POPULAR MUSIC AUDIENCES AND THE DETERMINANTS OF ATTENDANCE AND PARTICIPATION

(*)JUAN D. MONTORO-PONS,
Associate Professor. Departamento de Economía Aplicada. Universitat de València, Spain.
Email: Juan.D.Montoro@uv.es

MANUEL CUADRADO-GARCÍA,
Associate Professor. Departamento de Comercialización e Investigación de Mercados. Universitat de València, Spain.
Email: Manuel.Cuadrado@uv.es

Key words: cultural capital, segmentation, non-attendance, media-based participation, zero-inflated count model,

ABSTRACT

Objectives
The past decade has witnessed a gradual shift in the popular music audience leading to the predominance of live performances as the main revenue source in the industry. Whether this trend is sustainable and how it relates to other sectors, mainly the recorded music industry, crucially depends on consumer's demand. We undertake such analysis by resorting to data by the 2010-11 Survey for Cultural Habits and Practices in Spain. The aim of this paper is threefold. Firstly, to determine the factors that explain frequency of attendance to live performances and how it relates to media participation. Secondly, to classify consumers by identifying different demand segments. Thirdly, and linked to the previous goal, to relate the previous findings with innovativeness in music consumption and, in a broader sense, with other cultural habits.

Explaining attendance by means of a zero inflated count model

Our first objective, explaining frequency of attendance, is based on the estimation of a count data model. Start assuming that individual *i* frequency of participation per unit of time can be expressed as a function of a set of covariates as in the expression:

(1)

with *SocioDem* being socio-demographic characteristics, *Economic* economic factors, *Geographical* geographical variables, *CulturalK* cultural capital variables ---such as education, information gathering, background in music and active participation--- and *Media* media-consumption related variables.

Expression (1) allows us to estimate the average profile of the attender. This implies interpreting the individual impact of each covariate on the response *y*, and test some well established regularities previously found in the literature. These are mainly the impact of income, time restrictions, and, more specifically, the relevance of education and cultural capital in explaining consumption.

Further, this empirical specification accounts for the net impact of media-based consumption in its double role as a substitute of live participation ---i.e. as a means of satisfying music-related needs---, and as an addictive mechanism in that it leads to the gathering and accumulation of knowledge about music. Here we are also interested in disentangling the different effect, if any, of consumption, i.e the purchase of music recording, and

other forms of music use, i.e. copying, sharing and downloading from the Internet.

We must note that an issue when modeling count data in cultural participation is that of excess zeros, i.e a higher than expected frequency of zeroes in the dataset. In our case the excess of zeros implies that the frequency of non-attendance is greater than what would be predicted by a count model.

To model a count process with inflation of zeros, one can resort to a zero-inflated model in which a binary process and a count process are combined. In this setup a zero, i.e. non-participation, can be either the outcome of the inflation part or a count. Interestingly, there are different underlying behavioral assumptions in both kind of zeros. While the former are individuals that do not attend in any case, hence never-attenders, the latter are potential participants for whom there is an active restriuction hindering participation. That allows us to interpret the results in terms of individual preferences and, more interestingly, to segment non-participants and define strategies designed for enticing those in the second group.

Research questions

Our paper deals with three main research questions
Describing the average profile of attenders to live popular music events and, that of non-attenders. We do so by estimating a zero inflated count model.
Based on the previous estimation, to segment the audience, and specially, that of non-participants.
Finally, to relate non-participation with other relevant cultural consumption variables.

The second and thirs reasearch questions will allow us to design adequate strategies for engaging audience.

METHODOLOGY

Based on secondary data, the 2010-11 Survey for Cultural Habits and Practices in Spain, we estimate a zero inflated negative binomial count model. See above for details.

Preliminary conclusions

Preliminary results provide the average profile of the live music consumer, a male, young, educated consumer with time availability and actively engaged in the media consumption of recorded music, both by purchasing and by copying and downloading music files and full albums.

However one must acknowledge that attendance data show a clear polarization between attenders and non-attenders, with 88% of the sample not having attended to a live performance in the three months prior to taking the survey. To better understand this behavior we have tried to segment the sample based on observed features by resorting to a zero-inflated model. In it we find that the likelihood of being an attender is mainly driven by cultural capital related variables, a feature that is common to participation in
other forms of art. The segmentation of non-participants show that engagement with other music and cultural forms is key to understand potential participation, which is a result worth exploiting from a practical standpoint.

Finally, it is relevant to mention that engaged participants are also those that show a greater propensity to innovate in the music market, at least as measured by variety seeking. If innovativeness is a feature of hardcore participants, then a sound positioning strategy would be to take the risk in targeting this audience, if only because these are also more willing to pay for music.

One should note that there are some potential problems of endogeneity that affect variables related to music consumption. In this case, although estimations yield inconsistent estimates, our results can still be interpreted as conditional correlations. A natural extension of the empirical work in this paper will be to try to overcome endogeneity.

MAIN REFERENCES

J. Bartels and M.J. Reinders. Consumer Innovativeness and its Correlates: A Propositional Inventory for Future Research. Journal of Business Research, 64, 2011.

P.E. Earl. Simon's Travel Theorem and the Demand for Live Music. *Journal of Economic Psychology*, 22, 2001.

D.Favaro and C.Frateschi.
A Discrete Choice Model of Consumption of Cultural Goods: The Case of Music. *Journal of Cultural Economics*, 31, 2007.

A.B. Krueger. The Economics of Real Superstars: The Market for Rock Concerts in the Material World. *Journal of Labor Economics*, 23, 2005.

J. Montoro-Pons and M. Cuadrado-García. Live and Prerecorded Popular Music Consumption. *Journal of Cultural Economics*, 35, 2011.

J.Prieto-Rodriguez and V.Fernandez-Blanco.
Are Popular and Classical Music Listeners the Same People? *Journal of Cultural Economics*, 24, 2000.