

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

Main findings:

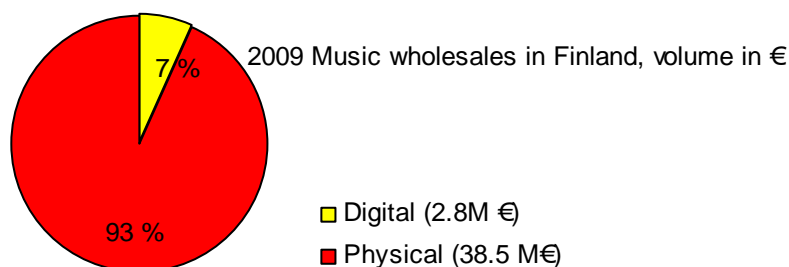
- People buy predominantly Finnish music in physical formats, but digital sales and consumption figures are favorable to imported artists
- YouTube is a significant channel for music consumption, surpassing digital single sales, but seems to encourage cherry picking
- Music games maintain their charm, 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/finland/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.