

Popular Music and Online Distribution

Changing Musical Form

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Popular Music and Online Distribution: Changing Musical Form

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Abstract

“The Internet has made music more widely available and increased the convenience with which we can listen to music. We increasingly recognise that recorded music can take the form of digital files. The Internet and related technologies for music delivery have been made viable by advances in compression, data storage, and transmission technologies. To provide greater value to consumers, music labels need to make greater use of retrieval and selection technologies” (Duncan: 2005)

Digital technology has had an impact on the ways that music is distributed. Online music distribution is increasingly changing the ways in which people integrate music into their lives, as it is becoming a digital format that the consumer is able to change and exploit as it becomes more readily available.

The online distribution of music has grown rapidly since the development of online music stores and the creation of MP3s. MP3s have made music very much in tune with the web and other Internet technologies and the consumers' ideologies has changed alongside these developments. The MP3 has created problems for record companies as it has changed the way we produce and distribute our music to the audiences. The consumer has changed alongside these developments in the way they buy and listen to their music and production values have changed. The artists need to embrace the potential of these new technologies, as it is making them more empowered.

In this dissertation I would like to look at the effects that digital technology has had on the music form. I would also like to recognise the opportunities and challenges that online distribution has created for the music industry. How will increasing developments in technology damage the music industry?

Introduction

The Internet's impact on popular music was first noticed in relation to sales of CDs and records, not in relation to the digitisation of music. The threat to the music industry is predominantly established through the development on MP3¹ and peer-to-peer technologies. MP3s have allowed faster access to music files over the Internet and peer-to-peer technologies have made it increasingly easier to acquire this music for free.

Online music distribution is having the most profound impact on the music form due to its ability to hand over more control to the consumer. The changes in distribution methods have become a threat to the large record labels. The 'Majors'² have a control over the distribution of music but with the impact of the Internet and online distribution the majority of power has now been handed over to the consumer. The response strategies adopted by the industry "big four" music groups have contributed to the success of online distribution and the increase in music piracy.

I will begin this essay by looking at popular music and what the term means to us since the introduction of the Internet has changed how we access music.

To answer the question of how music form has changed over the past two decades since the creation of the Internet I am first of all going to look at how musical form changes relative to a network of social, economic and technological determinants.

Further on in the essay I will focus on the technological determinants and divide that further into: production, reception and distribution. Looking into the current methods of distribution I will then concentrate the essay on the popularity of online music distribution and look at the advantages and disadvantages that it has had on the music industry.

¹ MP3, audio format that reduces the size of a file by up to 90%

² The Majors: the "big four" music groups — Warner Music Group, EMI, Sony BMG, and Universal Music Group — control about 70% of the world music market.

What is Popular Music?

The term popular music is difficult to define as it covers lots of different types of music and people have a variety of different ideas for what the term means today as it has changed somewhat over the last few years. For this reason I am going to start this essay by understanding people ideas of what the term popular music means to them and what types of music it might apply to.

The popularity of something is often defined by looking at its appeal to its audiences. Something is considered popular if it is enjoyed by a lot of people. In relation to music, the idea of 'popular' would relate to music that is received well by the masses. We base this idea of 'popular music' on things like CD sales and the Top 40³ charts as these would suggest that they are popular due to the music being bought by the consumers.

Looking at the different styles of music that are in the charts, 'popular music' doesn't refer to an individual style of music. Closer examination of the charts reveal that it covers dance, rock, Indie⁴ and RnB, amongst many others. For this reason, the term refers to many different styles of music that are considered popular based on their sales amongst the consumers.

So is popular music then the opposite of 'unpopular music', the music that isn't in the charts? Does the above definition of the term popular music suggest that if music isn't in the charts then it isn't popular music? Most people today know that we can't judge what music is popular based on CD sales alone as the Internet has changed the way music reaches us and the way we access it. So how else can we now define the term popular music?

The term pop music can refer to a specific kind of popular music, as in "bubblegum pop" or simply just 'pop' music. 'Pop music' is not an abbreviation of the term popular music. It refers to a style of music much in the same way we have 'rock' or

³ Top 40, the songs that are considered the best **selling** music at a particular time

⁴ Indie, Independent from commercial pop music and mainstream culture

‘classical’ music. Pop music has its own ‘style’ and much like other types of music has its own characteristics and ‘sound’.

