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**THE IMPACTS OF THE STREAMING REVOLUTION ON THE  
MUSIC INDUSTRY – THE CASE OF THE FRENCH HIP-HOP  
SECTOR**

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## Abstract

This Research Paper studies the impacts of the emergence of musical streaming platforms on the music industry by analyzing the case of the French market and its hip-hop sector. This research will focus more specifically on the production structures and the hip-hop artists themselves. Over the past decade it has been widely estimated that streaming services have considerably benefited the rise of Hip-Hop artists in the French music industry. Through the analysis of 3 main sets of data: the French Top 100 albums for the past 10 years, the evolution of the consumption habits of French music auditors, and Spotify's total streaming shares by music genre in France, we will showcase the beneficial impacts that the streaming revolution had on hip-hop artists and independent labels.

### Keywords

Economics / Statistics / Music Industry / French Hip-Hop

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## **I. Motivations behind this Research Paper**

Being a true fan of Hip-Hop culture since my childhood, I've witnessed the growing influence of rap music in the world during the beginning of the 21<sup>st</sup> century. More surprisingly, as a French man, I also witnessed the surge of this musical genre in the national music industry over the past decade. Many articles by journalists have flourished during this period to provide explanations regarding the unexpected revival of French rap that many presented as "dead" by the end of the 2000s, because of the record crisis and the burst of illegal downloading. Most actors from the industry agreed upon the fact that streaming had totally changed the music landscape and benefited French rappers and independent labels against the three Majors that have historically dominated the French music industry: Sony, Warner and Universal. I came to notice after navigating through the numerous articles available online, that those assertions were never truly justified through statistical evidences. There were considered as an obvious evolution of reality supported by the qualitative analysis of industry's actors and isolated data from the main production structures. My goal was to highlight the actual role of that streaming revolution with a specific focus on what is called Hip-Hop music, encompassing rap music and its associated urban genres. In parallel, the development of small independent structures at the same period also awoke my interest and appeared to be linked to the evolution of the market. Using the case of the French music industry, this research would therefore bring a statistical support to the assertions made by journalists and actors of the sector over the past 5-6 years, that hip-hop has become so powerful thanks to the growing use of streaming services as a consumption channel by consumers. It would therefore showcase how a change towards a new consumption model can modify the entire face of a market, in this case the recorded music one. My motivation has been highly fed by the importance that French Hip-Hop has taken in French culture and society going from widely influencing young people's lifestyles to being at the center of political debates. The large number of different subgenres of hip-hop music that have

emerged over the past years have also pushed my interest in showing the statistical reality behind this cultural phenomenon.

## **II. Research Questions**

### **A. Context**

Although, rap music reached its first international popularity in the 1990s, its growth rate has never been more significant than in the past 10 years where the share of this musical genre in the global music market has exploded to reach around 12% in 2017, more than twice the number it was accounting for a decade before (Music & Copyright, 2018). Worldwide, hip-hop music is quickly catching up with the two most popular genres for numerous decades now, Pop and Rock, and this trend is even more significant in western countries such as the United States where Hip-Hop became the most consumed genre of music in 2017, according to a Nielsen report.

France is one of the most telling examples of that takeover of hip-hop over the music industry. Although, no empirical research has studied the respective importance of different rap markets around the world, it is estimated that the French Hip-Hop Industry now represents the second most important Hip-Hop market in terms of sales worldwide. It's growing dominance on the local French market as well as it's great capacity to export around the world, especially in French-speaking countries in Europe (Belgium, Switzerland, Luxembourg), Africa (Morocco, Algeria, Senegal, Ivory Coast, Congo etc.) and North America (Canada) has cemented that second spot behind the untouchable American market (Richard, 2021).

However, it does not represent the first commercial breakthrough for French Hip-Hop. During the 1990s, many prominent hip-hop artists and bands, such as IAM, MC Solaar and NTM rose to fame and managed to contest the hegemony of Rock and French Variety. Just like their American counterparts, their songs, often performed by young people from the impoverished

areas of Paris and Marseille with an immigrant background, generally treated of social and political issues. Despite the first commercial successes of French rap artists, their overall presence in the national mediatic and cultural spheres and the global music industry remained relatively marginalized compared to American rappers (Hammou & Becker, 2014).

During the 2000s, the progressive digitalization of music led to what is known as the “Record Crisis”. The global decrease in physical sales, the main engine of the market, impacted the music industry worldwide, and particularly rap artists in France, that were among the first ones to suffer the consequences of major labels budget cuts. The surge in illegal downloading was particularly present among the younger audience and inhabitants of France’s poorer areas, which composed the great majority of rap listeners at that period. Labels progressively lost their trust in rap albums and decided to focus their productions on Pop and Rock artists who had a more reliable audience when it came to buying records. As most of the music production, editing and distribution was monopolized by the 4 Major Labels existing at the time (EMI was bought back by Universal in 2011 then sold to Warner in 2014), only a handful of French rap artists were capable of achieving commercial success in the 2000s (Hammou & Becker, 2014). The major turning point for French rap artists came in the early 2010s. This period witnessed the rise to prominence of the first musical streaming platforms with Deezer, the French market leader founded in 2007, Spotify that launched in France in 2009 and Apple Music founded in 2015. Gradually, their presence allowed rap artists to produce and broadcast their music at a lower cost. This new model of consumption combined with the growing leverage of social networks for marketing purposes opened the door to many artists and structures eager to integrate the elitist music market allowing them to start a new golden era and reconnect with an audience that was lost to illegal downloading during the past decade.

