

Are Digital Sales Killing the Finnish Recording Industry? Analysis of Finnish Music Consumption Trends in 2009

Main findings:

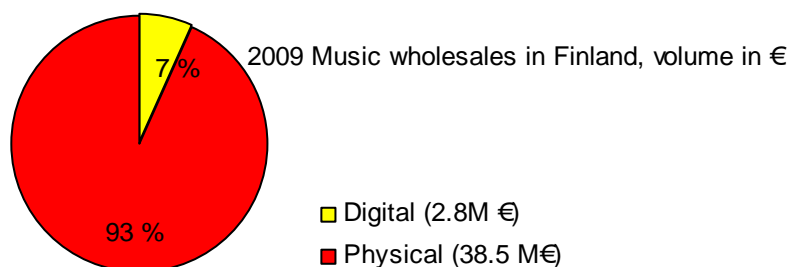
- People buy predominantly Finnish music in physical formats, but digital sales and consumption figures are favorable to imported artists
- YouTube is a significant channel for music consumption, surpassing digital single sales, but seems to encourage cherry picking
- Music games maintain their charm, thanks to nationalized versions
- Sales are still going down, although digital sales are slowly growing
- C-cassette and MiniDisk sales came to a dead end in 2009, but vinyl is yet increasing its foothold

The **total sales** from recorded music Finland decreased from the previous year 13.4% (physical video recordings excluded). In contrast to the neighboring EU country Sweden, the development is dissimilar. In Sweden, the total sales increased by 10.2% and the major development occurred in streaming services which covered almost $\frac{3}{4}$ of the growth. Album sales also increased in Sweden, possibly affected by the PirateBay trial publicity.

Physical consumables still sagged and the turn over decreased by 15.5%. Total 4.9 million packages were sold (appr. 60 M tracks) and 4 out of 5 best selling albums were Finnish. In 2009 the decline of C-cassette and MiniDisk reached the zero point, whereas the second coming of vinyl is still on the way with 15.1% growth from the previous year. In comparison, UK album sales decreased 3.5 percent whereas the US figures dropped 12.7 percent in 2009.

The global sales records for the year 2009 show the increasing importance of **digital music**. In Finland, the digital downloads increased in trade value 24.5% in comparison to the previous year. As a new category, subscription services bloomed with an overwhelming growth of 1622.7%. The rapid growth was still going strong in December (+500% units) and will likely show still in 2010. Mobile downloads lost their value by 40.7% percent. In overall, commensurate digital sales increased 21.9%. The volume of songs is not publicized, but can be estimated to be around 3M tracks (singles and full albums together). Despite the growth of digital sales, their share of the whole

sales value remained below ten percent, at 6.6% (audio-only), whereas globally the digital revenues are over a quarter (27%).



Digital **music video** sales are still an insignificant number in Finland, they show some promise (+134%) for future expansion. However, YouTube is an important channel for the consumption of domestic music. Most popular Finnish videos released in 2009 had millions of views and list hip-hop and rap artists which have less prominence on other charts. One could claim that this is evidence for cherry picking, as popularity in YouTube does not guarantee commercial success in the album chart. For the record, Finnish band Nightwish has already over 100 million views and several other metal artists exceed 40 million views.

Content analysis of the top charts in different media shows that people acquire different kind of music in different formats. The popular artists are present in all media. In physical album sales, 80% of Top20 items are Finnish, but in digital sales figures are quite even. This is possibly because the digital stores do not push Finnish music as much towards the customers as the traditional stores have usually done. However, the foreign artists are ahead of Finnish bands in popularity based on the consumption figures (see appendixes). The most popular national artists in Finland include *Anna Puu*, *Cheek*, *Lauri Tähkä & Elonkerjuu*, *Nightwish* and *Waldo's People*. The prominent imports were *Baseballs*, *Lady Gaga*, *Madonna* and *Metallica*.

Music games lost their share globally and the game sales generally also sank in Finland less than 10%. Music games in Finland did quite well, as new releases of localized games kept up the interest according to Riku Olkkonen, the head of Finnish Games and Multimedia Association. Two nationalized game versions, SuomiRock and new release SuomiPop, both achieved double platinum (91 000 and 51 000 copies, respectively). SingStar Legends remained a bit more popular, reaching 91 000 cumulative units and being second in total sales of 2009. FIGMA statistics represent appr. 74% of total game sales in Finland.

Conclusion: Among the 5.3M Finnish inhabitants music consumption is diversified. Presumably people from different age groups find different media through different channels. Digital popularity seems possibly for Finnish artists, sales remain a challenge, for instance YouTube streaming is an interesting consumption, which is only partially monetized.

