

Transformation of Creativity

Perspectives of Creators and Performers on the Digital Era

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Joost Poort (IViR) & Jarst Weda (SEO)



seo economic research



Introduction

- **Popular belief: creators and performers are more lenient towards copyright infringement in a digital environment than producers and publishers**
 - **We know a lot about the opinions of publishers and producers on these issues...**
 - **We know quite some things about the opinions of consumers...**
- But what do creators and performers themselves think?**

Research background

- **Study commissioned by the Ministry of Security & Justice**
- **Opinions of individual creators and performers on:**
 - Opportunities, threats and use of digital developments
 - File sharing, remixing and (technical) copyright enforcement
 - Contracts and bargaining position*
 - The role and performance of collecting societies*
- **Method: online survey, net sample size of 4,645 individuals**
- **Analysis includes factor analysis, cluster analysis and regression models**

Digitisation and creative works: an imbalanced debate

LITERATURE OVERVIEW

A research imperative

- **Effects of digitisation (specifically: of file sharing) on media sales are much debated, however, the views of creators and performers on digitisation are mostly unknown**
- **Studies that do exist, suggest that:**
 - Artists and musicians feel that copyright holders should have complete control over the use of their work and endorse (technical) copyright enforcement (Madden, 2004)
 - Digitisation has had mixed effects on the bargaining power of creative professionals (Kretschmer, 2011)

Opinions, explanatory variables and answer patterns

STUDY RESULTS

Digitisation: threats and opportunities

- **Opportunities**

- Earning opportunities for respondent (now and in the future)
- Earning opportunities for respondent's producer/publisher
- Opportunities to reach an audience
- Positive effects of file sharing: increase familiarity with work and earning opportunities (now and in the future)

- **Threats**

- Financial harm by file sharing (now and in the future)
- Financial harm by remixing/creative re-use of works

- **An overall sense of opportunity and threat of digitisation**

Components of the Opportunities Index

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Digital distribution and exploitation are an opportunity for me



As a consequence of digital distribution and exploitation:

I presently have more earning opportunities



I expect to have more earning opportunities in the future



my producer/publisher has more earning opportunities



my opportunities to reach an audience have increased



File sharing increases the familiarity with my work



File sharing increases my earning opportunities



File sharing will increase my earning opportunities in the future



■ Strongly Agree ■ Agree ■ Agree nor disagree ■ Disagree ■ Strongly disagree

* All percentages recalculated to total 100% after excluding 'Don't know/no opinion'

Components of the Threats Index

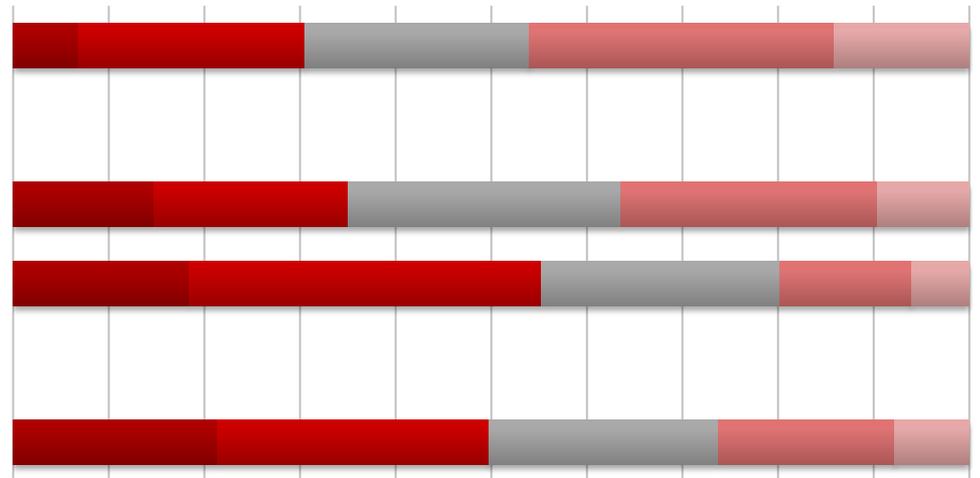
0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Digital distribution and exploitation are threats to me