The goal of this research will be to use the case of French Hip-Hop to prove empirically the role of the streaming model in the modification of the music industry dynamics and balance of powers. It will focus on studying the overall impact of this change in consumption format on the evolution of the presence of French hip-hop artists and independent production structures in the French music industry. For the sake of simplicity, we will use alternately the words Rap and Hip-Hop to designate the Urban music genre that our study focus on. This decision will be further discussed in our methodology.

In order to formulate relevant hypothesis and develop a precise quantitative analysis we first need to develop an extensive qualitative analysis capable of taking into account the numerous factors surrounding the streaming revolution and the evolution of hip-hop songs and independent structures. These factors are direct or indirect consequences of the development of the musical streaming model and contributed in intensifying gradually the impacts of this new consumption model on the French Hip-Hop environment. They include the evolution in the production and distribution processes, the increased leverage of social networks as a promotion tool, the creation of new types of contracts to restructure the industry and the arrival of streaming playlists to compete with radios.

## B. Qualitative Analysis

### 1. A new Production and Distribution System

The first dimension that must be considered concerns the radical change that streaming platforms have caused in the processes of production of musical content but also of distribution and, as we will see later, indirectly of promotion.

The dematerialization of the musical object has opened the door to a whole new mode of creation. Artists used to depend on labels and record companies to enter the complex process

of publishing physical CDs. The costs associated with the manufacturing of the CDs, their booklets and the need to get the item physically to the buyer, either through delivery services or distributors with physical outlets, made it extremely difficult for rappers to create their own music and get it distributed, even on a medium scale. In addition, the lengthy process of producing and shipping merchandise, as well as the need to produce albums rather than singles to reduce costs, made the initial investment very substantial, especially for hip-hop artists who generally come from poorer backgrounds (Madelaine, 2017).

Digitalization and the development of the internet and its numerous production software have solved these problems on several levels. First, in terms of content creation. Aspiring rappers suddenly found themselves able to record their music at home with accessible equipment that did not necessarily have to meet the constraints imposed by the publishing of a physical format. The creative process has proven to be less expensive, and much faster, especially since the production of hip-hop music doesn't require to play an instrument or to have special singing capacities. The artist no longer needs a label to create his music. He can act in total independence and found his own label quite easily. The deal has also changed in terms of production rate, the artist is not constraint by the necessity to produce an entire album following the traditional process. Thanks to the acceleration of the production processes made possible by the dematerialization of the distribution and consumption model, it is now possible to post a song on streaming platforms without necessarily placing it in the context of an album or a mixtape. Some artists become successful through a track posted on streaming platforms and can earn significant revenues without ever releasing an album (Bureau, 2021). On the other hand, a rapper like JUL, who is impressively popular in France, can release 3 successful albums per year, all of them in total independence. These characteristics also apply to the distribution processes. Streaming platforms have offered a new space of "sales", where the diffusion of

one's music is also faster, less expensive and allows to constantly keep an eye on the performance statistics of the uploaded content.

## 2. The synergy with social networks

Another important change of the music industry to consider is the explosion of the use of social networks as a promotional tool by artists over the last decade. If the development of social networks is not directly linked to the appearance of streaming platforms, their evolution presents many similarities and can have a direct impact on each other's activities. Some platforms like Youtube or TikTok even decided to mix the social networks features with the musical streaming content. Streaming platforms and social networks being widely consumed by the same young public, it is therefore logical that each one relies on the other to promote its content. Thus, social networks have allowed Hip-Hop artists to obtain a free and instantaneous promotional tool to communicate with their fanbase about their new releases. Streaming platforms quickly understood this use of social networks as an advertising showcase and made agreements with companies like Instagram so that, with a few clicks, artists can promote their songs on the network and listeners can directly access their artist's music via a link available on their public account (Rosso, 2021). It is not only the rate of production that has increased but also the rate of consumption. Social networks have also allowed artists to maintain a real proximity with their fans and to develop fanbases that were difficult to conceive at a time when promotion was entirely managed by labels. It is interesting to note that the streaming model, which remunerates the artist through a pay-per-stream model and not through the purchase of a track or album, has allowed many hip-hop artists who emerged during the last decade to be remunerated while having a smaller audience of die-hard fans consuming their music more regularly.

In return, streaming platforms will allow their listeners to use parts of the music it offers in posts, messages and "stories" on social networks, such as Spotify or Apple Music's partnerships with Instagram. Overall, these two types of services have realized that they share the same audience and have an interest in collaborating to offer a more complete and accessible experience to their subscribers, which has greatly boosted the listening of streaming sounds and the development of extremely loyal fanbases of Hip-Hop artists.

### 3. Creation of a new contract structure for artists

With the growing power obtained by artists and small independent structures, in terms of production, publishing, promotion and distribution, the Majors had to change their way of operating in order to adapt to this new balance of power.

If the share of Sony Music France, Warner Music France and Universal Music France has remained stable in the French music industry, it is because they have been able to reinvent themselves as the face of French music production has changed. The Majors gradually lost their role in the production of music content to independent labels but understood the need to focus on other business dimensions that were not as easily accessible to artists, especially those in the hip-hop scene. The three giants therefore decided to hire data analysts or artificial intelligence to analyze trends and predict future commercial successes and enter into negotiations with the artist before he/she breakthrough (Les Echos, 2018).

