

# Norway



Friendly rivalry amongst Nordic countries is par for the course – now Norway’s music industry could be ready to ramp up its muscle in the region against traditional music powerhouse and neighbour Sweden

One of the most surprising things for visitors to the Nordics to discover is the (mainly good-natured) rivalry that exists between Denmark, Finland, Norway, Iceland and Sweden, all of which spills over into local jokes and ice hockey matches.

Now, however, it looks like the Nordics might have something new to fight over – local music. Sweden, as the world’s third-largest exporter of music and home of Spotify, has long been the regional A&R powerhouse. But Norway has been making inroads in this area of late, thanks to the global success of artists like Kygo, Cashmere Cat and Alan Walker.

This success is, according to Jørn Dalchow, MD of Norwegian indie label daWorks, being

driven by a growth in streaming, with revenue here – up from \$60.49m in 2015 to \$71.78m in 2016, according to IFPI figures. This, he adds, has shifted the focus of the Norwegian market from older acts, many of whom sing in Norwegian, to younger musicians with a more global appeal.

“Adult contemporary artists used to sell a lot of CDs,” Dalchow says. “Now that has totally gone. People still listen to them on streaming services, but they won’t listen to their songs over and over again, as young people often do.”

As a result, labels in Norway have started to invest in younger artists who work well with the streaming market, often signing them up for single deals rather than as album acts.

## NORWAY



### STATS



**Population** 5.3m



**GDP per capita (US\$)** \$69,300

**Total music revenue per capita (US\$)** \$21.68



**Internet users** 5m



**Broadband connections** 2.1m



**Mobile subscriptions** 5.8m

**Active smartphones** 5m

**Active tablets** 1.3m

Sources: IFPI/CIA World Factbook



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– Jørn Dalchow, daWorks

playlists in America. It spreads really rapidly.”

IFPI Norway MD Marte Thorsby says that these have been “golden years for Norwegian recorded music, both nationally and internationally”, citing the success of Astrid S, Sigrid and Aurora among many others. “Streaming has literally opened the Swedish and further international markets for Norwegian artists,” she explains. “There are no borders and gatekeepers.”

We should, of course, introduce a couple of caveats here: Thorsby told the by:Larm conference in March 2017 that local market repertoire share is currently around 25% in Norway, higher than the 10% seen in the early streaming days but still far lower than the pre-streaming days when Norwegian music accounted for 50% of the domestic market.

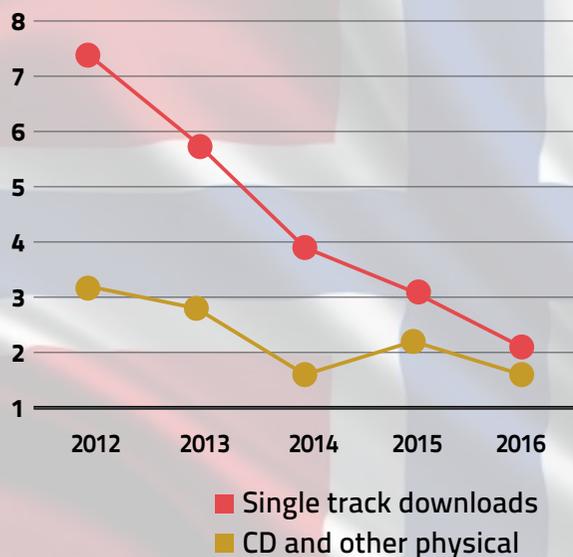
What’s more, Dalchow says that this may be a limited “window of opportunity”

These younger producers clearly have more international appeal than Norwegian adult contemporary acts: but Norway’s strength in streaming also helps in their global rise, as Dalchow explains. “When these artists are streamed in Norway, it’s very rapidly picked up by the Spotify people in Stockholm, then they get on Swedish playlists, then it spreads to Denmark, Finland, Germany and the UK,” he explains. “And then they talk to the New York office and suddenly you have your song on two or three important