Presently, file sharing harms me financially

I expect that file sharing will harm me financially in the future

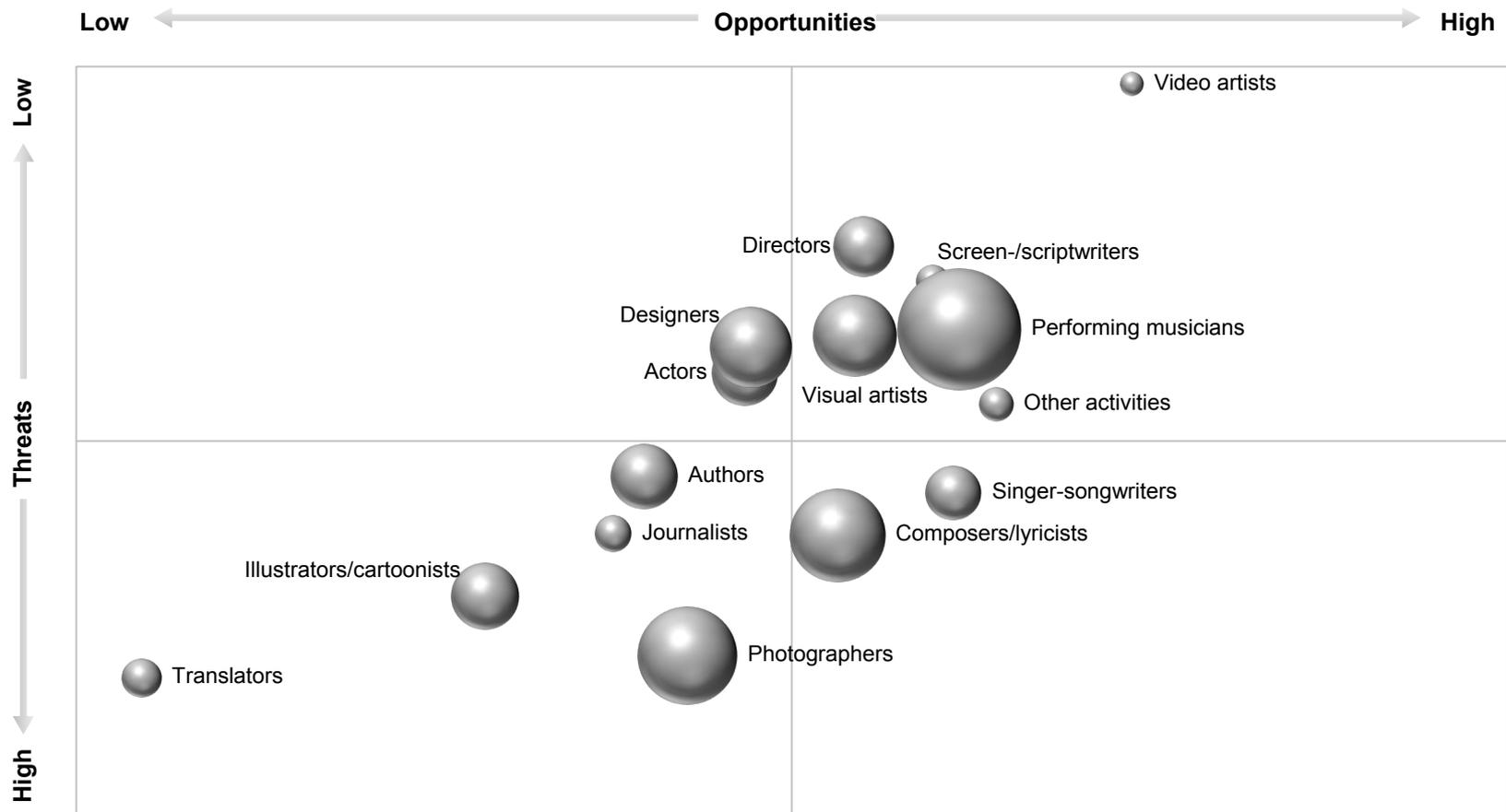
Remixing of work w/o explicit permission is threat to income



■ Strongly Agree
 ■ Agree
 ■ Agree nor disagree
 ■ Disagree
 ■ Strongly disagree

* All percentages recalculated to total 100% after excluding 'Don't know/no opinion'

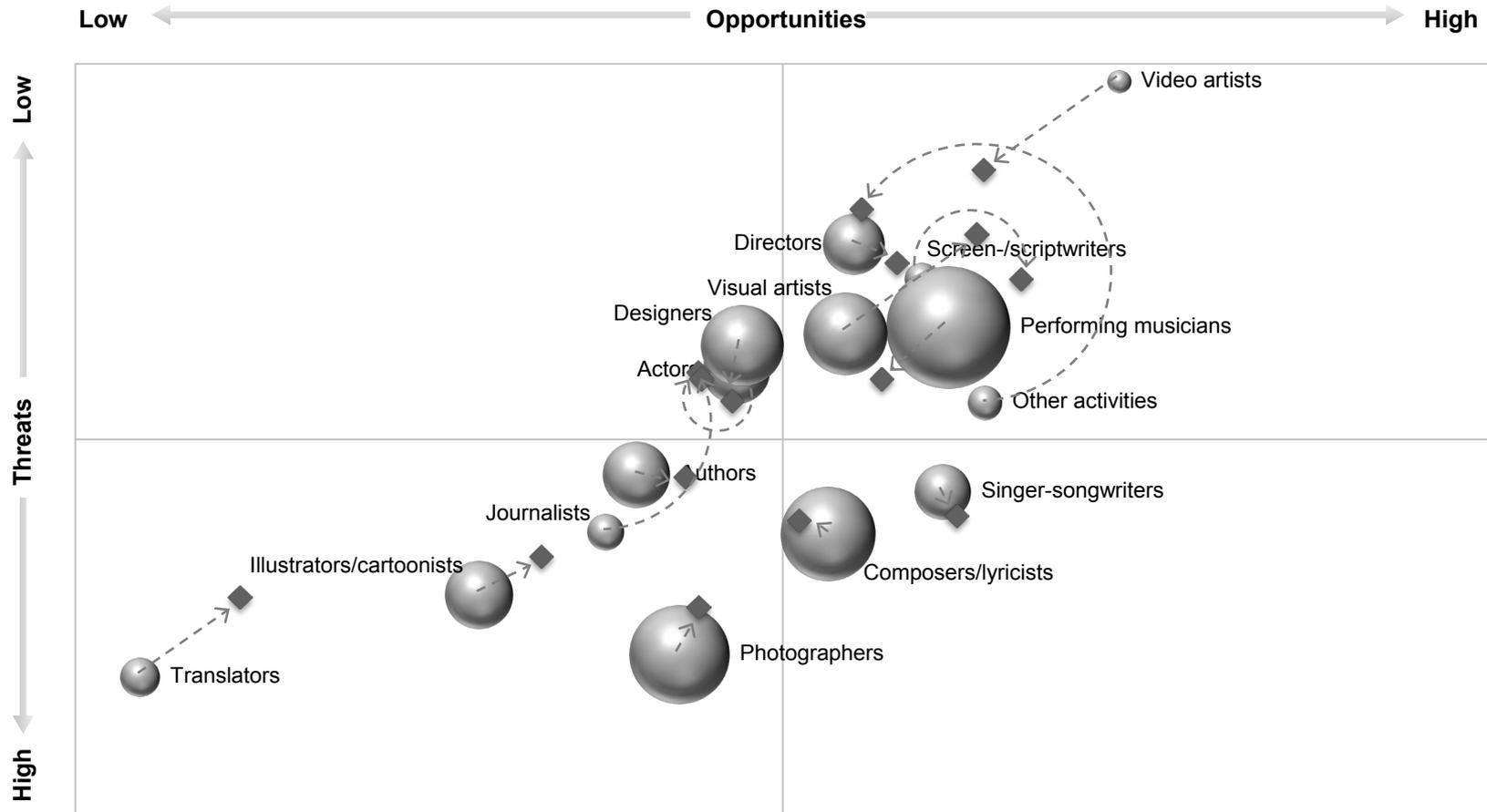
Opportunities and threats index (plain)