‘Most pop songs last less than five minutes [...] single songs of short duration are a fundamental musical characteristic of pop’ (Horn, 2003:6)

Pop seems to have connotations for the music sounding a particular way. If you compare pop to rock for example you can begin to see the way pop music is valued as a ‘style’ of music that may only have a home in the charts and not so commercially as other ‘styles’ of music. A small comparison with the production practices of rock music shows a few important differences between rock and pop music.

Pop

Singles

Emphasis on recording

Emphasis on technology

Artificial

Ephemeral

Rock

Albums

Emphasis on performance

Emphasis on musicianship

Real (‘authentic’)

Lasting

(Horn, 2003:4)

There is an emphasis placed on technology in pop music, which would explain more clearly the ‘sound’ of pop, whereas rock music is more reliant on instruments and so explains why other types of music seem to stay around longer than ‘pop music’. So pop music can also refer to music that is purposely made to distribute commercially amongst a younger audience, as the older generations are less likely to buy into this new ‘sound’.

For this reason alone, popular music is definitely not ‘pop music’. Popular music is music that is most widely listened to. But even this definition of popular music isn’t enough to define the term. As the way we access and listen to music has changed, it is becoming increasingly more difficult to find out what music falls under the term ‘popular music’. The inability to be able to follow what is ‘popular music’ is now down to technology changing the ‘rules’ about how we get access to music and the ways it is distributed to us.

Music's technology has had the biggest impact on the way that popular music has changed. In particular it has changed the production and consumption methods of 'popular' music but most significantly, it is the distribution methods that have changed and it seems that this is being overlooked.

The Internet has most significantly aided the changes in the distribution of popular music the most and it has changed the way we look at the term 'popular music' as we can no longer solely relate popularity to CD sales or music in the charts. Before Internet technology became so intertwined with music, there was a certain amount of control held over distribution methods and this control meant that 'popularity' of certain types of music could be controlled to some extent.

Popularity of music used to be attributed to the way it was marketed to its consumers, which is why now more than ever its most popular method of distribution has become online. This distribution method not only reaches a mass audience but it is aimed at the younger consumers that have the most disposable incomes and are more willing to buy their music online.

Distribution of music is playing a major role now in the reception of 'popular music' and it is making the term very confusing and somewhat 'woolly'. Changes in the distribution methods of music means that the 'power' has not only been handed over to the artists as they have new means of distribution through the new technologies, but also to the consumer to have a greater choice of where they get their music from, how much they pay for it, if they do pay for it, and where they listen to it. How can we define what is classed as 'popular music' when there are lots of means of distribution, all of which are popular to different types of consumers. So does that then mean that most types of music fall into the idea of 'popular music'?

We are able to listen to music in our cars, in shops, on our MP3 players, on our computers at work or in the home and not forgetting live music in bars or clubs.

So if computers and Internet technology has taken over the way we access and listen to music then how do we now know what is popular music? If CD sales don't

represent 'popular music' sales accurately anymore, then technology is changing the way we should judge music's popularity. 'Hits' on music sites seem like a new way to look at popularity of different types of music, and in a way replaces the idea of the charts. Some music that is online, also only exists online, but having the ability to download the music means that we can listen to it on our computers or MP3 players. The only problem with this is that music becomes simply a digital 'file' on computers, and file sharing means that not all of us are paying for our music even though we might be listening to it. So how do we judge what is 'popular music' if not all music is paid for? Perhaps the term 'popular music' is now a term that one should use very lightly in reference to our own musical tastes.

I have found that 'popular music' covers most styles of music and is not based solely on chart music, as changes in distribution and reception mean that the charts are not as accurate as they used to be. The changes in technology over the past three decades has had a major impact on the distribution and reception of music and for this reason means that most music now can be labelled 'popular music'.

This chapter looks at what is defined as popular music today as social, economical and technological determinants have changed the term popular music. In the next chapter I intend to look closely at how and why the music form has changed based on the social and economical determinants, but more significantly how technology has changed the music form.

Change: Social Economical and Technological

In this chapter I am going to look at the social and economic changes that have impacted on the music form. The term 'musical form' is in reference to the way a piece of music sounds or the 'format' in which the consumer receives it. If the term 'popular music' has changed over the past few years due to technologies like computers and the Internet then it is understandable that the music form may also have changed with it. It is important therefore to look at how and why the popular music form has changed.

There are three key determinants that change the musical form and these can be divided into social, economic and technological.

