

NEW TECHNOLOGY IN MUSIC &
CREATIVE ENTERTAINMENT
SBTY7004

ESSAY ABOUT NEW TECHNOLOGY

Tutor: Zohe Mustafa
Student: Franziska Uecker
Student Nr: 1807490

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Nowadays it is possible to “share, contribute, collaborate, and trade music amid a constant flow of new songs that suit our tastes and preferences, without any palpable constraints or limitations”, however, this was not always the case through the limited technology at the beginning of the music industry (Kusek and Leonhard 2005). Before music became a product due to the establishment of the phonograph in 1877, music was moreover a service as the people could only consume it by seeing live performances. But with the formation of the phonograph, people were finally able to buy a recording in form of a physical product such as wax cylinder, which developed into vinyl records, then 8-tracks, cassettes, CDs, digital downloads, and other formats (Doyon 2013). With the creation of recordings as physical products, people no longer had to go to concerts to actually enjoy listening to music, instead, they could just stay at home and enjoy their favourite artists there. With the broader development, additional products were manufactured to make it able to consume music outside homes as well by creating products such as Walkmans, which developed into the unsuccessful MPMan, then into the iPod and several MP3 players. Nowadays, everyone basically listens to various artists on their smartphones everywhere they want (Adner 2012). Streaming supports this massively as it simplifies the usage of music on devices such as smartphones, tablets or computers. Even though one would think that streaming has already spread worldwide and most people use it, there was still a growth from 32.9% in 2018 compared to the year before (Stassen 2019). So, while streaming is still evolving there is already another new technology that is getting more and more attention lately. This new technology referred to as Blockchain could ensure that musicians are getting “paid fairly for streams and sales of their work”, plus generally “it could bring more transparency” into the music industry, which would be a significant factor (Dredge 2015). Although this blockchain technology sounds very promising, it is not yet possible to say whether it will be successful and through that maybe completely eliminate streaming or if it will not be thriving at all.

To sum up shortly, music was consumed as a service thousand of years until it was finally possible to buy physical recordings and as a result “own” music to share, switch or might give. However, through the digitalisation music grew more to a service-focused market again but in order to understand this development, a few aspects regarding new technology have to be considered. Additionally, the question if the development to a more service orientated market is advantageous or rather the opposite should be discussed in detail below.

As already mentioned above, music was a service for a long time before it established to be more product-focused, to be more exact until 1877 when the phonograph debuted (Doyon 2013). Before physical products appeared such as the phonograph, the only way to consume music was particularly to enjoy it through live performances. According to Thompson (2016), the establishment of the phonograph back in the 19th century caused fights and joy too as it forever transformed the face of music. Meaning that by the appearance of the phonograph and then by the development to Vinyl, the whole music industry changed because people moreover started to listen to music at home rather than going to live performances. Thereby, it became more essential for artists to sell their music via Vinyl, then via 8-tracks, then via cassettes and then via CDs (Doyon 2013). With that, a different relationship to music started since someone was able to become familiar with a song, its tune, and structure so, people started defining themselves by various genres. However, this change in the music industry was extremely hard for artists since most of them “were given a flat fee and no share in sales royalties” as “the label owned the song and the recording outright” and further, this led to long fights to establish copyright rules in general. (Thompson 2016) Although this battle for copyright started many years ago, there generally is still improvement possible and there are repeatedly new legal cases relating to this issue. This means that these old problems are still not clarified and artists still have to fight for their rights. In short, one could say that with the development of physical devices a few problems besides the copyright one appeared, such as the thought of ownership. The transition of music considered more as a product than a service made people think that they “own” the music they bought. Though, it should be mentioned here that the creator only can be the owner of a song and “under copyright law, customers who buy music do not actually own it; all they own is the concrete, material media which serves as a sort of substrate to embody or carry information, a pattern that can be detected by some mechanical music player to reproduce some pre-recorded sounds with some reasonable fidelity” (Kinsella 2012).

With the digitalisation it is slowly shifting back to a more service-focused music market through the trend of digital streaming services. There are already various companies in this sector which offer streaming services, where a person basically pays a monthly fee to consume music, podcasts, audiobooks, and videos. Then this can be used on devices like computers, mobiles, tablets or home entertainment systems. In general, streaming may help to move the music industry in the right direction, in particular, kind of backward as it all started with a service-focused market. According to Doyon (2013) suddenly it was not necessary “to own a collection of non-biodegradable products that inefficiently held your favourite music recording” but rather “pay for a service that granted access to virtually all of the commercially available recordings in the world”. As Vinna (n.d., cited by Wall 2014) stated that “streaming is about access versus ownership”.

With blockchain, the new technology that is just establishing itself in the music industry, everything would be more transparent in good faith for artists. This should be helpful in order to

generate a fairer and faster payment for artists, a transparent connection between artists and fans and a solution for copyright issues (Vaughan 2018).