Correcting the O&T-index

- **Other characteristics that determine scores on O&T-index:**
 - Level of professional ‘engagement’ (working hours per week)
 - Age and professional experience
 - Gender
 - Educational attainment
 - Income structure and recent income development
- ➔ **Sphere positions are influenced/biased by the demographic composition of each occupational group**
- **A ‘corrected’ graph was constructed using the residuals of a regression model predicting perceived opportunities and threats by these exogenous variables (OLS)**

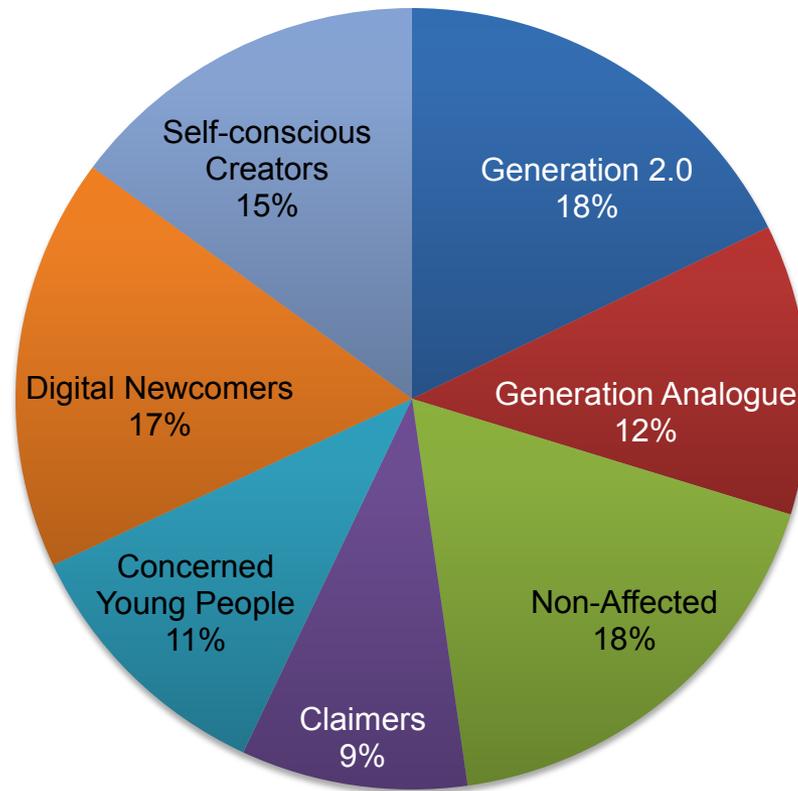
Opportunities and threats index (corrected)



