

Conclusions following first DE-DK music industry summit

On 30 and 31 October 2014, the 1st edition of Gipfeltreffen gathered 17 leaders from the Danish and German music industries for a 2-day summit at Schackenborg Slotskro in Møgeltønder, Denmark. Decision-makers from companies such as FKP Scorpio, Believe Digital, Cargo Records, Nettwerk, A.S.S. Concerts, Mermaid Records, Crunchy Frog, DME - Danish Music & Entertainment, PDH Music and Heartbeat Music thus spent 48 hours discussing the state of current partnerships and potential for new ventures between the 2 European music industries. Here is a resume of the key conclusions drawn at the summit:

1. THE GERMAN-DANISH COOPERATION MAKES SENSE

1.1 WE HAVE MUTUAL INTERESTS

The German delegation summed this up very nicely at the summit by calling Danish music "an extra asset of fine repertoire for the German market". In other words Danish music is an attractive import for the German industry. Moreover the German industry has good experiences exporting Danish music to other markets, which has seen German companies successfully export the likes of Trentemøller or Agnes Obel over the course the last 5 years. Germany is at the same time the obvious place to start exporting for the Danes, being Europe's biggest music market, open to Scandinavian culture and Denmark's biggest neighboring market. In short we share obvious mutual interests.

1.2 COMPATIBLE CULTURES

The German and Danish cultures are compatible and similar, which facilitates and makes cooperation pleasant and productive.

2. THE CHALLENGES = THE USUAL INTERNATIONAL CHALLENGES

The current cooperation challenges experienced between the two markets can in most cases be boiled down to the usual challenges when working across the borders:

2.1 SUCCESSFULLY ADAPTING YOUR BUSINESS PLAN FOR EXPORT

- **The media landscapes:** Media landscapes vary across the borders. Press relations in Germany are for example much more extensive than in Denmark. This is well illustrated by Germany having a fragmented radio landscape with 9 regional public radio stations, which all have their own sub-channels from south to east, over north to south. In fact Germany only has 2 national radio channels. This stands in contrast to Denmark, which only has 1 national public radio station

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- **Timing:** Timing needs vary across the borders. In Denmark starting your campaign 2 months before a release can for example suffice, in Germany you on the other hand need to start at least 4 months in advance
- **Physical vs. digital markets:** The digital shift is happening with varying pace across the European borders. Roughly speaking Germany is for example still a physical market (70+% physical and only 7% streaming), whereas Denmark has gone digital (62% streaming and 16% physical). This makes the German and Danish release business planning differ on the sales, PR and distribution levels. So whereas many acts are fine by solely releasing digitally in Denmark such as move would in Germany equal a decreased sales potential, less PR results (because the German media will not take a purely digital release seriously) and ultimately result in an insufficient distribution set-up
- **Budgets:** The bigger the market, the bigger the budgets needed for executing successful marketing campaigns, debut tours, etc... This factor is obviously reflected in the German-Danish cooperation dynamic, which has often resulted in Danish exporters budgeting with too little to successfully export to Germany
- **Understanding the business profile of your artist:** You should understand whether your artist needs a major, independent or indie-license set-up to be successfully released on any given export market

2.2 FINDING THE RIGHT PARTNERS

Entering a new market means working with new professional networks and people. The bigger the market, the bigger the networks. This for example makes entering Germany very tricky for many Danish professionals as it's difficult to identify the right partners, with such a wide range of potential targets.

2.3 TAKING THE NEXT STEP

Taking the step up from the first international releases and tours to commercial success is difficult. More bands are on the market than ever before. It's therefore vital to be critical and assess whether your band truly has export potential. Even if you have the business plan nailed and the right partners onboard it's hard to get beyond the debut activities, if your artist is not unique enough, and/or doesn't have strong enough songs. In short it will ultimately be about the quality of the music, not the origin of the artist.

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2.4 THE ARTIST

- **The human factor:** We of course cannot control our artist 100%, and we therefore often lose export momentum due to normal human dynamics
- **Recommendation – keep track of the artist budgets:** Make sure your artist doesn't go broke in the process of exporting

3. SECOND EDITION OF GIPFELTREFFEN IN 2015? Yes!

All 17 participants at Gipfeltreffen were in full agreement that it would be valuable to have a second edition of Gipfeltreffen in 2015 and thus establish the event as an annual bilateral leadership summit due to factors such as:

- The relationship building character of the event creates an extremely efficient basis for improved cross-market intelligence and cooperation
- The chance to keep on meeting new decision-making contacts on an annual basis is very appealing due to the mutual business interest found between the two markets
- The German-Danish Gipfeltreffen delegates voiced several concrete wishes and ideas for further strengthening Gipfeltreffen:
 - o *TRENDS: We should start nominating business trends and sharing them across the border. I.e. the German delegation should in preparation of Gipfeltreffen #2 consider which German music industry business development was the most important to highlight in 2015, and the Danes vice versa*
 - o *KEYNOTE: A prominent and relevant keynote speaker should be invited to open the event, with an inspirational take on the German-Danish cooperation*
 - o *CASE: Next year should identify a concrete German-Danish music industry cooperation case, which can serve as a hands on basis to discuss ups and downs*
 - o *TIMING: Timing the structured debates more efficiently so that the final session takes place earlier on day 2 (making it easier to ensure that everybody takes part in the final round of conclusions, as its difficult for everybody to stay for 2 nights in a row)*

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