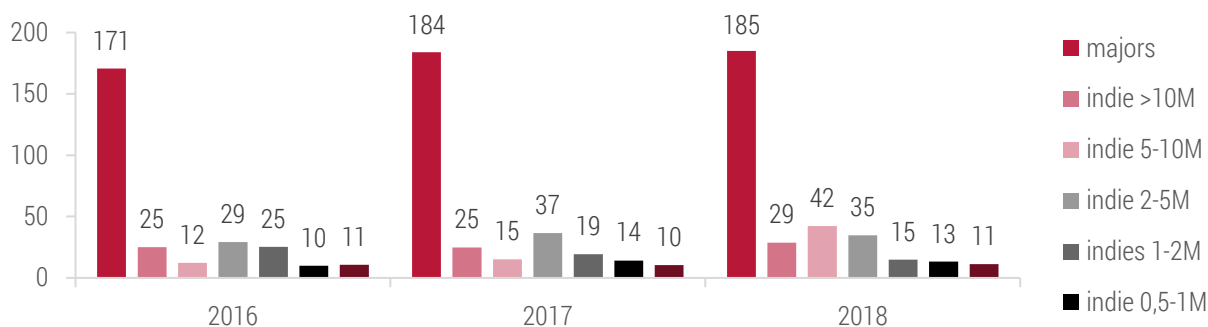


Note: figure depicts only physical recordings certificates.

Source: own work based on ZPAV data

There are 150 independent labels on the Polish publishing market with revenues over half a million zlotys per year. The three largest labels (majors) together recorded average revenues of around PLN 180 million annually in 2016-2018 (41 million). However, independent labels with revenues in the range of 5-10 million recorded the largest increase in 2018 - by 27 percent points. Green Star (publishing mainly disco polo³) and Step Records (hip hop) are two independent labels that have seen the largest increase in popularity in recent years (measured by the increase in granted sales certifications).

Figure 4. Revenues of record labels in Poland in 2016–18 (in PLN million)



Source: own work based on ZPAV data

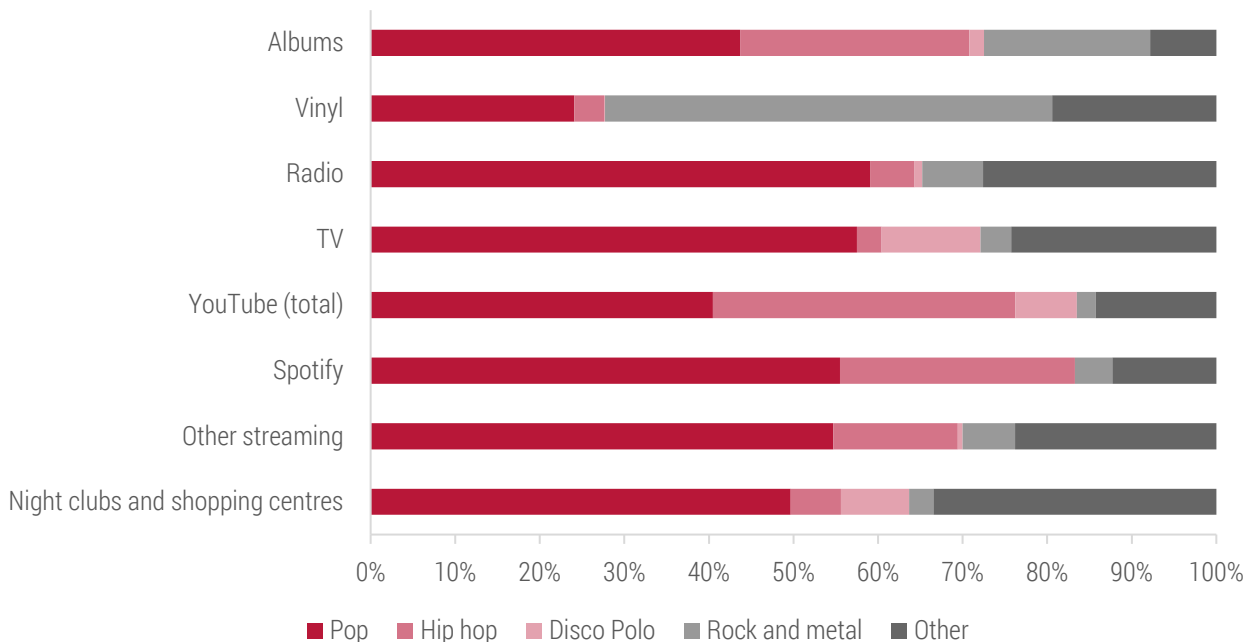
³ Disco polo is a music genre typical for Poland.

