

## CASE STUDY: THE MUSIC INDUSTRY, TECHNOLOGY AND ENERGY SYNERGY

- **An outline history of the music industry**
- **The structure of the industry**
- **Synergy, convergence and the contemporary music industry**
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The 'music industry' is integrated with other media industries, but also has its own unique features. In this case study we look at those unique features and focus on the way in which music products have been so important in the introduction of all kinds of other media technologies. Musical performances and recordings have always offered the potential for **synergy** and **convergence** – helping the development of other media industries through sales of related music products and incorporation of music in other products.

### An outline history of the music industry

#### Beginnings

The gramophone was invented at roughly the same time as film projection, and together the new technologies spread around the world at the start of the twentieth century. The first companies to exploit the possibilities of the gramophone produced both the machines themselves and the 'software' – cylinders at first, but then discs. Some familiar names were involved from the beginning, HMV (His Master's Voice), Columbia, Victor, etc. Recorded music was one of the first forms of mass-produced 'home entertainment'. Previously, music-making in the home had required both the musical skill and the resources to purchase instruments and learn to play them.

Some of the first companies involved in the new industry were already involved in publishing sheet music or manufacturing musical instruments. One company made billiard tables for wealthy homes, but another produced gramophones alongside typewriters – another key technology of the period. This link between business and media technologies was revived in the 1990s when music moved to computers that were first developed as business tools. The early growth was not confined to America. Companies developed quickly in Europe and around the world – HMV India was founded in 1901.

'Music companies' earned a great deal of revenue at this time from the sale of 'sheet music'. The publishing rights to popular songs meant that even though the mass audience couldn't afford to buy a gramophone and records, they could buy the music and play/sing the songs themselves.

#### 1920s – radio

The gramophone industry was boosted in the 1920s by the arrival of commercial radio services. Not only did the new services (primarily in America) offer the opportunity for recorded music to be played to a mass audience, but the manufacturers of gramophones

found themselves well placed to become involved in the production of radio sets. This period saw the foundation of RCA-Victor (the Radio Corporation of America joined with the Victor Record Company in 1929).

The rapid development of radio had helped to create the economic 'boom' that eventually ended with the Wall Street Crash of 1929 and the start of the Great Depression. But this was also a period in which sound was developed in the cinema – first on disc and later on film. RCA became part of one of the first modern media corporations when in conjunction with theatre chain Keith-Albee-Orpheum, it formed RKO Radio Pictures, partly to promote its own 'sound on film' system. RKO was one of the 'Big Five' major studios that established the Hollywood studio system in the 1920s. It was also one of the first **media conglomerates** encompassing radio, recorded music, vaudeville ('live' light entertainment) and cinema with its showcase at the 6,000 seat Radio City Music Hall in New York. (An outline of RCA history is available on the website at [www.rca.com](http://www.rca.com).)

The early record companies established themselves overseas in all the principal markets. The Victor Company of Japan was bought by the Matsushita Electronics Company in 1954 and as JVC introduced the VHS cassette in 1977.

### **1930s and 1940s: jukebox and Hollywood**

Record sales plummeted at the start of the 1930s with the impact of the Depression. But still the influence of recorded music spread. The jukebox, a striking example of 'new technology', playing sixteen or twenty-four different records, became an alternative to radio as a means of both providing entertainment in bars and clubs and creating interest in particular performers (providing record labels with a means of assessing popularity). Music was an important element

of films in the 1930s and 1940s with musicals and music performances featured in other genres. There were also 'musical shorts' featuring popular music stars. 'Soundies' were short films that could be seen and heard on special jukeboxes.