Social

Young consumers of popular music are accustomed to accessing music through their computers or television. Having been brought up with MTV and various music channels they are familiar with accessing music through 'digital media'. 'Popular music' has changed as these technologies have developed and music has been made more widely available and provided us with an increasing variety of ways in which we are able to listen to it.

The importance of music socially is evidently shown by the music industry constantly changing. Technologies that develop new formats to make music portable shows that we are an economy that surround ourselves with music no matter where we are or what we are doing. As the music form changes, so do the products and services. Examples of this are the following: The Walkman for audiocassette tapes, the Discman for CDs and the iPod and multiple MP3 devices for digital music.

The popularity of change to the distribution models represents the consumers desire to access music with ease from wherever they choose and even the possibility of acquiring it for free. Does this change in the music form reflect our social needs?

Today's economy has a 'disposable income' yet most want to jump on the bandwagon of online file sharing⁵ or online downloading to access music less expensively.

Music is important socially as it gives individuals the opportunity to express themselves through the music they listen to and the culture that particular types of music are associated with. When music form changes and methods of producing and distributing change, in turn so do the artists and consumers. For example 'bedroom DJ's' that understand the music form has changed by instruments becoming more linked to technology, enabling us to extend the music that we produce at home and distribute it ourselves at no extra cost.

Economics

Economics has also played a part in the change to the music form, in particular to new musicians who want to break into the music market. In the past, if you are a new artist and you wanted to get your music heard then you needed to be signed by a record label as distribution of music was primarily controlled by decisions made by the 'Majors'. Now, new music artists are able to produce their own music and distribute it without costs to the music labels as well as being able to promote their music with no extra costs due to networking sites such as MySpace. It is important to the consumer that they have control over how they access and purchase their music.

Technological

With the constant changes to technology it has now become an issue to what rights you have once you have purchased a piece of music. For the population that still pay for their music it is important that they have the same rights that existed before digital music began to dominate in the mid 90's with the creation of the MP3.

'The Internet and related technologies for music delivery have been made viable by advances in compression, data storage, and transmission technologies.' (Duncan: 2005)

⁵ File sharing, making files available for other users to download over the Internet and smaller networks

As consumers acquire technologies such as computers and most people now have access to the Internet it is important to recognise the change to the music form. The music economy has a significant amount of new music circulating due to the computers and software available and offers music listeners more choice in what they listen to and how they choose to listen to it. The economics of the recorded music market has changed significantly predominantly due to the online distribution of music and digital music has become profoundly popular amongst the masses.

When looking at the way the music form has changed, it is important to look at the changes in technology that have changed music and the way it sounds, with synthesisers and bedroom DJ's becoming the norm. We understand that music has changed because of these technologies as we have noticed this over the years in the ways that instruments have changed to allow us to extend what we are able to produce in our home, using software that does a lot of the work for us. But these technologies are not the ones that have had the biggest impact on the music form

Social and economical determinants have changed the music form but primarily it is the technological determinants that have created the changes. In the next chapter I will look at the technological determinants that have changed the music form.

Technology Changes Form

Internet

In this chapter I am going to look at the technological determinants that have changed the music form focusing on the Internet and MP3 technology. I will also look at the control of copyright using digital rights management on music.

The biggest technological factors that have changed the music form are computers and the Internet. Internet technology over the past two decades has had a profound impact on music and the way that it is changing the music form. Whilst the social factors are possibly more important as an influence on music than politics or economics, technology has by far had the greatest effect.

Technology changes form can also be technology changes format. Technology has allowed digital music to come in a variety of digital formats in order to meet the needs of a wide range of consumers. Technology has given us MP3s, quicker Internet access (broadband) and larger memory (RAM) on our computers. This means that we are able to download music online and store it in copious amounts.

MP3s

The MP3 has become popular as it keeps the same quality as CDs but it has a smaller file size and is easier to download online. For this reason, it is important in the way it has changed the reception methods of music. With the invention of the MP3, which was created in 1995, downloading has become more and more popular. Compressing music to the MP3 format means that it is now very easy to 'transport' music on the Internet and due to the size of the file it is possible to keep a very generous amount of music on our computers at home or at work.

There are now many online music stores, for example iTunes, HMV, Tesco, Virgin, play.com with the most popular being iTunes. iTunes is Apple's 'music download service' and has the biggest sell of online music more than any other online music store. These services have helped changed the ways in which we access and purchase our music.

