

3/5

**ECONOMY OF
LIVESTREAMING**



The live music sector and the concert video production sector are two very different sectors.

Yet, since the beginning of the 2000s, bigger production companies, such as AEG and Live Nation, have acquired events, streaming platforms or video media companies, with the **aim of using video formats as promotion tools or develop new business markets.**

A bit later, in the 2010s, smaller companies have **developed their activity around concert videos:** Sourdoreille, Arte Concert, Tiny Desks Concerts, etc. These companies are quite separated from live music venues, although having some undeniable common links.

In this document, we want to **explore the different business models that evolve around livestreaming** and give some elements on the **profitability and funding** of livestreams for the live music sector.



1. VARIOUS BUSINESS MODELS OF LIVESTREAMING

- **Free accessibility models**, used in particular as marketing tools for promotional purposes (such as Tiny Desk Concerts), or as part of the editorial programmes of subsidised broadcasters such as Arte Concert;
- **Pay-per-stream models**, based on ticketing or in the form of a paid subscription to a platform or directly to an artist's channel (as on Twitch or All Access).

The different livestreaming models also **differ in terms of production costs** (an artist performing at home with their computer microphone v. a big-production stage with technical and technological characteristics).

DURING COVID: LIVESTREAMS TO COMPENSATE INCOME LOSS

During the height of the pandemic and the restrictions for concerts, live music operators found in livestreams a way of keeping the link with audiences alive.

Livestreamed shows were most of the time coupled with the possibility for audiences to make a donation, to support the music venues. Some of the shows were also subject to ticketing, thus ensuring a revenue for the organisers and the artists.

A few examples:

[United We Stream](#) (worldwide) / [#SAVEOURSTAGES](#) (USA) / [#SAVEOURVENUES](#) (UK) / [#StayOn](#) (IT)



2. THOUGHTS ON THE PROFITABILITY OF LIVESTREAMING



- Livestreamed concerts **must provide the audience with added-value** to stimulate willingness to pay.
- Research in the UK has shown that **21% of livestream attendees did not want to pay** for attending a livestream show ([*report live streaming UK*](#))
- Research in the UK has shown that livestream attendees were **not willing to pay as much** for a livestreamed show than for an in-situ one ([*report live streaming UK*](#))
- Depending on the type of service, **revenues can come from the sale of single tickets, user donations, advertising or the sale of merchandise.**
- For venues, it is an **additional cost to invest in livestreaming equipment** or to partner-up with livestreaming service providers

- There is **little evidence** that livestreaming ensures a **profitable revenue** to venues.
- For audiences, **pay-per-stream livestreams can be less costly to attend than an in-situ concert**: if watching with a group, they only to pay one ticket to enter the livestream while they would have needed to purchase one ticket per person for a regular concert, as well as their travel costs
- Research in the UK has shown that **71% of musicians felt negative about the income they had generated from livestreamings**
- A new virtual concert value chain is emerging that traditional live companies are not – yet – embedded in
- Apparently, a research found the **optimum virtual ticket price people are willing to pay** for a livestream ([*Ticketing Business News article*](#))
- A study finds that **partnering up with an independent venue or promoter increases sales by 30%** ([*Seated Blog article*](#))
- Livestream ticket sales might **not be the most profitable for artists**, sometimes they make more money via merch sales ([*Seated Blog article*](#))



3. TOWARDS MORE PUBLIC FUNDING OF LIVESTREAMINGS?

« Digital events cost the same as physical events, if not more. Yet, their income is not the same. There is currently a lack of funding for organising digital events. »

[...]

“**New forms of EU funding** are needed to help cultural organisations cope with the new circumstances (e.g. providing **financial support for hiring ICT experts** who can be very expensive and invest in good quality equipment). Specific calls can be developed among existing EU funding programmes to foster digital transformation.”

Voices of Culture, Structured Dialogue between the European Commission and the Cultural Sector. *(Re)-engaging Digital Audiences in the cultural sectors – Improving Audience Data* (2022)

THE LIVE MUSIC SECTOR SHOULD BE CONSULTED TO ENSURE THAT PUBLIC POLICIES LEANING TOWARDS A DIGITALIZATION ARE IN COHERENCE WITH THE SECTOR'S PRIORITIES AND TO ENSURE A PLACE FOR LIVE MUSIC VENUES, CLUBS AND FESTIVALS IN THIS NEW VALUE CHAIN.



.....

Sources:

- Réseau MAP, 2021, [Les lieux de diffusion s'emparent du livestream](#)
- J. Haferkorn and B. Kavanagh and S. Leak, [Livestreaming Music in the UK: A Report for Musicians, May 2021](#)
- CNM - Centre national de la musique, [Music livestreaming : major development challenges for a firmly rooted practice, June 2022](#)
- CNM – Centre national de la musique, February 2021 [État des lieux exploratoire du livestream musical - Une enquête sur la période des deux confinements \(mars-décembre 2020\)](#)
- Voices of Culture, 2022 [\(Re\)-Engaging Digital Audiences in the Cultural Sectors – Improving Audience Data](#)
- The Ticketing Business, [Study Finds Optimum Virtual Ticket Price for Online Performances, 2020](#)
- Seated Blog, [9 things we learned from ticketing 90 livestreams concerts, PART 1 & PART 2](#)
- Henry Prince, 2020, [Making a Living From Livestreaming? A Beginners Guide to Monetization Features](#)