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Methods

The publicly available sales figures have been retrieved from the web sites indicated in the report references. The data has been aggregated for the study by retrieving it from the Web in late March 2009. Digital sales figures are based on trade value (assuming track price 1,3 €) and compared to physical package sales by assuming 12 tracks per album.

For YouTube videos, only views for Finnish music videos were recorded as no country specific data is publicly available and import videos and international Finnish artists will likely have majority of audience outside Finland.

The views for the two most popular versions of each video were recorded. For comparison, these two versions had gathered 90.7% of all views for Anna Puu's C'Est La Vie, 91.0% for Antti Tähkä & Elonkerjuu's Pauhaava sydän, 77.1% for Juuret by Antti Tuisku and 94.5% for Jos mä oisin sä performed by Cheek.

Calculated based on relevant hits from the first 20 hits for the search cue "Artist – Song". It is notable that considerable amount of the videos are not professionally produced music videos from the label, but user-generated and often "still-fill videos" only provided to serve the musical content without moving pictures. Notice that the number of views is cumulative and includes also views from the early 2010 as the information was collected in March.

The analysis of digital music stores was done by accessing the front page view to each shop on a Windows computer using Opera web browser for all stores except for iTunes and Nokia music store which were inspected using their own applications. We assessed recommendations, usually "top picks", "top 10" or "recommended" visible on the entry page, counted the musical genres visible in the navigation element of the user interface, and assessed the general impression of how much screen space was dedicated to Finnish artists by image and text elements.

References

Statistics:

<http://www.ifpi.se/wp/wp-content/uploads/100116-GLF-försäljningsstatistik-helåret-20094.pdf>

<http://www.ifpi.org/content/library/DMR2010.pdf>

<http://www.ifpi.fi/tilastot/vuosimyynti/2009/>

Riku Olkkonen, Finnish Games and Multimedia Association FIGMA, interviews 27.1.2010 and 24.3.2010

<http://www.latauslista.fi/lista/2009>

<http://www.figma.fi/Vanhat%20tiedotteet/tiedote04022010.htm>

<http://www.figma.fi/platina-%20ja%20kultapelit%202009.htm>, <http://www.figma.fi/tiedotteet.htm>

<http://www.last.fm/place/Finland/>

http://www.youtube.com/results?search_query=nightwish&search_type=&aq=0

Digital music stores:

<http://download.mtv3.fi/>

<http://download.netanttila.com/>

<http://music.nokia.fi/>

<http://musiikkikauppa.dnainternet.fi/>

<http://shop.fi.mtve.com/>

<http://shop.tune.fi/>

<http://www.allthenoise.com/>

<http://www.apple.com/fi/itunes/store/>

<http://www.cm-store.fi/genre.php?GID=>

<http://www.mp3store.fi/>

<http://www.nrjkauppa.fi/>

<http://www.poimuri.fi/>



Appendixes

NOTE: Foreign artists emphasized in bold in all table listings.

List of top selling albums in Finland 2009 (Platinum = 20 000 units).

TABLE 1

| | Artist : Album | Units sold |
|----|--|---------------|
| 1 | Baseballs : Strike! | 73 930 |
| 2 | Lauri Tähkä & Elonkerjuu : Tänään ei huomista murehdita! | 66 377 |
| 3 | Anna Puu : Anna Puu | 57 458 |
| 4 | Yö : Loisto | 37 699 |
| 5 | Vesa-Matti Loiri : Hyvää puuta | 34 488 |
| 6 | PMMP : Veden varaan | 34 284 |
| 7 | Anna Abreu : Just a Pretty Face | 33 278 |
| 8 | Juha Tapio : Suurenmoinen kokoelma | 32 210 |
| 9 | Polyteknikkojen kuoro ja Matti Salminen : Joulun on meillä | 31 699 |
| 10 | Madonna : Celebration | 29 416 |
| 11 | Samuli Edelmann : Virsiä 3 | 26 609 |
| 12 | Rammstein : Liebe Ist Für Alle Da | 24 843 |
| 13 | Pete Parkkonen : First Album | 24 067 |
| 14 | Happoradio : Kaunis Minä | 23 916 |
| 15 | Lady Gaga : The Fame (+Monster) | 23 147 |
| 16 | Pate Mustajärvi : Ollaan ihmisiksi | 21 145 |
| 17 | Koop Arponen : New Town | 20 720 |
| 18 | Irina : Miten valmiiksi tullaan | 18 607 |
| 19 | Sonata Arctica : The Days of Grays | 17 807 |
| 20 | Matti ja Teppo : 40v. Juhlalevy | 17 233 |

List aggregated from <http://www.ifpi.fi/tilastot/myydyimmat/2009> official Finnish sales statistics. The Top20 albums represent 12.3% of all sales.