Multivariate analysis

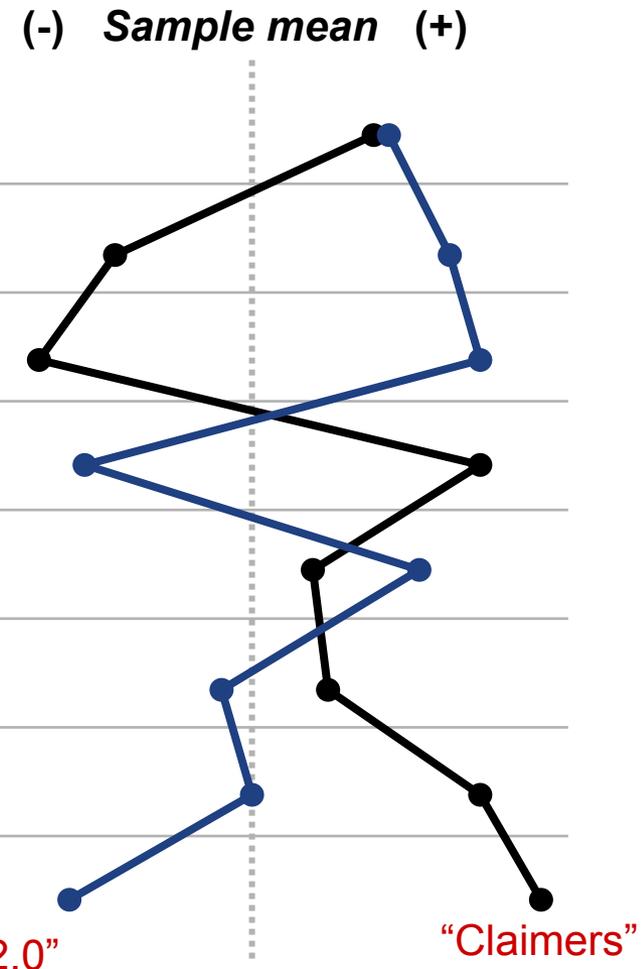
- Respondents display a great variety of opinions and experiences, for which several relevant cross sections exist
- In other words: simple cross tabulation leaves heterogeneity (obscured variety in answers)
- A way to reduce/explain this complexity is **cluster analysis**: grouping respondents based on their answer similarity
- **Factor analysis** was used first to condense multiple questions into single 'meta-constructs' and hence reduce the number of dimensions to cluster respondents

Introducing the seven clusters



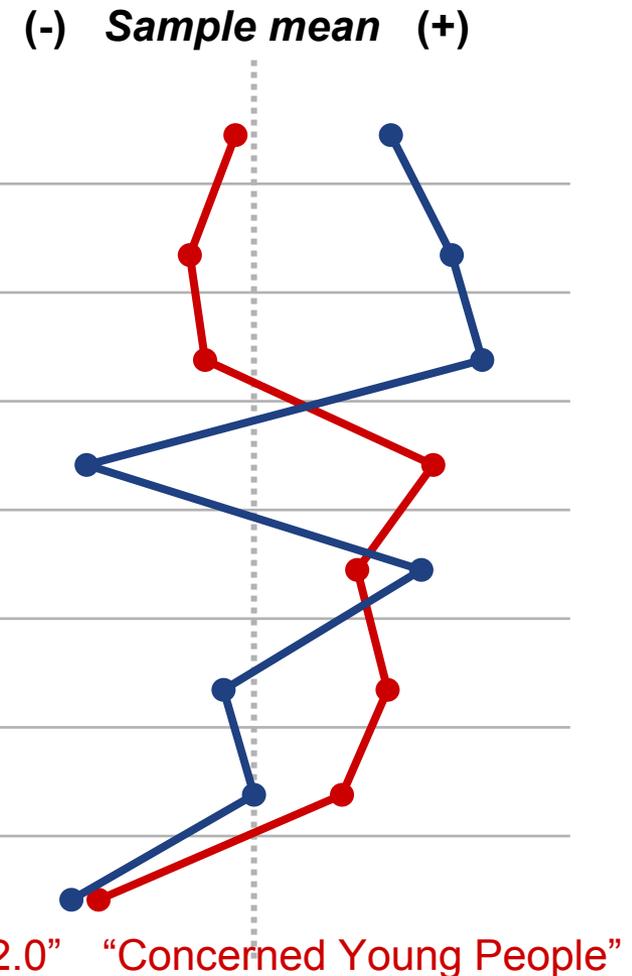
Strictness versus leniency

- Opportunities of digital distribution
- Opportunities of file sharing
- Appreciation of remixing and sampling
- Threats of file sharing
- Use of social media
- Weakness of bargaining position
- Need for empowerment
- Satisfaction with collecting society