One important development in this period was the 'institutionalising' of different genres of popular music, particularly black music (known at the time as 'race music') and 'hillbilly' or country music. Supported by a distinctive culture and a chain of dedicated radio stations and record labels, these were the first indications of both 'market segmentation' and 'roots

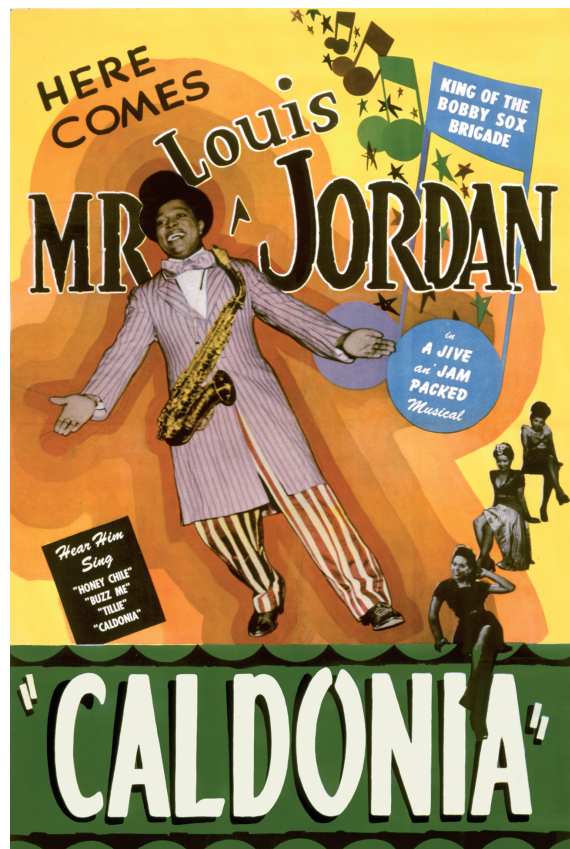


Figure 7.12 *Caldonia* (US 1945), an eighteen-minute 'extended short' featuring one of the top black stars of the 1940s, Louis Jordan, who wears a 'zoot suit' with a 'reet pleat and a drape shape'. The tagline refers to a popular Hollywood film called *Here Comes Mr. Jordan* (1941) (John Kish and Edward Mapp, (1992), *A Separate Cinema*, Noonday Press: New York).

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culture' in the commercial media environment. Both black music and country music found their way into Hollywood, although the films that featured the music were usually B pictures or independent productions (black cinema existed to a certain extent outside the mainstream at this time, with segregated audiences in the southern states). Mainstream popular music was dominated by 'big bands'.

### **1950–60s: Hollywood and rock 'n' roll**

The music industry expanded in the 1950s with the explosion of rock 'n' roll (a fusion of the black music and country music which had been 'marginal' in the 1930s) and the growing affluence of young record buyers. It was also encouraged by:

- the introduction of vinyl 'singles' and 'albums' to replace the brittle shellac records with limited playing time
- the increasing focus on the youth audience by Hollywood studios
- the development of television as home entertainment with its own need to attract younger viewers (a need further promoted by advertisers).

The links between music, radio, film and television grew strong in the 1950s and 1960s. For example, the pop singer Ricky Nelson first appeared as a child in a television sitcom, the *Ozzie and Harriet Show*, featuring his real-life family, headed by bandleader Ozzie Nelson. As a teenager he became a 'teen idol', combining good looks with country-tinged rock 'n' roll and in 1959 he appeared in a major Hollywood western with John Wayne (*Rio Bravo*). This period also saw the first chart-rigging and 'payola' scandals, in which radio DJs were accused of artificially creating hit records, and the establishment of television variety shows.

Television 'specials' hosted by leading mainstream singers such as Nat King Cole and Perry Como were ratings winners, but the most important shows were those like *The Ed Sullivan Show* that introduced new 'stars'. Until this point, popular music, apart from

the biggest mainstream acts whose national profile was reflected through Hollywood, was primarily a regional affair. Records were promoted by local radio stations and often by local record labels. These would be picked up and distributed by bigger labels, but often an artist would remain a 'regional star', especially if the music genre was not nationally popular (i.e. blues, country, soul, etc.). But when early rock 'n' roll performers like Elvis Presley appeared on *The Ed Sullivan Show* (shown only from the waist up – conservative American television decreed his act was 'lewd'), they were immediately seen across America on networked television. In the UK in the 1950s, with only limited access to American records on BBC radio programmes, Hollywood films were crucial in introducing the new music and films such as *Blackboard Jungle* (1955) and *The Girl Can't Help It* (1956) paved the way for live shows from touring American stars. UK television responded with shows such as *Oh Boy!* (ITV 1958–9), with British acts often 'covering' American hits.