Although iTunes has encouraged consumers to access and purchase their music online it seems that they have still failed to win some consumers. This is due to the fact the music they sell has a copyright protection. The idea behind the copyright protection is to stop people distributing music that they have purchased legitimately.

‘Its called DRM – digital rights management – and it involves embedding special code into music files to impose certain restrictions on what you can do with them once you have downloaded them.’

(2006) Rough Guides: iPods, iTunes & music online

This means that for someone who has legitimately bought music from the iTunes store, the DRM software means that they are limited to where the song can be played, for example it can't be played on more than one computer at a time. The DRM software has been created to stop people from pirating music but surely if you buy music and you can't listen to it when you want then this will stop you buying music online. ‘Especially when pirated music is so easily available for free.’ (Maney, Kevin: 2007)

It is understandable as to why the music labels feel the need to keep a control over copyright. Although, it does not make sense to have DRM on our digital music when we never had DRM on CDS. Once we burn our CDs to our computers it becomes digital and then we have the freedom to do whatever we choose.

‘At 99 cents a song, digital downloads don't offer enough value to give up the packaged CD niceties’ (Maney, 2007) – so music must be being ‘acquired’ somewhere else?

So DRM seems to not be working, as people must be ‘acquiring’ music in other ways online. Burning your existing music collection to your computer and sharing files and then hoping that someone else does the same but has a different music collection is the perfect example of why it has become popular. It mostly means you share your existing library of music and you have access to collection of music libraries worldwide.

Production, Reception and Distribution

This chapter focuses on how the technological determinants that have changed the music form have had a significant impact on the production and reception of music. This chapter predominantly focuses on the technologies that have encouraged the change in the distribution methods.

Technology has allowed artists to have more control over the way they produce their music. It has enabled artists to create their music less expensively with their own money rather than losing money if a large record label were to help them produce their music.

Musicians that produce their music in a studio don't make any money back from their music until the costs of production have been covered. For this reason it is recognisable as to why the prices of albums or singles are so high. This is changing with technology making it possible for the artists to produce their own music. The lack of collaboration with a record label and producer changes the 'value' of the music as it was made inexpensively which means in turn that the consumer is not willing to pay as much as before when the price reflected the collaboration process. Consequences of these changes means that there is now a pointlessness to high production values because now the distribution systems have changed we want to continue to pay lower prices, or nothing at all.

Music is experienced by individuals in a range of social settings from being alone to attending a large concert. It is becoming increasingly easier to access music at a time that is convenient to the individual, as well as choice of the device. Many of us have computers at home or in the work environment which gives us constant access to the Internet and music libraries on our machines.

The distribution of music has changed with the influence of the Internet. Internet has changed the way that people access music by making it more widely available. At the moment music is still delivered in physical formats such as CDs but online distribution primarily dominates the music market. We can see this as sales of CDs have fallen significantly over the last few years.

It is interesting that it is the distribution of music that has changed the most dramatically over the last decade. These changes in the distribution methods have had the most profound effect on the music form; most significantly, it has been the popularity of online distribution. Looking back to when we only had radio or vinyl records, then from record cassette tapes and hi-fi systems to portable tape and CD players we can recognise how significant the Internet and online distribution has been to the change in music form.

The shift to online distribution came about with the creation of the MP3. MP3s made the file size of music smaller and with the combination of broadband and faster Internet connections allowing the consumer to download music more quickly and store more on their computer it soon became very popular. Although many record companies are still hesitant to make their music available this way as Internet piracy has become very popular. Secure 'music distribution systems' have been put in place to prevent music piracy such as DRM, although this makes it increasingly difficult for the companies that use this as many existing formats such as CDs are DRM free.

Online distribution changes the way that we choose our music. It means we are able to download singles rather than buying the whole albums. It allows us to purchase the singles cheaper, and sometimes even for free. Is it that we can't afford 'physical' music such as CDs, or is it just that we don't want to spend our money if we can get it with no cost. It seems obvious that if it is possible to acquire music cheaper, or even free, then inevitably consumers will do this. If bought music comes with DRM then this leaves the consumer unable to transfer the music they have downloaded onto the music player of their choice, therefore people will choose to access the 'unsecure' music.

It seems unfair to secure online music in this way as for the past decade we have been use to music that is DRM free. Over the years, the older consumers have bought tapes and CDs, which will still allow them to put music on their personal computers and create compilations of their music, if they wish to do so. So why should it be any different when we now purchase music online. Using iTunes as an example, you can download a single or album from them but there are restrictions to the music that you

have bought, which suggests that even though you have bought it you still do not own it.