With the digitalisation it became much cheaper and easier for artists to create music and then release it on various streaming platforms. Basically, a lot of artists have a home studio and through the simple usage of a digital audio workstation, it became quite simple to mix songs and to produce a whole album or an EP. Hooghoudt (2012) stated that “artists may now need to work harder than before to reach the same level of success” as “due to easier access to the means of music production and distribution, the amount of artists participating in the music industry has increased substantially with a much higher competition among artists than before”. Throughout, it could be challenging for listeners as well to find the right music they actually enjoy since there is so much music available. In other words, one might say that there is a surplus of music and generally an overload of options. Since there are so many different artists trying to get people’s interest the competition among artists is immense with a rather growing trend. But the bigger concern here is that “with more access and a decreased cost of music, the loyalty of fans has also decreased since the switching cost is now practically zero” (Hooghoudt 2012). Meaning that people nowadays stream a lot of various artists and skip through different genres without the concentration on a few artists as it was years ago when one would have bought the whole album immediately to support this specific artist. Thus, the relationship between artist and fans is changing a lot lately. But the digitalisation also has its advantages regarding this relationship as there are many social media pages which enables artist and fan to connect on a more personal level than it has ever been. Therefore it is of importance to be very active on different social media platforms such as Facebook, Instagram, YouTube or Twitter to interact with fans in order to create a bond between artist and fan.

As already shortly mentioned it is generally hard to attract enough interest, of course, it is even more challenging to make enough money to be able to live from producing music. Therefore, it is more essential to offer additional products such as concert tickets and merchandise articles since according to Masnick (2009) “retail product sales have declined, but the other parts of the industry have grown noticeably more than the decline in retail sales”, meaning that “live show attendance has increased more than retail sales have decreased” so, “consumers have actually spent more”. Besides that, in general, there is a lot more opportunity now to earn money through sponsorships, licensing or advertisements since this is a growing market and with that a great chance to earn money.

Digitalisation simply eliminates borders worldwide, meaning that “the internet has enabled artists to extend from their nation borders to reach a worldwide audience with their music in a matter of seconds” and that further leads to “more geographically dispersed audience” (Hooghoudt 2012). In short, it is much simpler nowadays to address people all over the world and attract a wider audience in general. Through the fact that artists have a better opportunity to win more people they moreover have the chance to be more independent and publish music without being signed to a major label. According to Khalili-Tari (2017) “music streaming services such as Spotify, Apple, Google and Amazon have revolutionised the way in which artists are able to promote their music” and further, new technology brings the possibility for artists to break the norm themselves. However, being an independent artist would simultaneously mean more work as besides creating the music, they would essentially have to “take over many of the different roles that were previous executed by labels” and that would might lead to a distraction since those artists should mainly be focused on “producing the product, writing the music and becoming good at it” (Hooghoudt 2012).

A blockchain technology-based start-up company called “Bitsong” is the first decentralised music streaming platform and could be an even more convenient platform compared to streaming services to publish music as emerging artists since their main goal is to “reward artists and their listeners in real time” (Bitsong 2017-2018). That would mean for artists to get directly paid, plus through blockchain technology, everything would be more transparent and openly to access as according to Bitsong (2017-2018) the aim is “to overcome the bureaucratic and economic obstacles within this industry”. With the establishment of new technology in the music sector, Bitsong has great potential to become a successful new music streaming platform since the goal is to bring various factors onto this service. More accurately to develop one platform that includes the possibility to listen to music but at the same time to be able to watch the music video to the song. Besides that, they want to produce tools where artists would have the opportunity to market and advertise their music directly on Bitsong. In short, Bitsong wishes to combine several already existing platforms to one and further hopes that their website will become the main one in the future. (Bitsong 2017-2018) In general a blockchain technology based streaming platform would bring various factors with it that could change the music market for good, such as the transparency of copyright or even of the number of streams. For instance, another blockchain technology streaming site called “Choon” has the goal “to simplify the accounting process to the point where artists can easily track how often their music is played, what their royalties are and even get paid on a daily basis if they want” (NEWSBTC 2018). So, here one can see that this transparency is already possible but the only thing is that this technology needs to get enough attention in general to be successful.

If one has a closer look at how the music industry shifted from a service-focused market to a product-focused one and back to a service orientated music market, various connected factors should be considered such as new technology. The whole market has developed along through technology, sometimes positively and sometimes negatively. Every new invention brought new ideas or new creations with it, such as that “the three-minute pop song is basically an invention of the phonograph” since it could only hold two to three minutes of audio (Mark Katz n.d., cited by Thompson 2016). In other words, one can understand why something has developed and how. Generally, with the focus on the topic ownership of music the service-focused market is a more healthier option than the product-based one as many fans would buy physical products with the thought that they own the music through such a purchase. Furthermore, with the advanced technology that is possible nowadays issues such as transparency could be prevented to occur directly payments between artists and fans. Such a direct transaction would speed up the duration and moreover, the artist would even get more money since the middlemen would not need to be paid. Another positive impact that blockchain could have on the music industry is the automation of royalty payments as “previous industry attempts to solve these problems focused on creating enormous centralised registries and none of these efforts have succeeded, mainly because of the sheer complexity of gathering all that data in one place and keeping it up to date” (Rosenblatt 2019). Blockchain technology could solve this by containing all the decisive information about the copyright of a song and further if a song is streamed or downloaded, the money will be directly sent to the right holders.

Live performances have become more significant at this time as according to Hooghoudt (2012) touring is for most artists the primary source of income since music sales are declining so, artists are trying to recoup the revenue they lose from music sales. Besides live performances another main income source could be sponsorships, licensing or advertisements since brands nowadays love to cooperate with artists or people having a certain image. Another important “act of producing and selling music-related products” are merchandise articles like “t-shirts with the artist or band logo printed on them” as “fans like to wear these to identify them with the artist” (Hooghoudt 2012). Thus, it is reasonable to say that nowadays it tends to be more essential to have several sources of income rather than a single one.

To sum up, the digitalisation, in this case, is more advantageous if the points mentioned above are being incorporated but in the end, a lot of the time compromises have to be taken.

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