### **1970s Hollywood and the soundtrack album**

Hollywood embraced pop stars in the 1950s and 1960s, mainly because they attracted a youth audience. But they put the stars into conventional genre vehicles (see any of the Elvis Presley films, most of which stripped the star of any musical excitement) and made little attempt to use the music itself as an important ingredient. This was despite the takeover of Universal Pictures in 1952 by Decca Records and the establishment of music labels by other studios. It was not until the post-Beatles period in the late 1960s that the studios began to recognise that the performers and their audiences were far more sophisticated than they had imagined and that successful films would be those that were sensitive to the new pop culture.

Significant films were *The Graduate* (1967), which featured new songs by Simon and Garfunkel and saw both single and album success working to help the film, and *Easy Rider* (1969), a low-budget success that put

the 'counterculture' of sex, drugs and anti-war protest onscreen and produced one of the first hit 'soundtrack albums'. Sound tracks had sold before, but usually they were based on previous stage musicals etc. The early 1970s was a very bad time for Hollywood in terms of box-office revenues (i.e. before the arrival of *Jaws* and *Star Wars*). Rock music looked like the future.

There are various 1970s films which have been cited as 'turning points' in the relation between Hollywood and the music industry. *American Graffiti* (1973), *Saturday Night Fever* (1977) and *Grease* (1978) in their different ways all suggested that synergy could work (*American Graffiti* was a nostalgia film using 1950s music, the other two were more traditional in genre terms). Sell the film, sell the album – the two could not be separated. Where previously the studio had commissioned a songwriter, there was now a prolonged negotiation over music rights to existing titles. Music companies were talking to studios. Sometimes they were part of the same company (e.g. Warner Bros) – but sometimes the cost of rights proved too high.

At the end of the 1970s, music on film also benefited from the introduction of Dolby Stereo in cinemas. After nearly fifty years without any major developments in cinema sound, the success of films like *Star Wars* in 1977 convinced cinema owners that they should invest in the new system. It is significant that *Star Wars* produced a successful soundtrack album of 'theme music' and that composer John Williams became a new 'star' name.

### **1980s: MTV**

During the 1980s, music companies benefited from three separate technological innovations:

- the CD
- the videocassette
- cable and satellite broadcasting.

The CD represented a major opportunity to persuade customers to re-equip with new audio technology and to buy new versions of old favourites in the new

format. At the same time, the videocassette increased interest in the possibility of collecting video recordings of music stars and helped to launch the new format (Hollywood was initially reluctant to release films on cassette, so 'music videos' were needed to drive the new market). The new format also encouraged the concept of 'music television' with an increase in the demand for film and video recordings to be made. The music companies wanted such recordings to help market the performers and their new material; the fans wanted the recordings to keep. In retrospect, the potential for 'music television' was there for all to see, but when MTV was launched it took some time to become a success. The music television concept needed a dedicated channel and this was provided by the developments in satellite broadcasting and cable television.

A further innovation in this period was the portability of recording and playback devices, especially the Sony Walkman. The Walkman allowed music fans to change the way they listened to music – in effect to consume more music, because they were not restricted by location. Initially a cassette technology, Walkmans moved to CD and then to Mini-Disc. This last was not ultimately successful, partly because the smaller size did not offer a major benefit to compensate for the loss of compatibility with other systems. That would come with computer files.

### **1990s: music goes digital**

Compact disc technology offered a means of storing music in a digital format. Digital recording techniques were also developing in the 1980s. However, the innovation that would revolutionise 'digital music' was the development of suitable hardware and software for *distribution* of digital files over computer networks. This was achieved largely through compression techniques that eventually produced the MP3 standard. Everybody could use MP3s whereas other compression software only worked on particular

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computer platforms. MP3 meant the development of a means of:

- converting existing digital music tracks to computer files that can be played on any computer
- ‘burning’ a new CD of collected files (or ‘copying’ an existing CD)
- transferring files to a portable MP3 player (lighter and holding more tracks than a Walkman)
- ‘swapping’ MP3s with other users over the internet
- downloading legitimate (i.e. purchased) MP3s to a home computer.