List of top selling singles in Finland 2009 (Gold = 5000 units).

TABLE 2

| | Artist : Single | Units sold |
|----|---|------------|
| 1 | Lady Gaga : Poker Face | 14 227 |
| 2 | Katy Perry : Hot N Cold | 11 181 |
| 3 | Lauri Tähkä & Elonkerjuu : Suudellaan | 9 224 |
| 5 | Anna Puu : C'est la vie | 7 588 |
| 6 | Madonna : 4 minutes | 7 479 |
| 7 | Pussycat Dolls & AR Rahman : Jai Ho! | 7 382 |
| 8 | Alexander Rybak : Fairytale | 6 887 |
| 9 | Yö : Loisto | 6 393 |
| 10 | PMMP : Latturi | 6 038 |
| 11 | Alesha Dixon : The Boy Does Nothing | 5 983 |
| 12 | Flo Rida : Right Round | 5 552 |
| 13 | Happoradio : Puhu äänellä jonka kuulen | 5 529 |
| 14 | Aste : Poikkeus sääntöön | 5 344 |
| 15 | Antti Tuisku : Juuret | 5 305 |
| 16 | Lily Allen : Fuck You | 5 153 |
| 17 | Madonna : Celebration | 4 735 |
| 18 | Kings of Leon : Sex on Fire | 4 226 |
| 19 | David Guetta : Sexy Bitch (feat. Akon) | 3 764 |
| 20 | Guru Josh Project : Infinity 2008 | 3 567 |
| 21 | Linkin Park : New Devid | 3 297 |

List aggregated from <http://www.ifpi.fi/tilastot/myydyimmat/2009> official Finnish sales statistics.



Latauslista.fi Top20 most popular digital downloads in 2009 by a comparison value.

TABLE 3

| | Artist | Song | Comp. value | YouTube views |
|----|---|-----------------------------|-------------|---------------|
| 1 | Lady GaGa | Poker Face | 814 | - |
| 2 | Waldo's People | Lose Control | 668 | 3 130 697 |
| 3 | A.R. Rahman Feat. Pussycat Dolls | Jai Ho (You Are My Destiny) | 631 | - |
| 4 | Anna Puu | C'est La Vie | 539 | 788 928 |
| 5 | Madonna | Celebration | 502 | - |
| 6 | David Guetta Feat. Akon | Sexy Bitch | 489 | - |
| 7 | Antti Tuisku | Juuret | 478 | 657 724 |
| 8 | Happoradio | Puhu Äänellä Jonka Kuulen | 467 | 683 317 |
| 9 | Chisu | Baden Baden | 442 | 957 348 |
| 10 | Cheek | Jos Mä Oisin Sä | 434 | 1 912 675 |
| 11 | Flo Rida Feat. Ke\$ha | Right Round | 434 | - |
| 12 | Alesha Dixon | The Boy Does Nothing | 416 | - |
| 13 | PMMP | Lautturi | 414 | 713 484 |
| 14 | Black Eyed Peas | I Gotta Feeling | 403 | - |
| 15 | Kings Of Leon | Sex On Fire | 391 | - |
| 16 | Lily Allen | Fuck You | 390 | - |
| 17 | Alexander Rybak | Fairytale | 378 | - |
| 18 | Aste | Poikkeus Sääntöön | 350 | 1 334 232 |
| 19 | Lauri Tähkä & Elonkerjuu | Suudellaan | 349 | 435 966 |
| 20 | Apulanta | Ravistettava Ennen Käyttöä | 337 | 489 944 |

Comparison values have been calculated from the chart data for each week. Each song appearing on the chart has received 1-30 depending on its rank (31- rank position) and the cumulative score of points is presented as the comparison value.

Latauslista.fi songs that have topped the downloads list at least for one week in 2009.