The Majors are now focusing on other forms of collaboration to remain relevant in an industry that is becoming more and more independent, notably through licensing, co-production and distribution contracts. The traditional artist contract that Hip Hop artists typically signed in the 2000s is no longer in vogue. In this type of contract, the artist received an advance payment before the production of an album which was almost entirely controlled by the label's artistic

direction. Moreover, the artist did not own his music rights and generally received less than 10% of the income generated by the sales. The development of new forms of contracts allowed labels to specialize in marketing, exploitation and distribution missions while leaving a greater creative freedom to the artists and independent labels, as well as a better redistribution of the income generated by the music produced and ownership over their music (Asai, 2021).

Although it is another example of how streaming services have allowed smaller artists and structures to thrive, they are still forced to deal with big independent labels or Majors once they reach a certain size. It is especially necessary when they want to distribute their music on a large scale generally through national and/or international retailers such as FNAC, as the physical sales still account for 29,77% of the French recorded music market in 2019 (SNEP, 2020). The streaming revolution might not have significantly decreased the financial performances of Majors but it has certainly forced them to redefined their relationships with artist and independent labels.

#### 4. Playlists: a new form of radio

The emergence of streaming platforms and the numerous playlists posted on them have also counterbalanced the enormous weight of another major part of the French music industry in the success of artists: the radio.

In France, Skyrock was for a long time the only radio station broadcasting rap music. Since 1996 and its shift towards a programming exclusively composed of urban music, the radio has made and unmade careers and has become the privileged interlocutor of Majors for the diffusion of hip-hop artists on a large scale. This monopoly was almost never challenged for 20 years, and the emergence of new artists was largely conditioned by their ability to attract the attention of Skyrock's programming director, Laurent Bouneau, and thus to be integrated into one of their

playlists broadcasted throughout France (Hammou, 2013). During the 2010s, streaming platforms have thus allowed to redistribute the cards at this level too, by offering their listeners playlists accessible for free. Over the years a multitude of playlists were created by the platforms but also by digital media, influencers and listeners themselves. Rap, which as we will see in our quantitative analysis, is the genre favored by listeners on these platforms, has witnessed the blossoming of a whole new ecosystem, allowing many artists to make themselves known without being broadcasted on the radio, but also to reach a more targeted audience than on a general hip-hop radio station like Skyrock. These playlists act as gold mines for listeners who have access to a much larger and adapted repertoire of discoveries thanks to the data collected by the platforms through artificial intelligence (Grasmayer, 2019).

The success of playlists on streaming platforms have therefore largely boosted the adoption of rap as the number one musical genre in France and has paradoxically contributed to the development of other radio stations specialized in hip-hop such as Le Mouv' or Générations.

### C. Hypothesis

The qualitative analysis helps us to grasp the importance of two major dimensions directly impacted by the streaming revolution: the musical genre consumed: hip-hop, and the preferred production structures: independent labels. We can therefore state the following two hypothesis for our quantitative analysis:

1. Ho: the development of music streaming has allowed more independent structures/labels to be commercially successful in the French Music Industry.

H1: the development of music streaming has not allowed more independent structures/labels to be commercially successful in the French Music Industry.

2. Ho: the development of music streaming has allowed more hip-hop artists to emerge and breakthrough.

H1: the development of music streaming has not allowed more hip-hop artists to emerge and breakthrough.

### **III. Literature Review**

Overall, the digital transformation of the music industry worldwide has been a growing research topic over the past decade. Many studies have focused on different aspects of that question, that have direct or indirect resonances with our qualitative analysis. The “Streaming Technology and the Entertainment Industry” chapter from Princeton University Swati Bhatt’s book “The Attention Deficit” explores the lowering of production and distribution costs and the consequent increased rate of production allowed by the streaming model in the entertainment industry. Another study written by Vasco Eiriz and Filipe Pinto Leite from the University of Minho, analyzes the impact of the growing digitalization of the music market on independent musicians by exploring the modifications in the relationships between production structures and artists caused by the introduction of digital networks. However, the empirical research is based on data collected through interviews with some of the industry’s actors. A final relevant study with a stronger focus on Hip-Hop would be the “Marketing music in the modern Age: Hip-Hop emphasis” paper by Tyler Turquand from California State University. This paper shows the impact of new technologies such as social networks and streaming platforms on the marketing strategies of the Music market with a specific focus on Hip-Hop artists that have leveraged the lower marketing and promotion costs offered by the digitalization of the industry. Many other studies have tackled the impacts of digitalization on global business issues such as the cannibalization of consumption formats (Lee & al.,2016) or the change in consumption habits (Datta & al., 2017), however, I found no empirical research demonstrating the impact of

streaming on the production and consumption of a specific music genre, and the subsequent importance of this music genre in a national market.