What we should note here is that technologies such as MP3 have been used, much as earlier technologies (i.e. cassette technology), to copy existing material, but also to change the ways in which both producers and consumers think about music products. We will return to this second point once we have looked at the contemporary industry.

### The structure of the industry

Given this history of development, closely tied in with other media, how is the music industry organised

### ACTIVITY 7.12

#### UK music history

The outline history above refers to the biggest music market, in North America. In the UK, the history is similar, but often with events lagging a few years behind. Use the internet and reference books to find out about the following and try to outline some of the important events in the history of the music industry in the UK:

- Radio Luxembourg (1930s–60s)
- *NME* and *Melody Maker* – first charts (1950s)
- Radio Caroline and Radio 1 (1960s)
- Rough Trade and Beggars’ Banquet (1970s record labels)
- *The Tube* (Channel 4 in the 1980s).

today? Not surprisingly, some of the same handful of large media conglomerates discussed in Chapter 7 and ‘Case study: The media majors’ are also the ‘majors’ in the music industry worldwide:

	Groups: Labels	Other Music Interests
<b>Universal Music Group (Vivendi)</b> (www.umusic.com)  Headquarters: Santa Monica, CA, New York, NY	Island Def Jam Music Group, Interscope A&M, Geffen, Lost Highway, MCA Nashville, Mercury Nashville, DreamWorks Nashville, Mercury, Polydor, Universal Motown Records Group, Decca, Deutsche Grammophon, Philips, Verve Music Group etc.	Music publishing, distribution and sale of music products for telephony and download.
<b>Sony/BMG (50:50 partnership)</b> (www.sonybmg.com)  Headquarters: New York, NY	Labels in 30 countries including Arista, BMG, Columbia, Epic, J Records, Jive, LaFace, Legacy Recordings, Provident Music Group, RCA Records, RCA Victor Group, RLG – Nashville, Sony Music Nashville, Sony Urban Music, Sony Wonder, So So Def, Verity etc.	(Music publishing and manufacturing are not included in the joint operation, remaining with the parent companies.)
<b>EMI Group</b> (www.emigroup.com)  Headquarters: London	Labels in 27 countries, including Astralwerks, Blue Note Jazz, Capitol, EMI Records, Mute, Parlophone, Virgin etc.	EMI Music Publishing, Control over Screen Gems, Virgin Publishing etc. New Media, Studios, Manufacturing, Distribution
<b>Warner Music Group</b> (www.wmg.com)  Headquarters: New York	Asylum, Atlantic (Bad Boy, Lava, Elektra), East West, Warner Bros. (Reprise, Warner Nashville, Sire, Nonesuch, Maverick, Warner Jazz), Warner Music International, Rhino Entertainment, Word Entertainment	Warner/Chapell Music Publishing, WEA music distribution

Figure 7.13 Major music companies and labels.

- Sony and Bertelsmann as Sony/BMG
- Vivendi-Universal

In addition, Warner Bros Music has recently separated from its parent in a 'buy-out' and there is a fourth major company in the form of EMI (sales 2004: \$3.9 billion). The existence of a British company which concentrates solely on music in the ranks of the majors is an indication of the importance of the UK music industry – the UK has the highest per capita sales of recorded music and overall counts as the third biggest market. EMI is the third-ranked music company worldwide and the No. 1 in music publishing with rights to a million songs. Attempts by EMI to merge with Warner Bros and Bertelsmann were rejected by the EU – but BMG was allowed to merge with Sony. UK government statistics suggest that 41,000 musicians, performers and composers work in the UK industry. (See DCMS website at [http://www.culture.gov.uk/creative\\_industries/music/](http://www.culture.gov.uk/creative_industries/music/).)