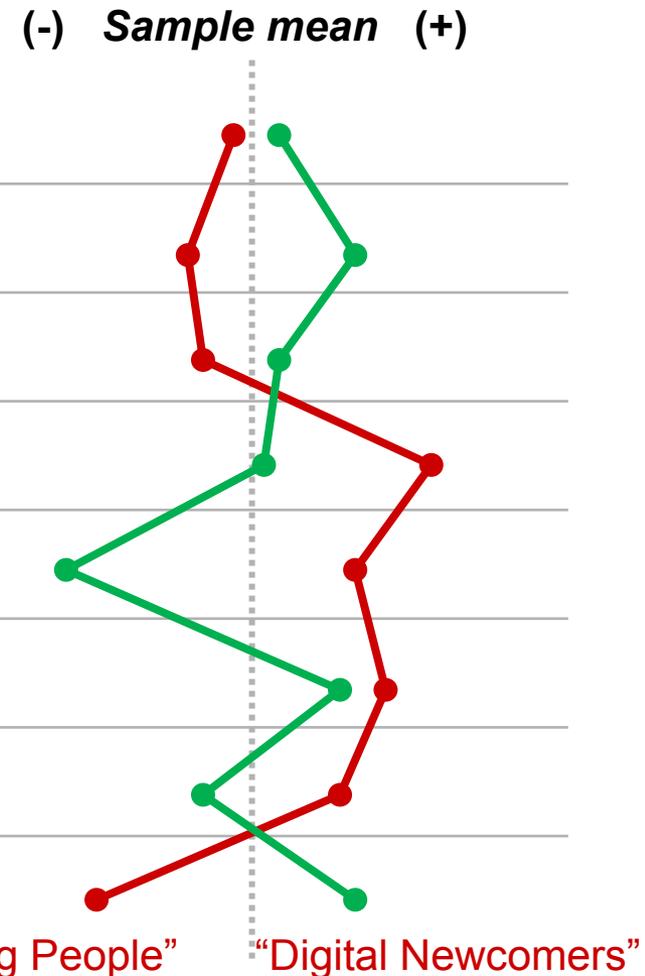
Young artists stand divided

- Opportunities of digital distribution
- Opportunities of file sharing
- Appreciation of remixing and sampling
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- Satisfaction with collecting society



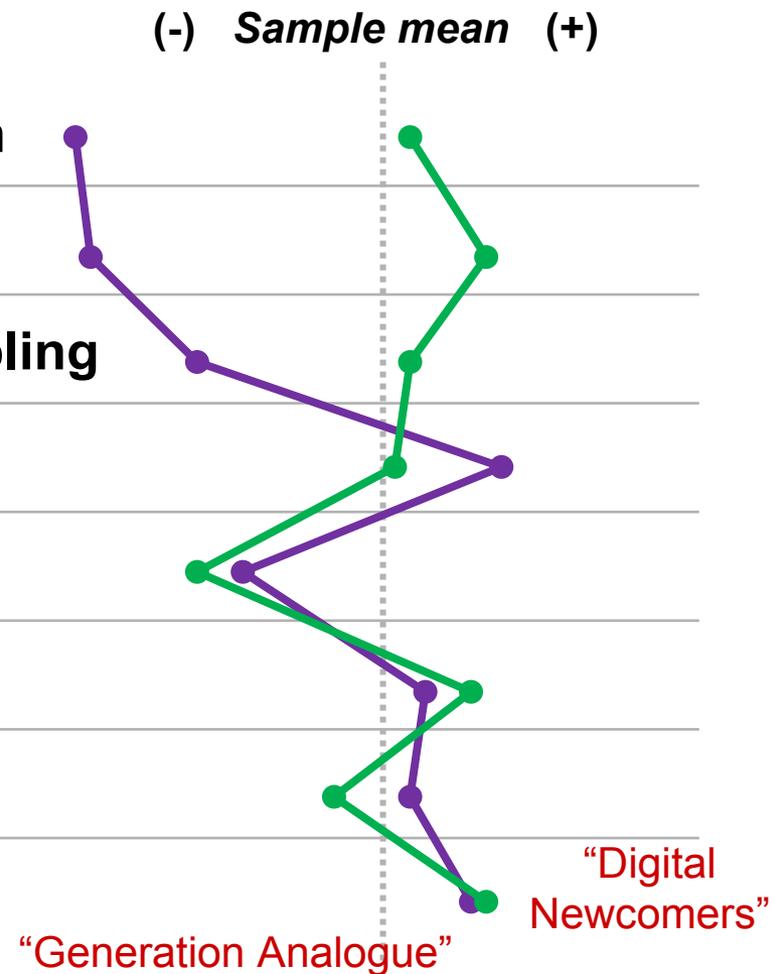
Undecided digital debutants

- Opportunities of digital distribution
- Opportunities of file sharing
- Appreciation of remixing and sampling
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Advocates of the analogue

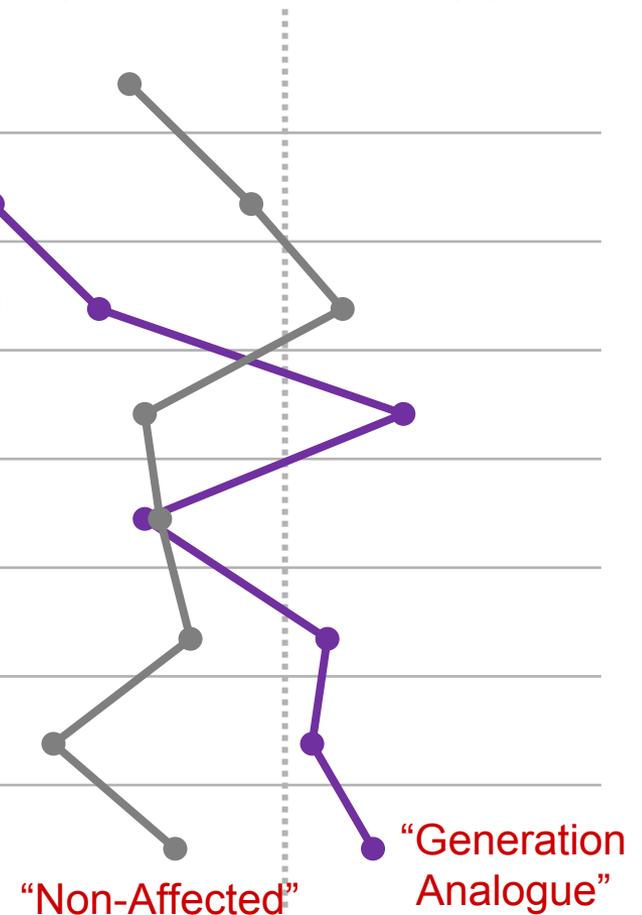
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‘What digital crisis?’