In 2018, Polish artists received over PLN 540 million in total from royalties (EUR 124 million). Almost 80% of this amount went to artists associated in the largest Polish collective management organization (OZZ) - the Association of Authors ZAiKS.

2. Musicians

Pop music is the most listened genre regardless the platform, except for the vinyl market, where rock and metal prevail. Hip hop is popular mostly on the internet - especially on YouTube and Spotify. The 25 most popular songs in Poland on YouTube in 2018 recorded over 1.2 billion views. Nearly 80% of these views came from Polish hip hop listeners.

Figure 5. The popularity of music genres by music distribution channel



Notes: "Albums" stands for artists featured on weekly OLiS CD album charts.

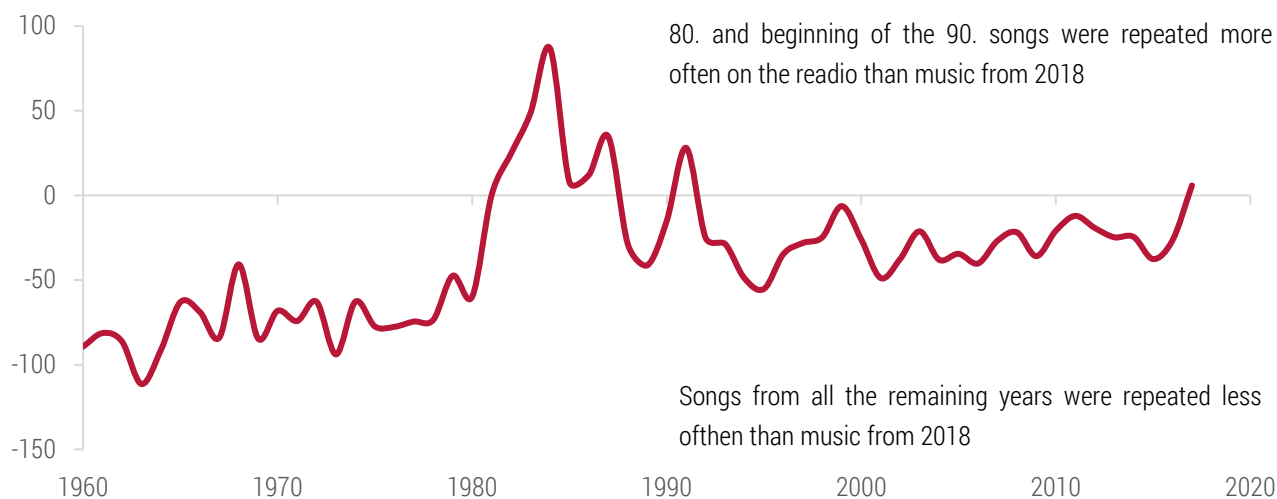
"Other streaming" stands for Tidal, Apple Music (iTunes) and Plus Music

"Other" stands for Classical, Blues/Jazz, Reggae, Electronic and Sung poetry.

Source: own work based on collected data

We analysed what kind of songs are most often broadcasted on radio and television. We included nationwide and local stations, as well as some internet and several TV stations. On this basis, we assessed what kind of songs are repeated most often in Poland. Most stations repeat songs by Polish artists, songs disco polo songs, songs recorded in the last two years, and records from the 1980s. In nationwide stations, most up-to-date hits are the most popular. The older the song is, the less often it was repeated (except songs from the 80s).

Figure 6. The frequency of repeating songs from individual years (compared to tracks released in 2018)



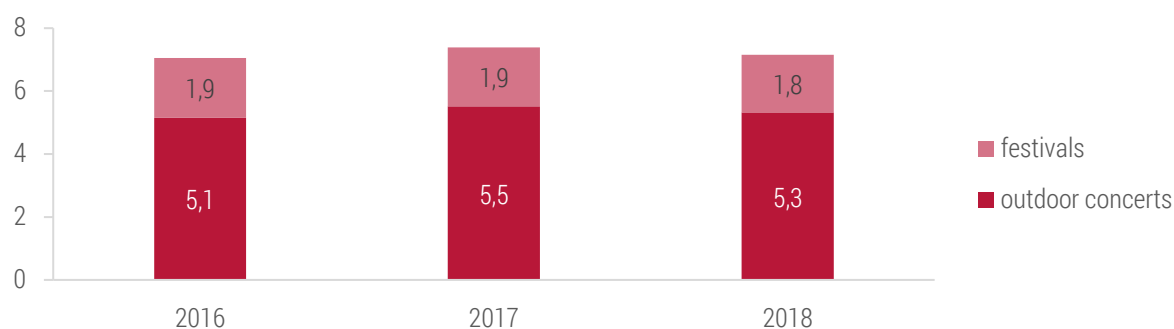
Source: own work based on Odsłuchane.eu data

In all the radio stations, the popularity of the song is positively correlated with the popularity on Spotify. Despite the differences between these music access channels, Spotify users and radio stations choose similar songs. In addition, hip hop songs are much less frequently repeated in nationwide stations than pop and disco polo songs.