Two 'major' Hollywood-based groups, Disney and Viacom/Paramount, are classed as 'independents' in the music industry. News Corporation is the only media conglomerate without significant music industry activities.

The music industry is not 'integrated' in quite the same way as cinema. The 'majors' are primarily distributors, but not so much 'exhibitors' – in the case of the music industry, the exhibitors are effectively the radio and television stations and the retail outlets. Note here that Disney (owner of American broadcaster ABC) and Viacom (owner of CBS, MTV and VH-1) have a major presence as exhibitors/broadcasters.

### **The importance of 'independents'**

In one sense the music industry is still a 'cottage industry' since the vast majority of the 41,000 'creative talents' in the UK work alone or for small companies. Ninety per cent of the UK industry is classed as 'SME' (Small or Medium Enterprises). It is these SMEs which produce the music, eventually distributed by the

majors, organise local gigs and manage new acts. One of the features of the industry over the past twenty years has been the career path of performers who begin with a small independent record label and gradually move to a contract with one of the majors. (As popular music stars age, they tend to go back to the independents as their market importance declines.) The majors have also created their own small specialist labels in the hope of finding new talent.

In Chapter 7 we discuss the concept of 'independence' in the media industries. Here, we want to note that in the music industry, small independent companies have been able to develop new record labels very quickly. The Zomba company, founded in 1975 in the UK, saw spectacular growth in 2000 with its Jive Records label – home to Britney Spears and the Backstreet Boys. Even though Zomba became a 'global' label while still independent, Bertelsmann bought a 20 per cent stake in the company in 1996 and finally acquired control in late 2002. In 2004, as part of the newly formed Sony–BMG partnership, the 'Zomba Label Group' (including LaFace stars Usher and OutKast) was recognised as the major presence in the American music market, dominating both the *Billboard* and *Radio and Records* charts. While BMG certainly provided Zomba with a sound basis for expansion, Zomba in turn allowed BMG to become a stronger presence in the music market.

### **A global industry**

It is in the global market that the music majors differ from the usual approach of the multinational conglomerates. The Hollywood studios rarely attempt to make films directly (i.e. to finance a local operation) in overseas territories (apart from the UK and now China). Infrequently, they pick up local films for possible international distribution, but mostly they deal in American films. By contrast, the music companies tend to buy local record labels and to acquire a 'roster' of local artists in addition to their marketing of global acts.

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Historically, the music industry has been able to develop in all parts of the world, partly because, unlike film and television, audio recording is a relatively simple and inexpensive process with minimum requirements for technology. It also requires far less organisation of talent and can draw upon deep reservoirs of local performance skills and musical knowledge.

Hollywood became dominant in international cinema by the late 1920s in most territories, taking a significant share of every market, usually through dubbing. But although the large American and European music companies set up operations in most territories worldwide, 'domestic' artists and repertoire have managed to remain important, especially in Asia, the Middle East and Latin America. Nevertheless, the top artists worldwide remain English-speaking. The following music albums sold more than 5 million copies in 2004 (source: International Federation of Phonogram and Videogram Producers, IFPI 2005, [www.ifpi.org/](http://www.ifpi.org/)):

- *Confessions*, Usher
- *Feels Like Home*, Norah Jones
- *Encore*, Eminem

- *How to Dismantle an Atomic Bomb*, U2
- *Under My Skin*, Avril Lavigne
- *Greatest Hits*, Robbie Williams
- *Greatest Hits*, Shania Twain
- *Destiny Fulfilled*, Destiny's Child.

Significant profits are made around the world, but as in most media markets, performance varies between territories. Overall, 2004 saw the market stabilise after several years of decline with total sales of around \$34 billion. For the industry there were encouraging signs:

- The US and UK markets were strong (47 per cent of the world market is represented by the US/UK).
- Digital sales in the US and UK grew quickly.
- Music DVD sales are also growing and replacing lost revenues from older technologies (i.e. tapes).
- Latin America saw a 12.6 per cent increase in sales, partly owing to economic recovery in the continent.