‘...Apple reserves the right to change at any time what you can do with the music you purchase at the iTunes Music Store’ (EFF)

An example of this, in April 2004, Apple decided to modify the DRM so people could burn the same playlist only 7 times, down from 10. This means that the consumer may only be paying 99cents for a single but they are getting less for their money than they would if they had bought a CD.

Internet has brought about many positives for its audiences when we look at the way we can reach music and music can now reach us. It has become easier for us to select our methods of ‘reception’ with music. There are many distribution methods, which means that everyone should have access to their music in whichever form they choose to listen to it. The developments in digital audio and the Internet have meant that the control has now been handed over to the consumer and is no longer primarily the responsibility of the music industry. Has this made the consumers collaboration with the music industry non-existent?

The Popularity of Online Distribution

This chapter looks at the distribution methods of music that exist through the Internet and what it is that makes online distribution popular amongst consumers. The focus at the end of this chapter is on file sharing and what effects it is having on the music form and those involved in the music industry.

It is easy to recognise the impact that digital technology has had on the recorded music market. The physical formats such as CDs are still purchased in the same way, as they would have been before the Internet began selling everything. Ordering music online (via Amazon.com) for offline use seems strange in comparisons to the popular distribution methods today. Sales of CDs have dramatically fallen as the Internet has created numerous methods of distribution.

Online music stores are a successful distribution method on the Internet. There are music stores, which mimic real stores by selling singles and albums, which are then posted to you. These are successful by offering deals on the 'product' such as offering CDs at discounted prices (via Play.com)

Another type of music store that can be found online are the ones that sell digital music, such as iTunes. In the same way as a high street store, iTunes offers the choice of purchasing a single or a complete album. Apple has been successful since the launch of the Music Store and has even sold songs at the price of 99 cents. The concept behind the Store was that it could 'beat "free" by being easier than free', which worked as it has been successful and has sold a high number of songs, but can music you pay for ever 'beat free'? There is no doubt that there is a great deal of competition to offer and sell music on-line.

There is always going to be competition when selling music online which is why it is clear to see how file sharing has become increasingly popular. File sharing uses peer-to-peer networks and has become popular over time due to DRM restrictions that are being placed on digital music. In an attempt to control distribution and keep a hold over copyright, digital music distribution have placed digital rights management on their music. This is unpopular amongst the consumers as it means that they can

purchase music but they won't own it. Which means that although they have paid for the right to listen to a piece of music, they won't have the ability to burn it more than a handful of times and it may only work on one device.

File sharing is the availability of files over the Internet to download. It has become a popular means of music distribution even though it is considered illegal, as it is free distribution. However, it is a difficult challenge that the music industry faces trying to control the distribution of music from this method, as there are a high number of users.

File sharing has been blamed for the fall in music sales but this is not the only means of distribution that can't be controlled. Sales of CDs and online music services could also have been affected by other factors such as CD burning and distribution. Of course, the biggest problem with not being able to control file sharing is that artists don't get paid for their music. The music industry's reaction to this is to make all music with DRM, even some CDs. Rather than trying to eliminate file sharing or the peer to peer technologies; the music industry should find a way to compensate the musicians and producers that lose money through these forms of distribution

'...The last thing you will do is try to get a deal with a major label. So in that sense it's leading to a more music-friendly world.' (Battino, 2005)

As the Internet and MP3s become increasingly popular the methods of distribution are rapidly growing and changing. Selling and buying 'products' online has become significantly popular worldwide so it makes sense that music is 'promoted' in this way also. MP3s have allowed us opportunities to access more music online and it has also opened up more ways for musicians to reach their 'potential' fans. iTunes has helped recognise the way music is now accessed but as they have DRM (digital rights management) on the music they sell it has opened up opportunities for other online services to compete. A good example of this is the new MySpace⁶ music service.

⁶ MySpace is a social networking site, which reportedly hosts over 60 million profiles.

Over the past few years, the MySpace website has become very popular. MySpace is a 'social' networking website' which allows people to create an online profile enabling them to keep in touch with friends, upload and look at photos and videos, write blogs, and listen to music. Musicians/ Bands are given different profiles to that of the normal user, as they are able to upload their own music onto their site. Users of MySpace are able to listen to three or four uploaded tracks that the artists have put online. If they are local bands or musicians they can promote events and gigs, giving the fans of their music an opportunity to see them live. Meaning that the bands fan base becomes bigger and may also help them to get signed.