The relatively young state of the musical streaming environment in France makes it a Research question with scarce studies and numerous gaps that are still waiting to be empirically filled. However, some relevant studies on the topic have emerged over the past years. One of the first interesting researches that was made on the global topic of music consumption and the evolution of its diversity is a Study on the “Diversity in the recorded music market from 2007 to 2016” published by the French Ministry of Culture in 2018. It showcases a number of interesting data related to our research questions. The first one would be the important increase between 2012 and 2016 in the number of artists present on the French Market with very low sales (1-9 records sold annually) while at the same time the number of artists with higher sales have dropped. The study also shows the great decrease in downloading since 2013, mostly due to the direct competition of streaming. The most important data regarding our research questions concerns the data collected regarding music consumption by musical genre and consumption format in 2016. It shows that already at that time, streaming already accounted for 33% of all Urban Music (Hip-Hop and related music genres) consumed by the French Population. This percentage was the highest for any music genre, already demonstrating that the young audience of Hip-Hop fans were primarily using streaming platform as the main channel to listen to their favorite artists. Other relevant studies concerned the evolution of market turnover depending on the consumption formats. The INSEE (National Institute for Statistics and Economic Studies) released a study in 2019 named “The Economy and Society in the digital age”. It shows the evolution of turnovers for different formats from 2007 to 2018, clearly highlighting the increasing importance of streaming at the expense of both the physical market and the downloads market. The data collected in this study will be key to complement our statistical analysis and contextualize the growing importance of streaming platforms.

Other studies directly or indirectly related to our topic exist and gain their relevance in the context of our qualitative analysis tackling the side factors that have a direct impact on the evolution of the French music industry. One example connected with our research question is a 2021 study from Deloitte for the CNM (National Center of Music) concerning the impact of a change in revenue models for artists. Essentially focusing on the redistribution of revenues by streaming platforms to artists. Finally, a study built by the AGENCE PHARE for the Ministry of Culture in 2019 has studied the growing phenomenon of auto production and the evolution of the roles of Record companies and labels and the motives behind the change in production models by many artists in recent years.

These studies are helpful to build both the quantitative and qualitative analysis required to answer our research questions, however the scarcity of research on that topic reveals the existence of major gaps regarding the evaluation of the French Music Industry today. Indeed, there is almost no recent academic research on the specific topic of Hip-Hop and independent labels commercial importance in the streaming era, especially concerning the French hip-hop industry. Many studies have emerged in the 2000s concerning the impact of online music on the French market, but those studies are too outdated to remain relevant in our current context as they mostly concern downloading. Most academic studies about French Rap are generally rooted in the fields of literature or sociology but rarely in the field of economics. Researchers have mainly focused on the content of rap itself as a cultural object and its implications on society rather than on a commercial perspective within a larger industry. A major gap, that our Research intends to partly solve is the absence of studies tackling this topic through the prism of Music Genres and commercial success. It might appear surprising especially considering the fact that Hip-Hop music has been perceived as the main engine of the current French Music Industry. Moreover, a clear mid-long term study on the role and presence of independent labels in the industry have yet to emerge. Globally, no study has given statistical data capable of

proving empirically the evolution of the overall presence of French rap artists in the French Music Industry and the overall presence of independent labels in the production process of the rap music released on the French Market. The goal of this study is to understand larger trends of the global music industry by tightening the scope and reveal the statistical reality behind the specific music genre of French Hip-Hop.

## **IV. Data**

This research will rely on two types of data. The first and main one represents the core data of our work. It consists in two main sets of data collected from an analysis of the Yearly Top 100 albums published by the SNEP (Société Nationale des Editeurs Phonographiques), the main French organism referencing the French Music Industry results for the past decades. The Top 100 Albums refers to the albums that recorded the best sales for a given year in France. For each year going from 2010 to 2020 (11 years), we will analyze:

- The number of hip-hop artists present in the Top 100 Albums
- The number of hip-hop albums of the Top 100 Albums entirely or at least partly produced by an independent label

It will be possible to interpret these data as percentage of the total albums present in the Top 100 Albums, and concerning independent labels as a percentage of total Hip-Hop albums present in the Top 100 albums. Furthermore, we will run linear regressions with these data to test the validity of our hypothesis. Overall, these numbers will allow us to understand the importance taken by French Hip-Hop artists and independent labels in the industry.

To complement the core data we mentioned above, we will also analyze sets of supporting data allowing us to contextualize and better interpret our results. These additional sets of data include the evolution of turnovers by format consumption of the French music industry, that we will

precisely estimate in terms of percentage with the data provided by the INSEE. It will allow us to contextualize the results we observed through the analysis of our core sets of data, by showing the new environment in which the evolution in the number of rap artists and independent labels has taken place.

To create a relationship between this context and the actual results from our core analysis, we will also need to analyze the results published by main streaming platforms in France, focusing on Spotify. The analysis will especially concern the shares of total streams recorded on the platform in terms of music genre. It will complete the results from the 2018 study by the Ministry of Culture concerning the share of hip-hop consumed through streaming services, and define if streaming services are truly dominated by certain music genres as it has been generally estimated.

## **V. Methodology**

To understand the data collection process used for this research, we need to define the important terms that will be mentioned throughout the text and will drive our methodology.

The first and most important term concerns Hip-Hop music. For the purpose of this research, I decided to opt for a broad definition of this musical genre, to bring it closer to what is now considered urban music. Thus, the term "Hip-Hop music album" will include any album including at least a rapped part, and all albums of sub-genres assimilated to the Hip-Hop culture such as Slam (Grands Corps Malade), or Urban Pop (Gims, Soolking, Dadju). This decision is motivated by the fact that even in these types of music where rap is not at the heart of the musical identity of the artist, the concerned albums contain many collaborations with rappers and often share the same audience as "pure" rap music. Furthermore, the terms "rap" and "hip-

hop" as well as "hip-hop artists" and "rappers" will be used alternately while encompassing the same definition.