But major problems still remained:

- 'physical' piracy – illegal CDs in many territories, especially Asia, Eastern Europe, Latin America

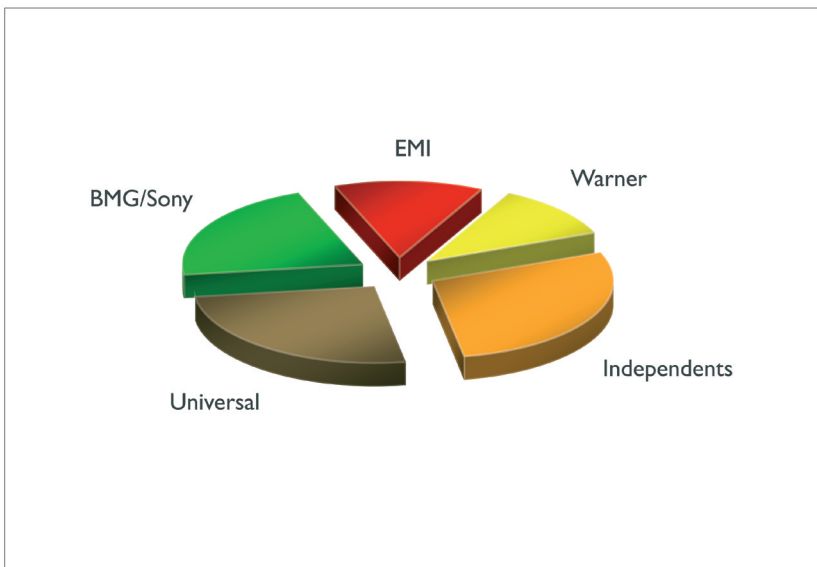


Figure 7.14 The international music market.

- 'virtual piracy' – illegal downloads, especially in Sweden, Finland, France, Spain and South Korea.

Piracy in all its forms remains the major problem for the industry. 'Convergence' means that piracy is now common in both music and cinema/television – both in downloading and 'printing' CDs/DVDs. This means that the majors have even more of an incentive to tackle the pirates. However, the IFPI Report also focuses on the growth of legal downloads and this trend points us towards several interesting questions. (All figures from IFPI Reports 2005.)

### Synergy, convergence and the contemporary music industry

The music industry has been uniquely placed to help each of the other media industries at crucial stages of their development. It has provided opportunities for **synergy** that have been exploited by radio, television and cinema and now by 'new media'. In 2002 the excitement in the UK over the voting for ITV's *Pop Idol* and the subsequent release of the winner's first single showed benefits for television, phone companies and the music industry. In 2005 the UK music industry decided to combine the traditional 'Pop singles chart' with the 'Downloads chart' established only in 2004. Early expectations were that this might see significant changes in the types of music represented in the chart, based on the assumption that sales of CD singles had

'Music and the internet are both natural and unnatural bedfellows. The creation and consumption of music is a personal, cultural experience, and the technology of the internet changes the mode of consumption in a way that is both appealing and threatening – and certainly disruptive' (Martin Mills of Beggars' Banquet Records Group, in the Introduction to *Consumers Call the Tune*, Department of Culture Media and Sport, April 2000).

been driven by young (i.e. 12–13) girls, whereas 'downloaders' were assumed to be largely male and over 15. How do you think the charts have changed – if at all – since the merger of charts?

The boxed quote from 2000 is underpinned by a real concern that the music industry is 'threatened' by new media. This belief was shared by many when 'file-sharing' (i.e. illegal downloading) first began via Napster and other technologies. But since the launch of Apple's iTunes in the US in 2003 and the UK in 2004, and the swift rise to 'must have' accessory status for the iPod, views have begun to change. Now, downloading is big business, with the participation of major players from both the music industry (e.g. Sony/BMG) and the computer industry (Microsoft, Roxio and Real Player as well as Apple).

Compare the 2000 quote above with this extract from a presentation by Alain Levy, chairman and CEO of EMI Music in 2004:

What does our digital strategy include?