MySpace Music has recently decided to create a digital music store, (much in the same way as Apple) and sell tunes online. The difference with MySpace is that it will allow the unsigned bands and musicians to sell their own songs online. Selling music online could suggest that MySpace is coming into competition with Apple's iTunes as what makes MySpace different to iTunes is that the music will be sold as unprotected MP3s, which means there is no digital rights management. Digital rights management on the music that Apple sells seems to be what is stopping them from selling more music online than thought when they initially set up the online store. Having no DRM on the music bought from MySpace will mean that people will be able to download their music and listen to it however they choose.

"Everyone we've spoken to definitely wants an alternative to iTunes and the iPod. MySpace could be that alternative" (Chris DeWolfe)

The immediate plan is to allow MySpace artists to sell their songs on My Space through both their own MySpace pages, and also on fan pages. The songs will be available in MP3 format, and will not be copy protected. MySpace will charge the artists a small distribution fee per download, and the artist can choose to charge whatever they like for the download above and beyond the My Space charge.

I agree that this is most definitely an alternative to Apple's iTunes but the difference is that Apple is selling music from bands and artists that are already well known and have contracts or are part of a record label. The difference with MySpace is that the music they will be selling comes from unsigned artists. Much in the same way that

people still buy CDs from shops or go to see live concerts, selling music on MySpace will simply be another way of distributing music that will only be popular for some of those that use MySpace to look for new music.

It would be interesting to see if selling music this way is successful as surely if people illegally download music from bands that are already popular then why would they pay for music from bands that are at the moment mostly unsigned. The popularity of this surely still depends on the individual and their buying habits. Apple's business model still relies on digital right management but if MySpace becomes popular in selling music this way then surely Apple won't be too far behind in following.

Snocap, the music distributions service from Napster⁷, will power this new feature of selling digital music on MySpace. Snocap have just recently launched their MySpace music player and users buy their music using Paypal⁸.

Selling unprotected music on MySpace will have the biggest advantage for unsigned bands as it opens up for them more promotion of their music and a bigger fan base that may not have existed so clearly. MySpace Music also benefits bands that are already popular as it acts as a form of promotion for their music, making it more popular to wider audiences. It has helped bands, for example the Arctic Monkeys, as it created more publicity for them. In fact the Arctic Monkeys MySpace page was set up by the bands fans. Which means even more so now that promotion for the artist's music is easier as it allows them to reach all their fans. The reality of this new distribution method is telling us the audience isn't listening to radio or watching music channels as much as before. The majority of the audience is now online.

For unsigned artists, MySpace selling digital music without DRM is what will make it successful. Selling MP3s that are DRM free means that the buyer can play their music on whatever device they choose, even an iPod. Record labels are having a hard time popularising new releases; they've historically relied on radio and MTV, but those

⁷ Napster: Online music service, which was originally a file sharing service. It was the first widely used P2P music sharing service that impacted on how people used the Internet.

⁸ Paypal is an e commerce business that allows payment to be made over the Internet

venues have lost a lot of their input primarily because the audience is going to the Internet.

If MySpace selling digital music with no DRM becomes popular this will have a big impact on the record labels and the way that music is marketed. The Internet and MP3s have changed the way we access music which in turn has changed methods in the way music is distributed. The popularity of online distribution has further changed existing online services, and the competition for music to be 'bought' online is having the best impact for the musicians and audiences by cutting out the costs for production and promotion.

DRM has created a lot of argument as it has been put in place to give content providers control over redistribution and access to material. Most internet music stores employ DRM to restrict the usage of music purchased and downloaded online. The best way to compete with MySpace now would be for the record labels to test the water and sell music with no DRM. A record label called EMI [EMI Music is one of the big four record companies] has been experimenting with DRM free MP3 releases from artists Norah Jones and Lily Allen. There was a good responses from this which suggests that music record labels need to better understand and engage with their audiences to find out the best distribution models.

With the invention of MP3s and the popularity of file sharing and free downloads there have been significant losses within the industry for the record companies and artists. In this chapter I am going to look at Internet music piracy and the facilities that allow us to download music without paying for it. With proliferation of the ability to download music for free illegally, the large record industry corporations and their recording artists are losing money.