TABLE 4

| | Artist | Song | #1 Weeks |
|----|---|-----------------------------------|----------|
| 1 | Lady GaGa | Poker Face | 13 |
| 2 | Baseballs | Umbrella | 7 |
| 3 | Madonna | Celebration | 7 |
| 4 | A.R. Rahman Feat. Pussycat Dolls | Jai Ho (You Are My Destiny) | 4 |
| 5 | Cheek | Jos Mä Oisin Sä | 4 |
| 6 | Alexander Rybak | Fairytale | 3 |
| 7 | Aste | Poikkeus Sääntöön | 2 |
| 8 | Jarkko Martikainen | Polte Päästä paratiisiin | 2 |
| 9 | Anna Puu | C'est La Vie | 1 |
| 10 | Antero Mertaranta | Nyt Huudetaan - Ihanaa, Leijonat, | 1 |
| 11 | Apulanta | Ravistettava Ennen Käyttöä | 1 |
| 12 | Jarkko Martikainen | Polte Päästä paratiisiin | 1 |
| 13 | Järjestyshäiriö | Karkuri | 1 |
| 14 | Katy Perry | Hot N Cold | 1 |
| 15 | Lady GaGa | Bad Romance | 1 |
| 16 | Rammstein | Pussy | 1 |
| 17 | White Flame | Frontrow Girl | 1 |
| 18 | Widescreen Mode | Serotonin | 1 |

Data aggregated from <http://www.latauslista.fi/> and includes official IFPI statistics from more than ten digital music stores operating in Finland and including for example iTunes, Nokia and allTheNoise.



Latauslista.fi Top20 most popular artists in 2009 by comparison value.

TABLE 5

| Artisti | Artist Comparison Value |
|-----------------------------------|-------------------------|
| 1 Lady GaGa | 1621 |
| 2 Waldo's People | 893 |
| 3 Anna Puu | 764 |
| 4 Madonna | 743 |
| 5 Black Eyed Peas | 647 |
| A.R. Rahman Feat. Pussycat | |
| 6 Dolls | 631 |
| 7 Haporadio | 604 |
| 8 Chisu | 552 |
| 9 Antti Tuisku | 530 |
| 10 Britney Spears | 520 |
| 11 PMMP | 507 |
| 12 David Guetta Feat. Akon | 489 |
| 13 Lily Allen | 487 |
| 14 Cheek | 484 |
| 15 Pink | 465 |
| 16 Flo Rida Feat. Ke\$ha | 434 |
| 17 Kings Of Leon | 432 |
| 18 Pitbull | 431 |
| 19 Alesha Dixon | 416 |
| 20 Baseballs | 403 |

Comparison values have been calculated from the chart data for each week. Each song appearing on the chart has received 1-30 depending on its rank (31- rank position). The cumulative score of points for all entries from a single artist are presented as the comparison value.

Nokia music store best selling tracks in 2009.

TABLE 6

| |
|--|
| 1. Lady Gaga : Poker Face |
| 2. Alexander Rybak : Fairytale |
| 3. Anna Puu : C'est la vie |
| 4. Green Day : Know Your Enemy (Radio Edit) |
| 5. A.R. Rahman : Jai Ho! (You Are My Destiny) |
| 6. Cheek : Jos mä oisin sä |
| 7. Waldo's People : Lose Control (Radio Edit) |
| 8. The Baseballs : Umbrella |
| 9. Aste : Poikkeus sääntöön |
| 10. Chisu : Baden-Baden |
| 11. Apulanta : Ravistettava ennen käyttöä |
| 12. Yö : Loisto |
| 13. Katy Perry : Hot N Cold |
| 14. Anna Abreu : Music Everywhere |
| 15. Haporadio : Puhu äänellä jonka kuulen |
| 16. Lily Allen : F*** You |
| 17. PMMP : Lautturi |
| 18. Lauri Tähkä Ja Elonkerjuu : Suudellaan |
| 19. Flo Rida : Right Round (Amended Album Vers... |
| 20. Antti Tuisku : Juuret |

List retrieved from Nokia Ovi Player, Best of 2009 (Vuoden 2009 myydyimmät) playlist. These are a subset of Latauslista.

Popular videos in **YouTube** by Finnish artists 2009. Videos have been selected from the digital sales Top20 list.

TABLE 7

| | Artist | Song | YouTube views |
|----|--------------------------|----------------------------|----------------------|
| 1 | Waldo's People | Lose Control | 3 130 697 |
| 2 | Cheek | Jos Mä Oisin Sä | 1 912 675 |
| 3 | Aste | Poikkeus Sääntöön | 1 334 232 |
| 4 | Chisu | Baden Baden | 957 348 |
| 5 | Anna Puu | C'est La Vie | 788 928 |
| 6 | PMMP | Lautturi | 713 484 |
| 7 | Happoradio | Puhu Äänellä Jonka Kuulen | 683 317 |
| 8 | Antti Tuisku | Juuret | 657 724 |
| 9 | Anna Abreu | Music Everywhere | 603 991 |
| 10 | Apulanta | Ravistettava Ennen Käyttöä | 489 944 |
| 11 | Lauri Tähkä & Elonkerjuu | Suudellaan | 435 966 |

View statistics compiled in late March 2010.