- We want to enable consumers to find and consume any music . . .  
 . . . in any form . . .  
 . . . at any time . . .  
 . . . in any place . . .
- No longer only about the number of discs sold  
 Where will we be in 3–5 years time?
- Composition of the 'music pie' is changing  
 – from 100% CD to 75% CD, 25% digital distribution of some form
- It is becoming a much bigger 'pie' overall  
 – new products: e.g. downloads, ring tones, ring backs, dedications  
 – new platforms: e.g. mobile, digital radio  
 – new channels: e.g. Starbucks, airlines, mobile superdistribution
- EMI Music will no longer be a physical record company, but a digital music business at large  
 (Downloaded from <http://www.emigroup.com/financial.html>, 4 June 2005)



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EMI have clearly taken on board everything that has happened since 2000. Like much of the industry, they have taken the view that while it is important to fight organised piracy, there is much to be gained by embracing the new digital market. Another report on the same website suggests that research has shown that customers who buy music online buy more 'units' than those who make only traditional music shop purchases. In 2005 EMI started to sell CDs which included computer software and effectively 'sanctioned' the purchaser to make a digital copy for home use.

### Hardware and software lessons

The presence of Microsoft and the other computer players in the music market is significant in that they are concerned to make profits via the software coding that controls the downloading, transfer, storage and playback of digital files. At the time of writing, iTunes and the iPod are at the centre of the battle between Apple and Microsoft over computer operating systems. The link between the iTunes Music Store and the iPod player is an important 'proprietary' link via which Apple sells more iPods and more downloads since one requires the other. (In 2004, 1 million tracks were available for download and 200 million downloads were made. iPods accounted for 20 per cent of all MP3 players sold worldwide (source [www.pro-music.org](http://www.pro-music.org).)

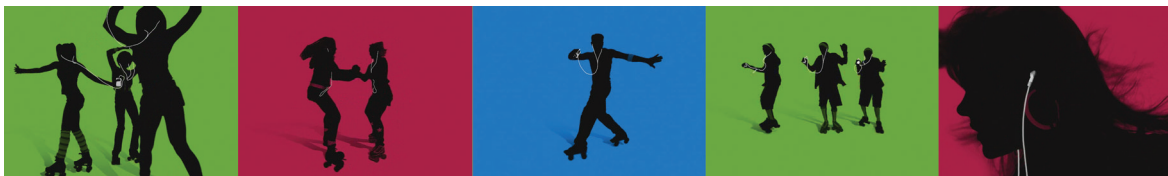
It is generally agreed that although Apple has regularly produced the best-designed hardware and software, Microsoft 'stole' the market by separating the software from the hardware and allowing

Windows to spread to machines from different manufacturers. In 2005 when Apple released its new operating system 'Tiger', it again moved far ahead of Microsoft and began to attract more 'converts' to its products. But still the doubts remain about Apple's refusal to allow its products to be fully exploited by other hardware producers. Many of the people who have bought iPods have followed fashion rather than chosen a hardware/software combination and Apple will be vulnerable when the price and 'compatibility' of other manufacturers' MP3 players prove more attractive than the iPod's design.

Apple do not control music libraries – they are dependent on deals with music companies. At the time of writing, significant recording artists are still not available via iTunes (e.g. no Beatles, since the two 'Apple' brands are still in legal dispute). Where an artist has had a long career, it is likely that recordings on major labels will be available, but not all those on smaller labels. The music industry is indeed in parts a cottage industry and for the less mainstream acts, fans may need to go direct to the artists themselves to purchase recordings – something else helped by websites.

A further complicating factor will be the development of further 'synergies' between mobile phone technologies and digital music software/online music stores. This has already introduced companies such as Nokia and Motorola into the music industry equation. In June 2005, 'Crazy Frog', a 'ringtone', became the No. 1 'single' in the UK.

These digital music developments were first introduced in North America and Western Europe,



**Figure 7.15** Heavy promotion of the iPod as a 'must have accessory' has helped Apple's brand recognition. Even in silhouette, these characters display the connections between music and fashion – compare with Figure 7.12 Poster for Louis Jordan on p. 258.

where customers have clearly been prepared to pay for downloads (as is often the case with Apple, UK customers paying much more than in the US). Elsewhere, the industry is still struggling with pirate CDs etc.