Benefits and Disadvantages

Benefits and disadvantages of online distribution

The distribution of music has changed with the influence of the Internet. Internet has changed the way that people access music by making it more widely available. Music is still delivered in physical formats like CD's but online distribution seems to be taking over. The music form has changed significantly through the technological determinants changing and developing most profoundly our methods of online music distribution. My aim in this chapter is to look at the role that online distribution has played in the changes to popular music and the music form socially and economically. There are other distribution methods, which don't use the Internet, but my area of interest lies in online distribution.

“Online music distribution is set to grow significantly over the next few years...”

(OECD Report: 2004)

As we lose the selective decisions of music released by the big labels we begin to make more choices about the music we like and choose to listen to. Music is divided into categories, which describes the ‘sound’ of a particular type of music. Rock. Pop. Most people know which music falls onto what category and most people will tell you what music they like using these descriptions as well as naming bands. Fans of particular styles will know the ‘sound’ and most often will favour a style of music. For this reason now more than ever that music is growing in its variety, it is now becoming a badge of identity.

“With so much that seems positive in these changes, we may overlook the new segregations of taste and audience which have resulted...”

(Jones: 2002: 16)

Online distribution has created more variety for the consumer. It has changed the way that we choose our music and as the younger generations are being brought up with computers and Internet technologies it makes access to music online the preferred choice. Most significantly, the Internet has changed the variety of music that is now available to us. Sites such as MySpace have provided us the opportunity to hear a

larger range of music from bands and artists that are unsigned. Giving the musicians opportunity to promote their music and gigs to a large network of people gives them the chance to build a worldwide fan base. Music that would have possibly never made it through the 'commercial channels' are getting exposure through free promotion, even more so eliminating the need for the record labels. Free exposure is indeed saving the record label money on marketing and distribution costs but at the same time it is making the obsolete.

The variety of music that is now available has created niche groups amongst the consumers. The new distribution methods benefit the smaller music artists as well as the signed groups that belong to record labels. MySpace is a good example of a beneficial online community that has developed and grown bands profiles as well as helped in the promotion of unsigned artists. Promotion of music by being able to upload samples of the bands music help interest amongst the consumers and opportunity to raise awareness of upcoming gigs to them in order to secure a fan base. Having an existing fan base then makes the artists music more appealing to record labels as part of the hard work of advertising and marketing have already been done adding no cost.

As soon as music became digital it has made its distribution methods more difficult to control and has made it increasingly easier for people to access music for free. It has threatened revenue streams and has offered no alternative compensation to the musicians for their music. Digital music means that cost of creating music has fallen as much as distribution costs originally looked after by record labels meaning that effectively the price of music is now almost non-existent.

Having the facility to purchase your music online is great as there are a variety of methods that will appeal to the different consumers. Similar to the way we use to buy music from music stores, we now have online music stores where we are able to buy albums online, eliminating the need to leave the home as you can buy online and have it delivered to your home. More significantly, online is the opportunity to download music through services such as Apples iTunes, which allow us to purchase music more selectively.

We can choose to buy albums or singles in the same way as before but it is more affordable as singles are sold for 79 pence allowing us to individually choose tracks on an album rather than purchasing the whole album like you have to in a music store.

The idea of being able to select individual tracks to listen to reflects the way we may listen to CDs and skip tracks that we may not necessarily like. It emphasises our needs as a consumer to choose our music more selectively, much in the same way as we used to create mixed tapes or still make compilation CDs to ensure the music that we like fits into one medium.

Disadvantages of this mean that now more than ever, the music industry is trying to regain control of distribution. Efforts to control distribution have resulted in giving the consumer less hold over the music they purchase. The DRM on the music sold by iTunes restricting its play to iPods and limiting the number of computers the consumer is allowed to 'copy' the music track onto is a good example of this.

Basically:

“...Music fans often get less for their money than they did in the old world of CDs.”
(EFF)

DRM⁹ is quickly becoming a large issue regarding the purchase of music online and putting copy protection on music that the consumer has legitimately purchased makes alternative methods of downloading more appealing. DRM locks users into certain services and devices and much in the ways of the economy today, the consumer wants more for their money.