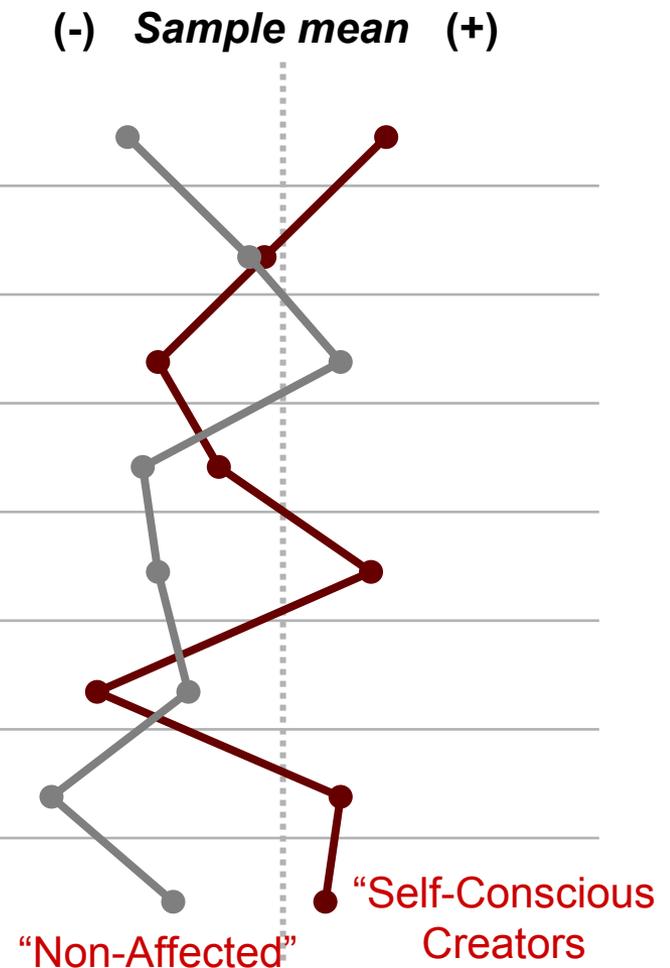
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(-) *Sample mean* (+)