Last.FM Scrobbles from users positioned to Finland from 2009 (53 weeks).

TABLE 8

| # | Artists | Cumulative scrobbles | Weeks in Finnish Top200 |
|----------|-------------------------|-----------------------------|--------------------------------|
| 1 | Metallica | 200 464 | 53 |
| 2 | In Flames | 182 984 | 53 |
| 3 | Muse | 172 995 | 53 |
| 4 | Nightwish | 146 986 | 53 |
| 5 | Apulanta | 146 971 | 53 |
| 6 | Coldplay | 144 261 | 53 |
| 7 | System of a Down | 141 412 | 53 |
| 8 | Paramore | 139 330 | 53 |
| 9 | Lady GaGa | 137 355 | 53 |
| 10 | PMMP | 134 791 | 53 |
| 11 | Kotiteollisuus | 133 404 | 53 |
| 12 | Linkin Park | 132 441 | 53 |
| 13 | Slipknot | 132 115 | 53 |
| 14 | Rammstein | 130 351 | 53 |
| 15 | Disturbed | 125 166 | 53 |
| 16 | Children of Bodom | 124 754 | 53 |
| 17 | Stam1na | 124 092 | 53 |
| 18 | Iron Maiden | 123 192 | 53 |
| 19 | CMX | 118 245 | 53 |
| 20 | Sonata Arctica | 114 486 | 53 |

Artists with over 100000 plays listed. Data aggregated from <http://www.last.fm/place/Finland/> from 29.12.2008 to 27.12.2009 (52 weeks). Total 10487 artists with 370 850 294 plays observed on the weekly Top200 charts during the period.

Spotify most popular tracks and albums in Finland for *the last week* of 2009.

TABLE 9

| Tracks | |
|--------|--|
| 1 | David Guetta: Sexy Bitch |
| 2 | Black Eyed Peas : I Gotta Feeling |
| 3 | Anna Puu : Kaunis Päivä |
| 4 | Milow: Ayo Technology |
| 5 | Chisu : Baden-Baden |
| 6 | Lady Gaga: Paparazzi |
| 7 | Shakira: Shewolf |
| 8 | Pussycat Dolls: Jai Ho! |
| 9 | Lady Gaga: Poker Face |
| 10 | Anna Puu: C'est la vie |

| Albums | |
|--------|--|
| 1 | Anna Puu: Anna Puu |
| 2 | Lady GaGa: Fame |
| 3 | PMMP: Veden varaan |
| 4 | Michael Jackson : Essential |
| 5 | Black Eyed Peas : The END |
| 6 | Lily Allen : It's Not Me, It's You |
| 7 | David Guetta : Sexy Bitch |
| 8 | Akon : Freedom |
| 9 | Michael Jackson : Ultimate Collection |
| 10 | The Sounds : Crossing the Rubicon |

Analysis of the market push for Finnish music in **digital music stores** enlisted for official music download statistics.

TABLE 10

| Store | Visibility | Frontpage Finnishness | | Typical Price |
|----------------------|------------|--------------------------|-------------|---------------|
| | | Finnish music categories | Recommended | |
| Allthenoise | 4 | No | 50 % | 1.19 |
| DNA Musiikkikauppa | 3 | Yes 2/16 | 90 % | 1.15 |
| Mp3store.fi | 3 | No | 88 % | 1.39 |
| Citymarket CM-Store | 3 | Yes, 2/16 | 50 % | 1.39 |
| Poimuri | 3 | Yes, 3/22 | 38 % | 1.39 |
| NRJ Kauppa | 3 | Yes, 2/16 | 22 % | 1.65 |
| Download.NetAnttila | 2 | Yes, 2/18 | 80 % | 1.65 |
| download.MTV3.fi | 2 | No | 13 % | 1.19 |
| Nokia Musiikkikauppa | 2 | No, 0/19 | 11 % | 0.99 |
| iTunes | 1 | No, 0/14 | 0 % | 0.99 |
| Tune Download Shop | 1 | No | 0 % | 1.19 |
| MTV Music Shop | 0 | No 0/9 | - | 1.39 |
| Average | 2.3 | | 40 % | 1.30 € |

Analyzed 25.3.2010 based on store entry pages and iTunes store page in iTunes application.

Visibility is evaluated using the scale 0 = None, 1 = Poor, 2 = Mediocre, 3 = Good and 4 = Great.