Another term that is important to define precisely is the concept of independence in the music business. For the needs of that Research, we focus on independency in terms of labels and production structures. We will define an independent album as an album that has been entirely or partly produced by an independent label. Therefore, we will also include albums produced by an independent label but that have been either exploited, promoted or distributed by one of the three industry's Majors (Sony, Universal and Warner). In technical terms, it includes albums that have been produced by independent labels under distribution contract and license contract and not the albums made under artist contract and co-production contract with a Major. This decision is motivated by the fact that those two types of contracts have a minimal impact on the creative and artistic components of an artist's music. They only concern the marketing and sales components in physical and digital spaces. They also are the only contracts where the producer is earning a significant portion of the revenues generated by the music sold (25% to 30% for license contract, 60% to 80% in general distribution, 50% to 70% in improved distribution). Finally, those contracts allow the independent label to own the rights of the music it produced. In the case of the license contract, the independent label only rents its rights during a defined number of years to a major and then recovers ownership. In the case of a distribution contract, the independent label has full control over its rights (Garcia & Boukriche, 2021).

Now that we have precisely defined the two main concepts that determine the data we will analyze, it is possible to establish the process of data collection. This research will be done through the public data of the SNEP concerning the 100 best-selling albums for each year. As this data goes back to 1994, we will select only those of the last decade starting from 2010, and define 2015 as the turning point year that has seen the streaming model being democratized in

France, notably with the introduction of Apple Music in the market. It will therefore be a matter of selecting, year after year, from these 100 albums those that correspond to hip-hop albums according to the terms we defined earlier. This process requires a certain rigor considering that some artists have evolved and shifted music genre over this period.

As for the data on the presence of independently produced Hip Hop albums, we will directly conduct this research within the subsample of Hip-Hop albums that we found earlier. The data collection process is considerably more complex considering that SNEP does not directly mention the labels and record companies involved in the production of the album, and the type of contract that was signed. In order to get this information, it is possible for example to go on a streaming platform like Apple Music and to go down to the bottom of each album in the general mentions. Generally, the name of the label producing the music is present and sometimes even the type of contract that has been signed with a record company or an independent distributor. However, it is necessary to check that the labels do not belong directly to one of the 3 Majors to ensure their independence. The infographic map of the commercial environment of French rap developed by the specialized site Ventes Rap provides very relevant information on the different labels owned by the majors and the degree of independence of these structures. Once these data have been collected, they will be translated into graphs that will allow us to study the evolution of the trends related to these two dimensions, and processed into linear regressions testing our hypothesis with a subsample of the Top 30 albums for each year. Thus, it will be possible to understand the statistical reality behind the growing influence of independently produced Hip-Hop in the French music industry.

As previously explained, this statistical analysis will be completed by the figures found in the INSEE study on the evolution of the turnover by format between 2007 and 2018 and the public

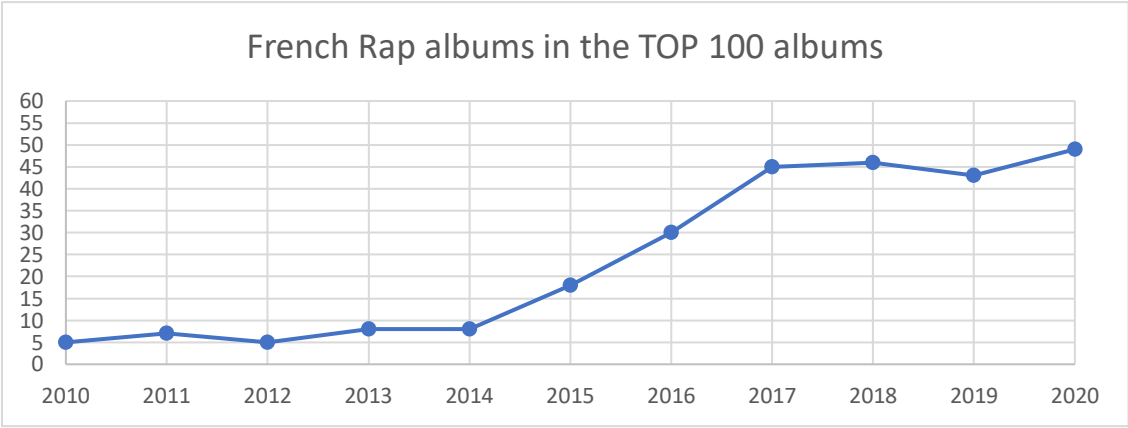
data published by Spotify in its annual reports concerning the share of streamed hip-hop music on its yearly total in France.

## VI. Results

### A. Quantitative Analysis

#### 1. Analysis of the presence of French rap albums in the TOP 100 albums in France for the period 2010-2020

Figure 1.