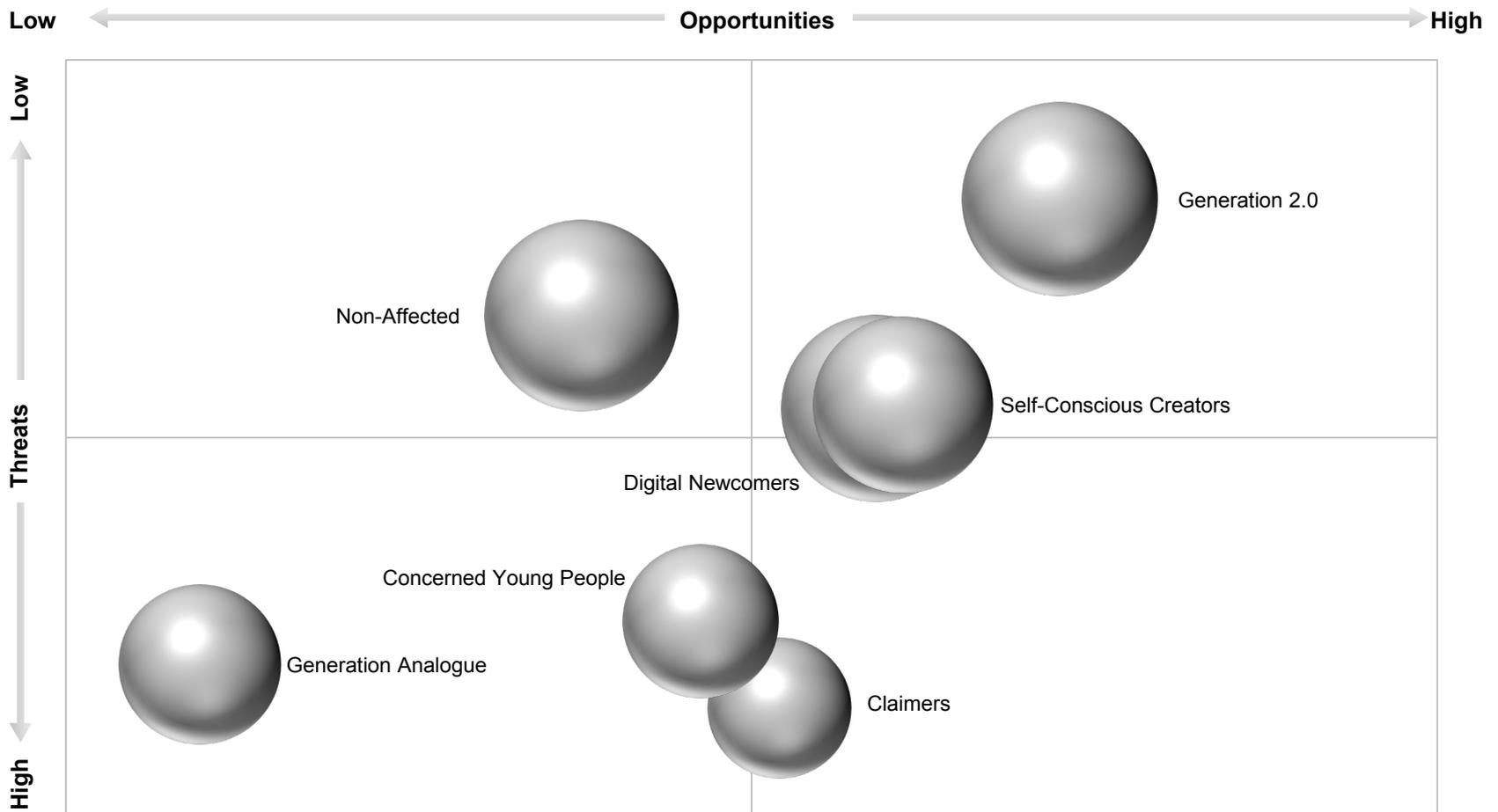


Self-supporting creatives

- Opportunities of digital distribution
- Opportunities of file sharing
- Appreciation of remixing and sampling
- Threats of file sharing
- Use of social media
- Weakness of bargaining position
- Need for empowerment
- Satisfaction with collecting society



Opportunities and threats index clusters



Demographic profile of clusters

Cluster	Generation 2.0	Generation Analogue	Non-Affected	Claimers	Concerned Young People	Digital Newcomers	Self-Conscious Creators
% of sample	18%	12%	18%	9%	11%	17%	15%
N (total = 4,435)	788	533	797	410	488	758	661
	Demographic and income position						
Current working hours	-	+	0	+	0	-	+
Desired working hours	0	0	-	0	+	-	+
Age	--	+	+	+	-	+	0
Education	+	0	0	-	0	0	0
Working experience	-	+	0	+	-	+	-
Contribution to household income	0	0	0	+	0	0	0
Current income	-	0	0	0	0	0	0
% Income from royalties	-	+	-	+	0	0	-
Recent income development	+	-	0	-	-	-	+

Synthesis and recommendations

CONCLUSION

Synthesis

- **Creators and performers express more traditional views on digitisation and enforcement of copyright and neighbouring rights than often suggested**
- **They support DRM and measures against file sharing and disapprove of remixing of their work w/o prior consent**
- **They generally endorse collective management**
- **They approve of measures aimed at improving their bargaining position**

Synthesis

- **Regression analysis illustrates the importance of demographics (specifically age) and professional background for perceived threats and opportunities**
- **But there is more to it than a generation gap**
- **Cluster analysis reveals 7 types of creators and performers with distinct opinion profiles**
- **Creators and performers are in a pivotal position with respect to copyright flexibilities: cross country comparisons could provide insights into optimal flexibilities**

Questions or comments?

Thank you for your attention!