# Norway *continued...*

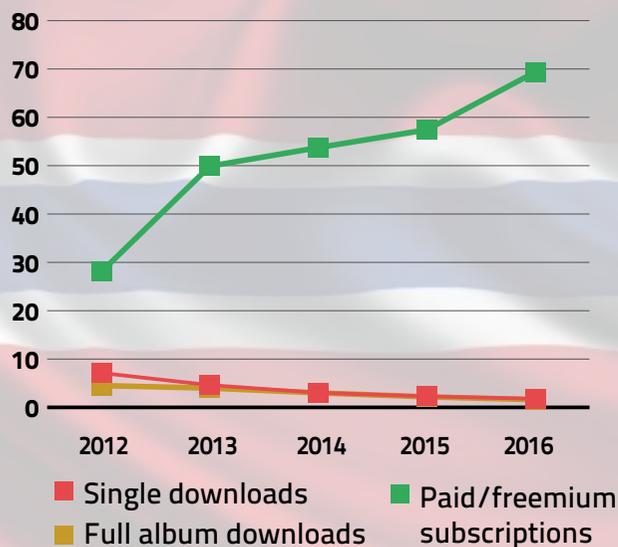
## RECORDED MUSIC SALES

(Volume, million units)  
(Source: IFPI)



## DIGITAL MUSIC REVENUE BY FORMAT, IFPI FIGURES

(In US\$ millions / Source: IFPI)



for Norway, coming at a time when its levels of streaming consumption enable it to punch above its weight in the global market. "When we have 20m subscribers in Germany for Spotify and the UK - and American markets grow - then I think it will be much more difficult for the Scandinavian artists to be discovered that way," he says. "Because then the same opportunities will happen with German artists and others. I think this is a golden opportunity right now, but I am not sure it will last. The competition will get tougher."

It is perhaps fortunate, then, that the domestic streaming market in Norway still

seems to have plenty of room to expand, taking with it the overall recorded music market, which grew 12.3% last year. Some estimates put the number of music streaming subscribers in Norway at between 1.5m and 1.8m - pretty impressive for a country of 5.3m people. But this subscriber base is still growing and Dalchow believes there is room for an additional 0.5m+ paid music subscriptions in Norway, coming largely from the older (40+) market.

IFPI Norway has yet to release its figures for the first half of 2017, but Thorsby says the market is showing "a growing trend in streaming". She adds, "The potential for

growth continues, especially in the youngest and older segments."

There are several possible reasons for this. Norway is not just a rich country - GDP per capita is \$69,300 - but this wealth is fairly well spread out, with Dalchow calling Norway "a middle-class market". That means streaming subscriptions are hugely affordable at a standard rate of 99 Norwegian krone (around \$12) a month, lower still when bundled with telco packages. Unemployment is generally low in Norway, despite the fall in oil prices a few years ago, and the country has a very strong digital infrastructure.

It also helps that state broadcaster NRK

has done a lot to promote its own TV and radio streaming app - and this has helped older Norwegians to feel comfortable with the idea of streaming. Dalchow says that Norwegian youth have also played a role in helping the older generation to understand streaming technology. "This is Spotify, grandma," as he puts it.

One potential dark spot on the horizon, however, is the impact of Norway turning off the FM signal for national radio stations, which is happening in 2017. The impact so far has been fairly low key, but the switch has yet to be made in big cities like Oslo. The fear is that the huge availability of specialised stations on DAB may cause people to cancel their streaming subscriptions on the not-unreasonable grounds that DAB provides for all their musical needs.

Thorsby, however, argues that the transition to DAB could be an opportunity for the Norwegian music industry. "It is too early to conclude on the effect of DAB in the music market," she says. "But in addition to the possible threat, we see opportunities - like with streaming/playlists - to seed tracks in different segments."

She continues, "Radio will probably develop from push [big channels] to pull [niche channels that are comparable to narrower, more targeted playlists]. So DAB might challenge, but can also be a possibility for the music industry."

Indeed, for her the biggest challenge that the Norwegian music industry faces is a rather more familiar one: YouTube and the value gap. "That said," she concludes, "we are approaching the future with positivity. We have not seen the end of the Norwegian era." ;)