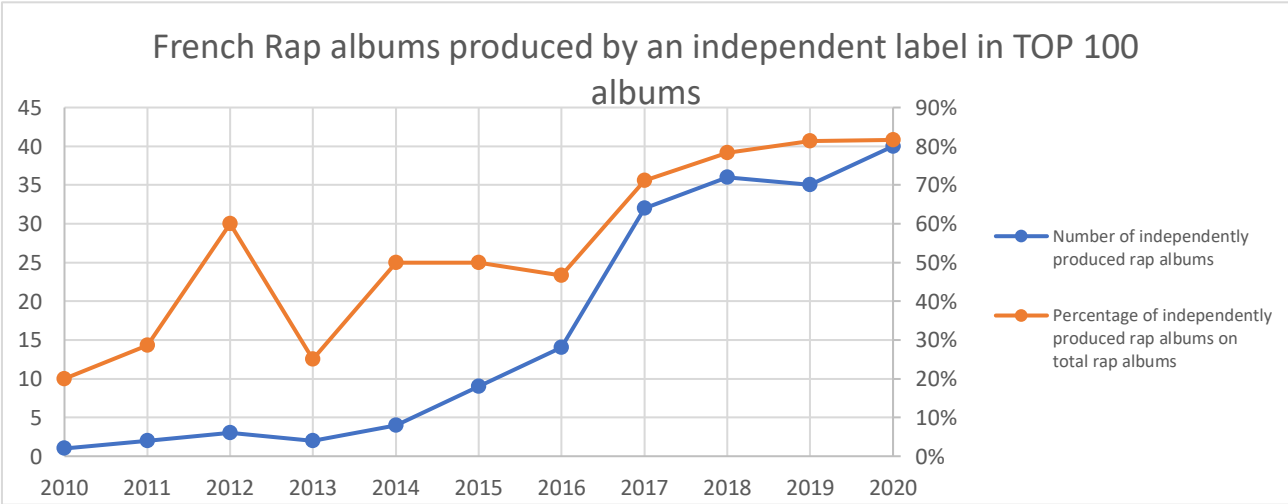


The data collected and converted into a graph confirms the generally accepted trend in the media regarding the rise of French rap in the national music industry. At the beginning of the 2010s, in the continuity of the long period of dearth experienced by French rap (Genono, 2020), Hip-Hop albums were never more than 8 to be present in the Top 100 Albums. This fluctuation of the number of Hip-Hop albums between 5 and 8 references from 2010 to 2014 often concerned several times the same artists, like the group Sexion d'Assaut which in 2012 had released 2 of the 5 Hip-Hop albums present in this Top 100. From 2014 to 2017, the presence of Hip-Hop albums in the Top 100 began to climb very quickly, with an increase of 125% from 2014 to 2015, 67% from 2015 to 2016 and 50% from 2016 to 2017 thus passing in only 3 years from 8 French Hip-Hop albums present in the Top 100 Albums in 2014 to 45 albums in 2017. This increase is directly correlated with the significant growth in the consumption of recorded music in streaming, as we will statistically see later, and partly due to the entry into the market of

Apple Music in 2015 for the many owners of iphones and to the advent of Trap music in 2013-2014, a subgenre of rap that has become very popular among young people (Morgan & Durand, 2020). Starting in 2017, the presence of French rap albums in the Top 100 Albums seems to start hitting a glass ceiling and stabilizes between 40 and 50 references per year. Inevitably, artists and producers of other musical genres have understood the stakes of the streaming consumption model, which, as with many new technologies of the digital age, was first appropriated by a younger audience before being democratized among other segments of the French population. It is highly possible that this increasing use of streaming services initially dominated by hip-hop music, as we will see through the analysis of Spotify’s data, by a different audience more interested in other genres such as Rock, Pop, French Variety, Jazz, Soul etc. stopped the impressively fast expansion of French Hip-Hop in the music charts. Although, French Hip-Hop has reached its peak in the last year of our surveyed data with 49 references in 2020, this growing democratization phenomenon might not only impede its growth in French Top Charts but could also cause the number of hip-hop references to decrease in the coming years.

2. Analysis of the share of hip-hop albums produced by independent labels from 2010 to 2020.

Figure 2.