### Listening to and 'owning' music

In the early 1970s, when the music industry first began to make large profits from albums or 'LPs', considerable effort was put into designing the packaging – the 'album cover' or 'sleeve'. Albums became complex art objects – sometimes opening out into two or three sections (the 'gatefold') – with extensive 'sleeve notes' about the performers and the music, as well as photographs, graphics and original artwork. An album cover was something to be coveted – protected by a plastic sleeve and carefully studied when the album was played.

CDs were disappointing replacements for vinyl for 'collectors' since everything became miniaturised – but in other ways they saw a development in the amount of text that could be crammed into booklets placed inside the jewel case. Digital downloads offer only a small digital image to accompany a track. The concept of ownership of an 'art object' has gone.

### 'Everyone's a winner'

The internet may be good for the music business because it makes a 'miss' profitable. In a traditional record shop, most business was concerned with either the current 'Top 100' artists or music from a limited range of specialist genres. As a consequence, shelf space was taken up by a limited number of titles, the most popular of which had to be stocked in multiple copies to meet demand.

By contrast, an internet 'download store' does not have any shelf space to worry about and can stock a million titles. Many of the songs will have only one or two buyers, but virtually every title will find someone willing to try it. The profit to the online seller is the same for each one – popularity is meaningless and a 'miss' is as good as a 'hit'. (Look back to the quote from Alain Levy at EMI on p. 264.) 'Hits' still have an extra value in advertising terms – they bring customers to the website, but once they are attracted, online sellers have developed new ways to coax buyers into trying something new, such as recommendations ('other purchasers of "x" also bought . . .') or lists compiled by other users of the website. The databases used on these sites can easily display everything produced by a specific music performer, often ranked according to popularity and complete with reviews.

(Based on Jack Schofield, 'A miss hit',  
*Guardian*, 25 March 2005)

The 'culture' of owning and listening to music has changed alongside the economics of distributing and retailing the products. It is still an open question whether these changes have increased the range of music available to anyone who wants to listen or whether they have created a new marketplace from which some consumers and some recording artists are excluded. There is no doubt that if you are prepared to use the internet to search for music, virtually everything is available somewhere – as a download or purchasable via mail order. But there are still many people without internet access and others who won't risk electronic payments – and globally there are millions without even mains electricity. In some ways, new technologies have allowed the cottage industry to become viable again locally. You can get CDs from friends who burn them on their computers, from local bands who distribute them at gigs and from local labels who supply the few remaining speciality shops.

**CASE STUDY: THE MUSIC INDUSTRY, TECHNOLOGY AND SYNERGY****ACTIVITY 7.13****How do you buy music?**

Do your own research into music use and purchase.

Ask a cross-section of people of different ages some simple questions:

- What kinds of music do they listen to?
- Do they buy music or swap with friends?
- How do they buy/obtain music (shop/mail order/download/from the artist)?
- What do they think of the range of music available to them?

What conclusions do you draw from your findings?

Now check your conclusions against the arguments about 'free markets' in Chapter 16.

**References**

This case study was researched solely on the internet.

The following websites proved useful:

[www.bl.uk/collections/sound-archive/record.html](http://www.bl.uk/collections/sound-archive/record.html)

(See p. 335 on research at the National Sound Archive.)

[www.culture.gov.uk/creative\\_industries/music/](http://www.culture.gov.uk/creative_industries/music/)

[www.ifpi.org](http://www.ifpi.org)

[www.pro-music.org](http://www.pro-music.org)

[www.rca.com](http://www.rca.com)

[www.riaa.com](http://www.riaa.com)

**Further reading**

Dickinson, Kay (ed.) (2003) *Movie Music: The Film Reader*, London: Routledge. (This useful collection has several articles directly relevant to the arguments here.)

Negus, Keith (1999) *Music Genres and Popular Cultures*, London: Routledge.

Shuker, Roy (2001) *Understanding Popular Music*, London: Routledge.