poort@uva.nl

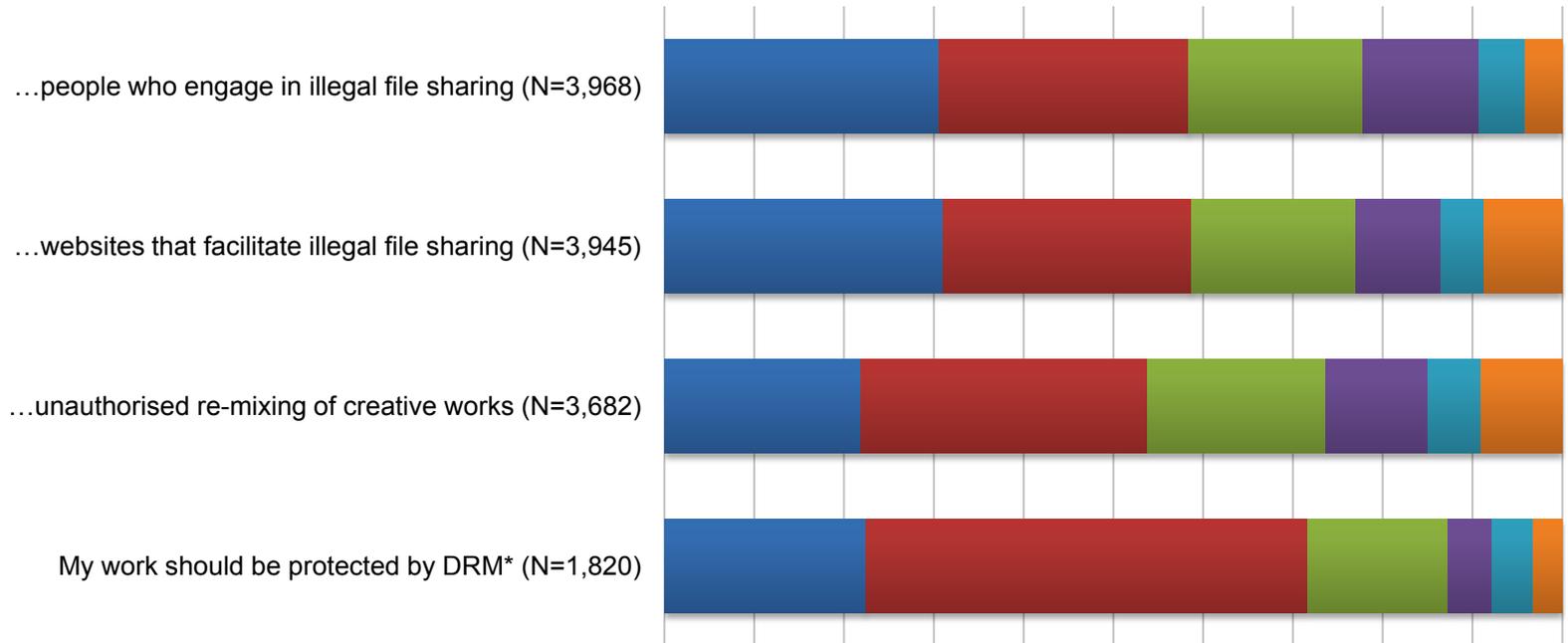
j.weda@seo.nl

BACK-UP

Preference for stricter copyright enforcement

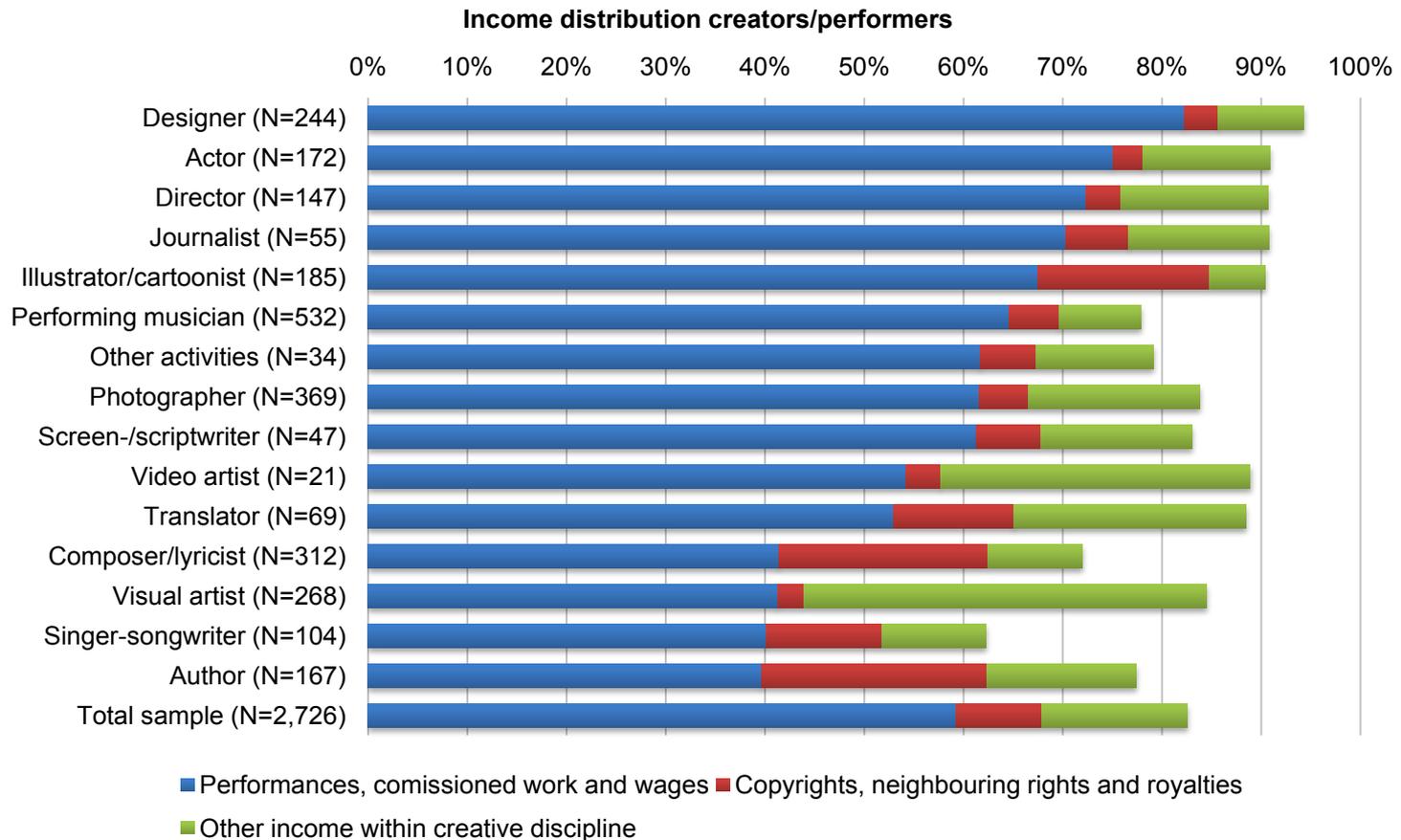
Thoughter action is needed against...

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%



■ Strongly agree ■ Agree ■ Agree nor disagree ■ Disagree ■ Strongly disagree ■ Don't know / no opinion

Great diversity of income composition



Survey design

- **Online questionnaire with 58 questions**
- **Mainly closed questions / statements with 5-point Likert scales**
- **Creators and performers in a wide range of professions were invited, using addresses from 5 collecting societies and 7 professional organisations**
- **± 32,000 invitations corresponding to ± 23,500 individuals**

Factor analysis: an example

“Opportunities of digital distribution”
(Cr. A = .73)

Digital distribution and exploitation...