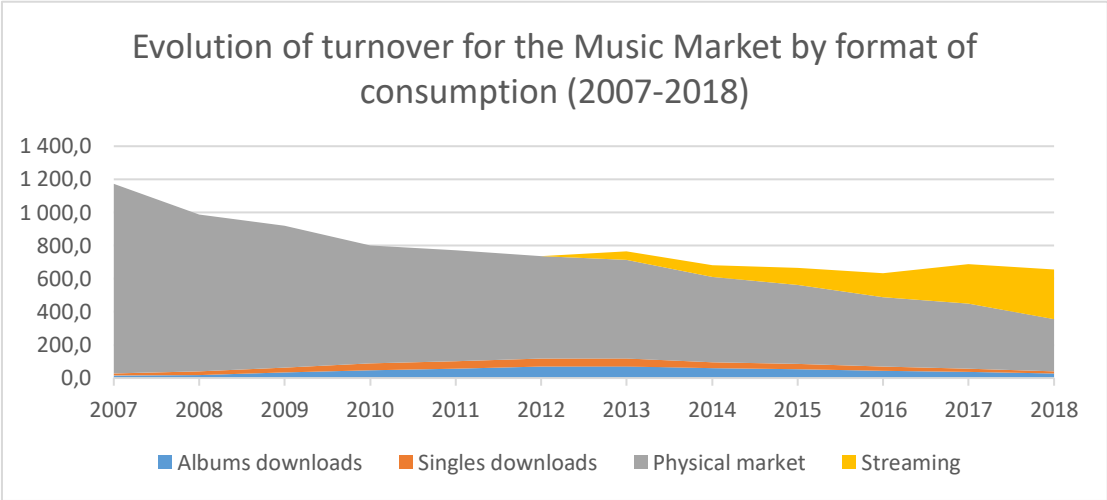
The analysis of data regarding the evolution of the presence of independently produced rap albums in the Top 100 Albums also shows a clear upward trend over the last 10 years. Until 2017, the percentage of independently produced rap albums exceeds 50% in only one case, in 2012. This example is however irrelevant given the very low number of rap albums in the Top 100 Albums before 2014, the 2012 data concerns 3 albums out of 5 in total, 2 of which were produced by the same group, the Sexion d'Assaut within a label (Wati B) owned by SONY. It is interesting to note, however, that the increase in the proportion of independently produced rap albums does not occur directly with the increase in the number of albums previously analyzed. It occurs from 2016 to 2017, where its proportion increases by 24 points and thus by a little over 51%. This delay in the increase of independent labels producing rap albums is the result of the creation of labels by artists who have acquired commercial fame between 2014 and 2016. Many artists such as Sofiane with Affranchi Music or Nekfeu with Seine Zoo Records have gradually detached themselves from traditional Major-owned labels to launch their own structure and take back control of the production of their musical content and, therefore, of the creative dimension of their music. They became self-entrepreneurs reinvesting the money they earned from their first contracts with the majors to develop their own production companies (Blondeau, 2017). This practice has become extremely popular over the last few years, firstly because of the greater creative freedom it allows, but also because of the significant financial gains it brings to artists who now own their music.

Since 2017, this proportion of independent rap albums has been constantly increasing but in smaller proportions because some artists remain loyal to the Majors who have been able to renew their offers and propose more flexible contracts and many interesting advantages, especially for the multitude of young artists who are just starting out and wish to achieve rapid commercial success. Nevertheless, it is interesting to note that today, more than 80% of the best-selling French rap albums of the year are produced entirely or partly by an independent

label. It seems that the balance of powers between independent producers and the Majors has evened out, and the new production and distribution model allowed by streaming services has redistributed the cards of the industry and allowed many structures to develop musical projects without having to respect the complex constraints of physical format and Majors approval.

### 3. Analysis of the importance of each format of consumption in the turnover of the French Music Industry

Figure 3.



A necessary step to understand the relationship between the growing success of hip-hop artists in France, independent labels producing their albums and the evolution of consumption patterns for music listeners in France is to analyze INSEE data regarding the evolution of the distribution of the French industry's revenue by consumption format.

The INSEE data show that streaming represented only 7% of the total money generated by the recorded music market in 2013 and has grown very rapidly over the last few years to reach 45.8% in 2018 only 5 years later. It is now estimated that streaming now accounts for over half of the industry's revenue (SNEP, 2020). While it is still necessary to study the figures specific to streaming platforms to ensure that they are indeed responsible for the rise of French rap within the market, it is however interesting to see that the trends between the number of rap

albums in the Top 100 Albums and the share of streaming in the industry's turnover are closely similar. It has a proportion of less than 10% in 2013, a strong increase between 2016 and 2017 and a growth to a point slightly less than half in 2018. On the other hand, the disappearance of physical sales in many major retailers such as supermarkets has also precipitated music genres to much lower sales and revenues, including artists whose music is predominantly consumed by an older audience that didn't adapt to the streaming model yet (Chapuis, 2019).

#### 4. Analysis of the importance of Hip Hop within streaming platforms

The numbers regarding the performance of rap music on streaming platforms are relatively sparse, but several pieces of data published by platforms such as Spotify or Deezer, the two market leaders, provide insights into the magnitude of this phenomenon. In 2018, Spotify published its annual report, including the 10 most streamed artists in 5 major cities in France: Paris, Lyon, Marseille, Bordeaux, and Lille. In total, only 2 artists not assimilated to French hip-hop are present in these top 10, specifically Ed Sheeran in Lille and Vitaa in Lyon. All the other artists present in these annual tops are French hip-hop artists. Another very equivocal data regarding the overall streaming market in France was published by SNEP in 2018. In France, in 2017, 16 billion of the 42,5 billion tracks streamed on the whole market belonged to urban music. This represents 3 times more than in 2016 and this meteoric rise has made it the most consumed music genre on streaming platforms. In 2020, this proportion is estimated at 65%, a considerable number that show that the main factor of rap's success is its high consumption by streaming platforms users. The use of this platform is increasing year after year, and as a result, rap's dominance is increasing at the same time.

