



CANADIAN CONTENT IN A DIGITAL WORLD

Canada has a vibrant and diverse culture, which produces music and other forms of entertainment that are enjoyed throughout the country and the world. As part of its consultation regarding how to strengthen Canadian content creation, discovery, and exports in a digital world, the Ministry of Heritage asked for input on how it should support Canada's artists, content creators, and cultural entrepreneurs in order to create a cultural ecosystem in which they thrive.

As the world's most powerful music discovery platform, Pandora appreciates the opportunity to share its perspective on the role that digital content platforms can play in supporting Canadian artists, as well as the elements of a policy ecosystem that will allow digital platforms and Canadian content creation to flourish. At Pandora, we pride ourselves on helping artists utilize the digital economy to find their fans and helping listeners find music they love.

Through Ticketfly, Pandora has maintained a presence in Canada since January 2013. Ticketfly, a technology company whose ticketing, digital marketing, and analytics software helps make it easy for fans to find and purchase tickets to great live events, has over 120 clients in Canada, with a coast-to-coast presence. In 2015, Ticketfly sold 1.4 million tickets in Canada valued at C\$65 million for marquee clients such as Collective Concerts, MRG Concerts, the Vogue Theatre, Pemberton Music Festival, Calgary Folk Festival, Toronto Urban Roots Festival, The Opera House (Toronto), and many others. We have been impressed by the artistic talent in Canada, as well as the enthusiasm of Canadian music listeners.

Digital Content Platforms Provide Benefits to Artists

Before the emergence of digital music, record labels controlled which artists would be signed, promoted, and broadcast on the radio. Digital music has broken down many barriers musicians face before their music is recorded, distributed, and available to listeners.

With terrestrial radio, listeners are limited to choosing from among a fixed number of locally available radio stations, each reflecting a broad genre, such as country, adult contemporary, top 40, or oldies. Within these broad categories of music, traditional radio stations try to appeal to as many listeners as possible by playing a range of songs within that genre.

Digital music streaming services, such as Pandora, revolutionized consumer choice by empowering listeners to create their own radio stations based on their favorite songs or artists. Our team of highly trained musicologists analyzes hundreds of attributes for each recording, which powers our proprietary Music Genome Project® (MGP) that delivers billions of hours of personalized music tailored to the tastes of each individual music listener.

Listeners can indicate whether they like a song and want to hear more similar to it. Based on the input provided by each consumer, the Music Genome generates a personalized listening experience, allowing consumers to discover new artists whose music they are likely to enjoy, thus allowing artists to gain exposure to new listeners. Many of these artists would not typically receive radio airplay. Pandora plays over 150,000 artists per month, vs. fewer than 10,000 artists per month on broadcast radio. We can help "undiscovered" artists find an audience, which provides a direct benefit to Canadian artists and thus Canadian culture. Through Pandora, US listeners are already discovering more Canadian artists than on any other music service – broadcast or digital.



In addition to the ability to choose the artists and songs they prefer, Pandora’s listeners are also able to select a service suited to their financial and advertising preferences. Pandora’s listeners have a choice of whether to use our free ad-supported service or to gain access to more features with a \$4.99 per month subscription service. Starting in 2017, additional subscription services will be available in our current markets.

Canadian Artists on Pandora’s Platform

Canadian artists are among the most popular on Pandora, and, in many cases, their exposure on Pandora tops their other social media presences, making streaming their most effective way of reaching listeners.

- Drake is the “king” of Pandora, with over 58 million stations created, which is nearly double his Twitter (32 million) and Facebook (34 million) followers, and almost triple his following on Instagram (22 million).
- The Weeknd has had over 17 million stations created by Pandora listeners, which is approximately five times his Twitter following (3.6 million) and about three times his Facebook and Instagram followings (5.9 million and 5.8 million, respectively).
- Over 3 million Carley Rae Jepsen stations have been created, almost double her following on Instagram (1.6 million).
- Tegan and Sara have over 1M station adds, on par with their Facebook following (1M+), almost double their Twitter following (579K), and triple their Instagram following (331K).

Pandora’s music streaming service supports artists beyond simply delivering music to their fans – it also empowers artists with valuable data and analytical tools to help grow their careers and connect with their followers. The latest version of our tools, known as the Artist Marketing Platform (AMP), includes new features aimed at helping artists grow their audience, track progress, and connect with fans on Pandora. A new tool called AMPcast gives artists the ability to geotarget artist audio messages and share the messages on social media — all from the Pandora mobile app. Using these tools, artists can plan tour stops where listeners are located or allow fans to purchase tickets to a nearby show simply by clicking a link.

Creating a Policy Ecosystem Where Digital Platforms Can Thrive

To reap the potential benefits of digital platforms, governments must develop policy approaches to foster an ecosystem in which digital platforms can thrive. Governments should resist the temptation to replicate legacy regulatory rules in the digital space.

Governments should take actions to reduce barriers to those who create, perform, and sell their content online. To create an ecosystem in which digital platforms can thrive, Heritage Canada should:

- Adopt policies that create flexibility for artists and consumers in the marketplace. Artists need more options for promoting and selling their music, and listeners need choices in how they find, listen, and pay for the music they want. Such policies should allow the marketplace to respond to demands from consumers and artists, rather than impose (or give preference to) a single business model.



- Promote competition, including for disruptors and new business models. Governments should adopt a light-touch approach, regulating only where necessary and in a common-sense manner.
- Encourage creativity in how “support” for artists is defined. Digital platforms bring new opportunities beyond content quotas and cash contributions that can help artists to successfully create content and promote their work.

A digital ecosystem based on these principles will foster exciting opportunities for Canada’s vibrant creative sector and allow artists and fans to enjoy the benefits that digital content platforms, such as music streaming, are bringing to the marketplace.

For additional information on this submission, please contact:

Casey H. Johnson
Sr. Manager, Government Relations
Pandora Media, Inc.
+1 703 969 2629 (m)
casey.johnson@pandora.com