There is significant evidence that new distribution methods have created a loss for the amount of music that is being sold. “During one four-month period of 2002, the number of music files available on pirate sites nearly doubled from 500 million to 900 million. At the same time global music sales in 2002 fell by around 7%. As a result around 250 million fewer albums were sold in 2002 than in 2001.” (Pro-music)

⁹ Digital rights management technologies attempt to control or prevent access to or copying of digital media, which can be copied with very little cost or effort

With the popularity of being able to acquire 'free' music there have been losses for the bigger music artists that

'Perhaps the most worrying development is that the majority of people downloading music from the Internet are young music fans, which are also the biggest consumers of music. 41% of young people in Europe who get music 'for free' say they buy less CDs, compared to only 19% who buy more. A whole new generation of music lovers is damaging the very diversity they look out for in music.' (The Free Music Myth)

'One third of active file-sharers spend less on music since they started getting it for free.' (Pro-music)

Conclusion

This dissertation has been written up to date as to the end of February 2007 as the music industry is constantly changing. This reason alone concludes how significant the changes in our methods of distribution are to the industry as well as the economy of the consumer.

My aim in this dissertation was to identify the key determinants that have changed popular music today. My research has helped me to identify what has had the biggest impact as well understanding why certain methods have become more popular. The obvious recognition in the change to music is the development of the Internet and MP3 technologies. These changes have revolutionised the way that music is produced, accessed and distributed by and to the consumer. The reality of the effects of the Internet is highlighted through online music distribution, which has been significant to the changes that have occurred effecting both record labels and the artists involved in the music industry.

The dissertation implies that the consumers are changing along with the distribution methods and the artists that are now creating music. Technology is making online music popular and the consumers are using what is available to them at the cheapest price. It supports the idea that online distribution is dominant as we can see that the record companies are still trying to control music using DRM. These controlling methods are not very successful and are leading consumers to access music elsewhere.

The creation of illegal sites has created an expectation for some music consumers. The knowledge of the consumer to what is now available on the Internet has raised expectations for legal music services on and offline. The file sharing community has been largely growing due to the extent of what is available via this method of reception and the 'time-rich, money-poor' generation need services which now compete with the easy and convenient downloading opportunities.

The 'major' distributors need to embrace the change that the Internet and distribution have had to music. Only by embracing it can they begin to compete with file sharing

and illegal music downloads. It is difficult to compete with free which is why they probably feel that they are unable to control the economy of music, yet research shows that consumers are still willing to pay for their music. The distributors just need to make sure that they offer us value for money in terms of what the consumer's expect today and the ability to still choose the devices on which we listen to our music. Once we have paid for music, we expect rights to do what we choose and we effectively own it having bought it. We will pay for music if we have rights to use it how we please. This doesn't account for people copying or making CDs and then giving them to other people but this has always existed since CDs have been around, why start putting DRM s on everything now. We had more rights with our music when buying CDs and tapes than we do now by downloading from the Internet.

“While technology now enables users, through digitisation and compression, to ‘reduce’ songs to small and easily transferable files over the Internet nothing can reduce the creativity and emotion that goes into making music in the first place.”

Sony

This month marks a profound shift in the sale of online music as EMI Group has agreed to provide its online music through Apples iTunes without Digital Rights Management. We can begin to recognise this as a significant change to the sale and distribution of music as all efforts in the past have been to protect music with copyright and DRM restrictions.

‘How that premium breaks down among EMI, Apple, and artists is unclear, but it will provide higher margin digital revenue, and the conversion to a DRM-free format entails little additional cost to EMI. Even with these benefits, the most likely outcome is that DRM-free music will have little positive impact on sales over the short term and could even be detrimental’ (Altberg: 2007)

File sharing has become a dominant form of music distribution and it will be surprising if the small that EMI have made will have a significant effect on consumer's attitudes towards the music industry and how they choose to access their music. It has become increasingly obvious that online distribution of digital music has

played the most dominant role in losing the collaborative process of the production and distribution of music and changing the music form. We are perhaps losing sight of why we listen to music in the first place. In order to keep consumers interest and to still keep revenue streams running from music we need to make music available in a way that matches the consumers social and economical needs. This will ensure that there is less illegal access to music and that music is still being purchased in order to keep the music industry alive.

Should bands and artists therefore be making their money through live performance, as it seems other revenue streams are lacking the support. Music is about emotions and we all love particular songs as they remind us of people or moments in our past. There in lies that the satisfaction of music for the artist should come from a performance, about the passion for the music they are playing, and surely not just the money they earn form it.

The changes to the music industry have had positive and negative effects therefore it is impossible to determine how the future of music will continue to changes. Bands and artists want to make money from their music but surely the underlying reason they make music is because they have a passion for their art form and they enjoy performing. Over the years, we have possibly lost sight of why people make music, as we have become use to the more recent methods of reception.

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