## B. Linear Regression

### 1. Variables

To go deeper into that quantitative analysis and test our hypothesis through a formal statistical test, we will run two linear regressions on Excel. One of them will focus on studying the correlation between the arrival of streaming and the presence of French Hip-Hop artists in France's most successful 30 albums of the year and the second model will study the correlation between the arrival of streaming and the presence of Hip-Hop albums produced by independent structures in the most successful 30 albums of the year. We will directly collect data from the Top 100 Albums and define the following variables:

Y	Presence in Top 30 Albums	1 for Yes; 0 for No
X1	Years after the Streaming Revolution	1 for years from 2015 to 2020; 0 for years from 2010 to 2014
X2	Hip-Hop Albums	1 for Hip-hop album; 0 otherwise
X3	Independent Hip-Hop Albums	1 for independent Hip-Hop album; 0 otherwise
X4	Streaming*Hip-Hop	$X1 * X2$
X5	Streaming*Independent	$X1 * X3$

The high collinearity between variables X2 and X3 makes it necessary to separate them into two different regressions if we want to obtain relevant results to analyze. We, therefore, define the two following models for our regressions:

$$\text{Model 1: } Y = X1 + X2 + X4$$

$$\text{Model 2 : } Y = X1 + X3 + X5$$

### 2. Results

After running the regressions at a 95% level of confidence, we obtain the following equation:

$$\text{Model 1: } Y^{\wedge} = 0,308 - 0,024 * X1 - 0,127 * X2 + 0,167 * X5$$

$$\text{Model 2: } Y^{\wedge} = 0,307 - 0,021 * X1 - 0,307 * X3 + 0,356 * X5$$

The results obtained through the linear regressions only show significance for Model 2, that is the one focusing on the correlation between independency and the streaming era. The p-values obtained in Model 1 are all above 0,05 at a 95% level of confidence, with our coefficient of interest for variable X4 (streaming\*hip-hop) being 0,167. Overall, this model can't be considered as relevant and although the data explored before suggests a direct correlation between the streaming era and the presence of Hip-Hop albums in the Top, it is however impossible to confirm this through our statistical test.

However, Model 2 presents much more interesting results. We observe that the p-values for both variable X3 (independent) and variable X5 (streaming\*independent) are way below 0,05 at a level of confidence 95%, being respectively 0,022 and 0,011. The coefficient of determination of X3 is -0,307 indicating a negative relationship between the independency of a Hip-Hop album and his likeliness to be present in Top 30, this is mostly due to the fact that no independent rap albums were present in the Top 30 for the period we defined as being anterior to the streaming revolution (2010-2014). Interestingly, our coefficient of interest X5 is 0,356 showing that an independent hip-hop album produced during the streaming era (2015-2020) is much more likely to be present in the Top 30 Albums.

We can explain the different results obtained through those two models by multiple factors. The main benefits brought by the streaming revolution are the decrease in production, marketing and distribution costs. Overall, the streaming era has significantly lowered the costs of entry into the industry and therefore allowed a large number of small independent structures to penetrate the market. The relationship established by our model shows that the primary impact of streaming was directed at the production structure of the industry and not at a specific music genre. Hip-Hop sales didn't massively increase directly because of the streaming revolution but rather because it was the music genre that benefited the most from a change in the way to

produce, promote and distribute music. In other terms, the French Hip-Hop sector benefited from its capacity to generate independent musical content, which is exemplified by the results of our second model. Actually, if we look at the summary of our yearly data (see Appendix A) we can see that the growth rate of independent hip-hop albums present in Top 30 is clearly higher than the growth rate of all hip-hop albums present in that same Top 30.

Consequently, through those tests we can only confirm our second null hypothesis “Ho: the development of music streaming has allowed more independent structures/labels to be commercially successful in the French Music Industry”. It is however not possible to directly confirm our first hypothesis “Ho: the development of music streaming has allowed more hip-hop artists to emerge and breakthrough”, although our data and graphs clearly show an increase in the number of hip-hop albums since the democratization of the streaming model.

## **VII. Conclusion**

The collection and analysis of data concerning the place of independent French Hip-Hop artists and labels within the national market has therefore confirmed their growing importance since the key period of 2014-2015. Although only our second hypothesis is verifiable through our statistical test, the data collected and showcased into graphs in our quantitative analysis demonstrate the growing importance of Hip-Hop artists in general in the French Music Industry. Both our qualitative and quantitative analysis indicates that the streaming revolution has modified the structure of the industry and provided a new gateway for independent labels and artists. Therefore, it becomes impossible to dissociate the meteoric rise of French Hip-Hop, mostly produced by independent labels, in the charts from the explosion of the consumption of streaming music by the French population. Overall, the case of France shows that this new mode of consumption has revolutionized the industry by evening the balance of power and redefining relationships between those artists who generally come from more disadvantaged

backgrounds, small independent labels and the Majors who used to dominate the industry. Through the synergy between streaming platforms and social networks, rappers and their structures have developed a new value chain allowing them to act in total independence and forced major record companies to specialize in technical areas requiring significant resources. Through its impacts on the different branches of this industry, the streaming revolution has completely disrupted the music ecosystem, restructured the relationships between actors and opened the door for a fresh wind of independent artists and labels that carried Hip-Hop to the top in France but also all over the planet.

## VIII. Appendix

Appendix A. Summary table of hip-hop albums and Independent hip-hop albums in Top 100 Albums (2010-2020)

TOP 100 ALBUMS 2010-2020					
Year	Number of Hip-Hop albums	Hip-hop albums produced by Independent labels	Percentage of indpdt albums/hip-hop albums	hip hop albums in Top 30	indpdt hip-hop albums in Top 30
2020	49	40	82%	16	15
2019	43	35	81%	14	11
2018	46	36	78%	14	10
2017	45	32	71%	15	11
2016	30	14	47%	10	6
2015	18	9	50%	6	3
2014	8	4	50%	2	0
2013	8	2	25%	2	0
2012	5	3	60%	1	0
2011	7	2	29%	0	0
2010	5	1	20%	1	0

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