3. Concert market

Every year, the percentage of Poles declaring going to a concert in the last 12 months, is growing - from 39% in 2016 to 44% in 2018. The number of concerts officially registered in ZAiKS is about 7,000 events per year. It is not possible to determine the actual number of concerts, ticket revenues and attendance based on the available data. For example, on the Coigdzie.pl® portal, which unofficially records musical events, there were nearly 95,000 concerts. Such large discrepancies require an additional, dedicated analysis of the concert market in Poland, which would allow to characterise it in more detail.

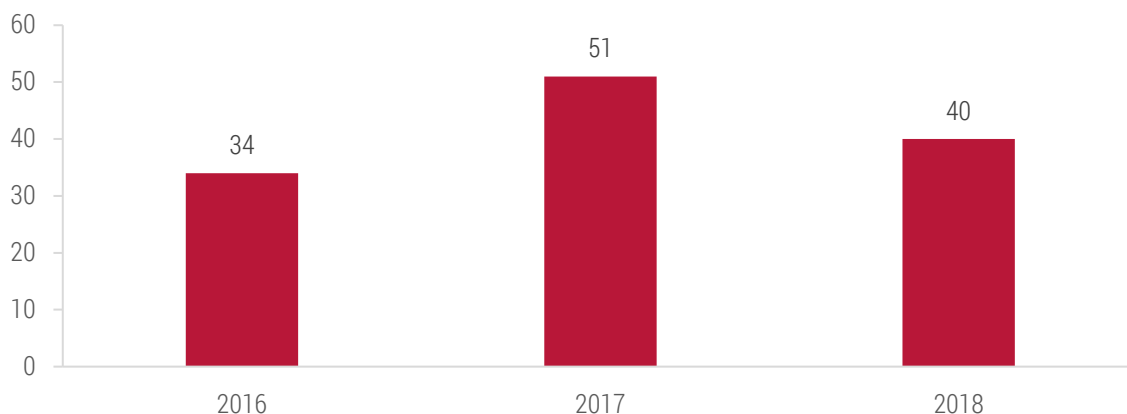
Figure 7. Number of stage concerts according to ZAiKS (in thousands) in 2016-18



Source: Own work based on ZAiKS data

The only nationwide financial data on the concert market comes from ZAiKS. Since 2016, the association has recorded total revenues from licenses granted to concert organisers in the amount of almost PLN 125 million (EUR 29 million).

Figure 8. ZAiKS revenue – stage music (in PLN million)



Source: Own work based on ZAiKS data.

We have obtained data on the prices of concert tickets registered in the Coigdzie.pl® database. Nearly a third of all music concerts have free admission. The highest share of concerts with paid admission cost no more than PLN 50. More expensive tickets, over PLN 150, represent a small percentage of tickets in all music genres.

Figure 9. Structure of ticket prices by genre (in 2016-18)



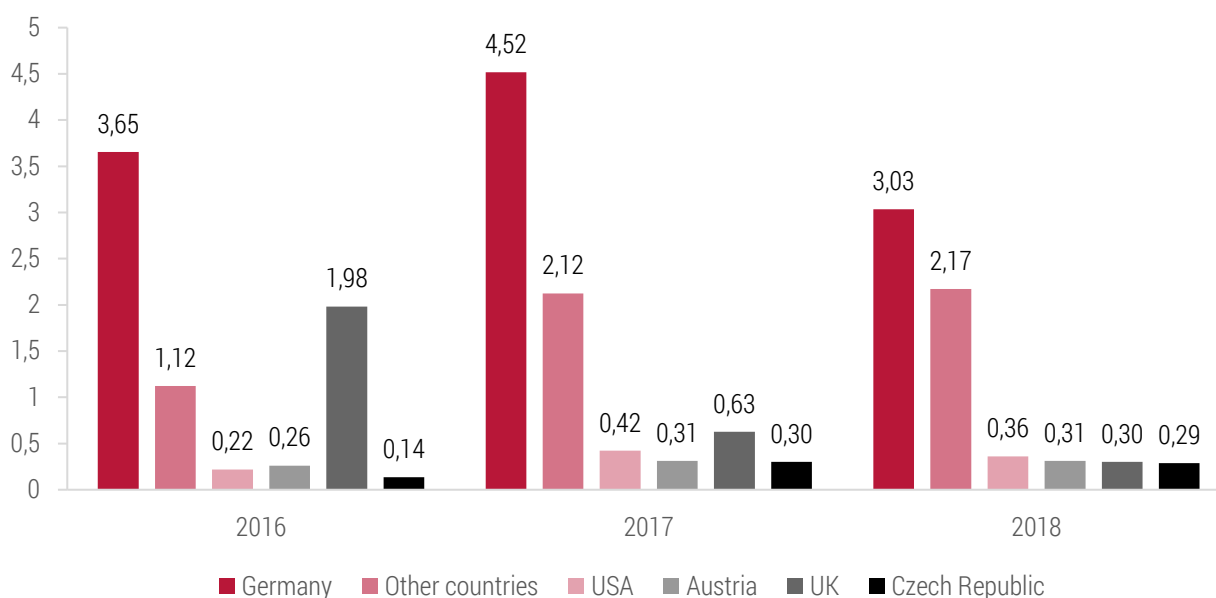
Note: The list uses the lowest normal ticket price.

