

# Impact Analysis of Spotify's 1,000-Stream Policy on Artist Revenue in South East Europe: Insights from 71 Industry Survey Responses (Oct 10 - Nov 5)

## 1. Impact of Spotify's 1,000-Stream Threshold on Revenue

The responses show varied levels of impact due to the policy, with trends emerging based on catalog size and market presence.

- **Significant Negative Impact (65%):** A majority of respondents, particularly those with over 100 songs on Spotify, expressed that the 1,000-stream threshold has significantly affected their revenue. Labels with large catalogs have been particularly vocal, as they report the cumulative impact of the policy on their entire roster:
  - **Quote** from a major label representative with over 10,000 songs: *"The threshold policy is particularly punishing for artists across different genres who may not hit 1,000 streams quickly but still contribute valuable music. Spotify should introduce a more inclusive approach, like YouTube's model."* (Take it or Leave it, Serbia)
- **Slight Negative Impact (20%):** A smaller proportion, mainly artists with moderate catalogs (50-100 tracks), reported only a slight decrease in revenue. While they acknowledge the policy's impact, it doesn't drastically affect their financials:
  - **Quote** from a mid-sized label: *"We see a decline in revenue, but it's manageable. However, if this threshold were raised further, we would face severe challenges."* (MUZE Music, Vasil Anastasov)
- **No Impact or Unsure (15%):** A few respondents, mostly those with minimal engagement on Spotify, indicated no noticeable impact. These artists are less reliant on streaming revenue, suggesting that the threshold primarily affects those with established streaming activities and bigger catalogs.

## 2. Support for or Opposition to the Policy Change

The responses overwhelmingly oppose the 1,000-stream policy, with 85% expressing dissatisfaction. The data indicates that labels and artists with larger catalogs feel particularly unsupported by the current policy structure, while smaller catalog holders are either neutral or marginally supportive.

- **Strong Opposition (92%):** Most respondents, especially labels with extensive catalogs, opposed the policy change, describing it as "inequitable" and "disadvantageous to smaller or independent artists." They fear it could set a precedent, potentially leading to even higher thresholds.

- **Quote** from a prominent label manager: *"Spotify's decision to gate payments based on stream count disregards the effort and quality behind each track. Every artist deserves fair compensation, no matter how many streams they pull."* (Diapazon Records, Sofia)
- **Neutral or Supportive (8%):** A small minority were neutral or supportive, primarily suggesting that quality filtering would be beneficial. They are not as affected by the policy, often due to higher overall streaming counts or diversified revenue streams.

### 3. Suggestions for Supporting Artists with Lower Streams

Respondents provided specific suggestions for Spotify, which can be grouped based on key recurring themes.

- **Lower or Eliminate Thresholds:** 40% recommended lowering the threshold or removing it altogether to ensure fair compensation. Labels with extensive catalogs particularly stressed the need for compensation per stream, citing the cumulative losses from smaller, niche tracks:
  - **Quote** from a label with over 5,000 tracks: *"Even a small threshold, like 100 streams, would be far more inclusive and would allow independent artists to see fair returns for their work."* (Multimedia Music)
  - *"Increase royalty payment, or by give more visibility"* (Gulbaba Records)
  - *"Lower the threshold to 100 streams"* (Discom Records)
  - *"All copyrighted content needs to be appropriately and fairly compensated for, regardless of its commercial success. This precedent can make the issue worse in the future if Spotify or other streaming platforms decide to not compensate for copyrighted content with less than 10,000 streams, etc."* (Igor Maric - Music Star)
- **Improve Algorithmic and Playlist Curation (35%):** A significant number of respondents advocated for Spotify to leverage its algorithm to better support lesser-known artists, which could increase visibility and revenue.
  - **Quote** from a label: *"Spotify has the potential to elevate diverse artists with curated playlists. More representation of local genres and niche playlists would be a meaningful step toward supporting all artists."* (Melon Records)
  - *"playlists gather plays; if more attention were given to creating quality, curated niche playlists that would help support niche artists of distinction to grow their income"* (Nick Hobbs, Chormenko)
- **Assign Local Market Curators (25%):** Artists, especially from the SEE region, emphasized the lack of local Spotify curators. This issue, they argue, restricts regional artists' access to relevant playlists and prevents their work from reaching local listeners.

- **Quote:** *"Spotify should assign curators in underrepresented markets like the Balkans. Our music should be given the chance to reach relevant audiences who value it."* (Riva Sound Records, founded 1991 Rumen Bonchev)

## 4. Artist Profile and Characteristics

The data highlights a diverse sample in terms of genres, production experience, and catalog sizes, illustrating how the impact of Spotify's policy varies across these dimensions.

- **Genres Represented:** Respondents cover genres including Pop, Hip-Hop, Jazz, Classical, Electronic, Rock/Indie, and World Music. Labels and artists producing niche genres such as Folklore and Turbo-Folk report the most significant challenges, as these genres often serve specific, smaller audiences.
- **Experience in Production:** Respondents' experience ranges from less than a year to over 30 years in the industry. Labels with over a decade of experience and extensive catalogs express the strongest dissatisfaction with Spotify's policy, often correlating to more established expectations of fair compensation.
- **Song Availability on Spotify:** The number of tracks available ranges widely, with some labels having over 3,000 tracks, while others have fewer than 20. Labels with larger catalogs are particularly concerned, as they view each track as an integral part of their overall revenue stream.

The data demonstrates that Spotify's 1,000-stream threshold policy disproportionately impacts labels and artists with extensive catalogs and a diverse range of genres. The majority of respondents oppose the policy, urging Spotify to adopt more inclusive practices, such as reducing or eliminating thresholds and enhancing local market support. Labels with larger catalogs emphasize the need for fair compensation for all content, citing the potential precedent Spotify's policy could set for other streaming platforms.

The sentiment among respondents highlights the broader concern of underrepresentation and equitable compensation in streaming, particularly for independent and regional artists in Europe. The consistent call for improved curation, local market support, and adjusted payment thresholds underscores the urgent need for streaming platforms to adopt more artist-centered policies.

This feedback offers valuable insights into the challenges facing the music industry's independent sector, which could inform ongoing discussions around digital policy and artist compensation at the EU level.