Source: Own work based on concert market data provided by Coigdzie.pl® - event database and repertoire.

4. Export

Polish organisations representing musicians received 6 million in royalties for playing their songs abroad in 2018 (EUR 1.4 million). For comparison - the amounts received by Swedish artists in 2018 (European leaders in the field of music export) are about twenty times higher.

Figure 10. Revenues received by Polish royalties' agencies from their foreign counterparts in 2015–18 (in PLN million)⁴



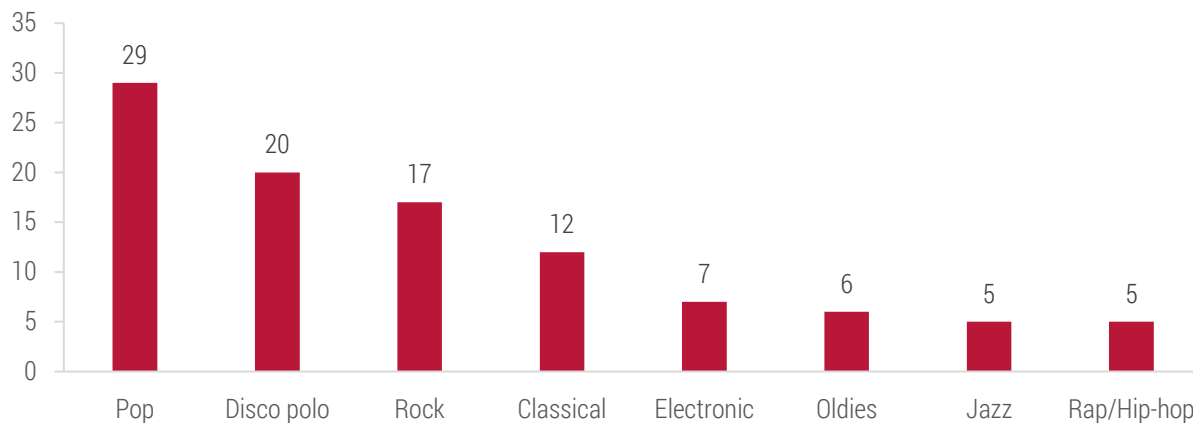
Source: own work based on ZPAV data (2018)

5. Music preferences

The most liked genres in Poland are pop (29%) and disco polo (20%). Slightly less popular than disco polo is rock (17%). A similar distribution of preferences was revealed by research carried out in 2008 – pop came first (37%), followed by disco polo (29%) and rock (27%). Classical music with a result of 15% took 6th place in the ranking (it was overtaken by film music and relaxing music). The large number of hip hop CDs sold and the high popularity of the genre's creators on streaming services do not translate into the declared musical preferences - hip hop is the least preferred music genre in Poland. This may call into question the quality of traditional musical preference research. Research participants may respond in accordance with existing social norms - e.g. classical music is a more preferred genre than hip hop regardless of the respondent level of education. Finally, preferences for classical music do not translate into the genre's popularity in any of the music access channels.

⁴ It is not possible to allocate specific amounts to individual artists on the basis of obtained data, which is why it cannot be said for certain which artists bring the highest amount of revenues from each country.

Figure 11. Musical preferences of Poles (%)



Note: Pop – pop music, entertainment, well-known songs, hits; Rock – rock, hard rock, metal, heavy metal, alternative rock, indie rock, punk, punk rock; Electronic – club music, dance music, techno, house, dance, disco music, electronic music (general); Oldies – old songs, golden oldies, music from one’s youth, music from the 1960s/70s/80s/90s.

Source: Own work based on CBOS 2018a, pp. 8-9.