



NAME: TAFADZWA GAPARA

MODULE: NEW TECHNOLOGY IN MUSIC AND ENTERTAINMENT

LECTURER: ZOHE MUSTAFA

QUESTION:

Critically evaluate how new technology has turned the music industry from a product to a service sector

Technological advances give rise to inevitable changes around us both good and bad. As much as technology is a complex and broad subject, it has revolutionised the music sector as a whole. It being an ongoing process, no one knows where the music industry will end up. My standing point before critically evaluating the notion above is that as long as people are still encountering challenges with a product or service, music as a service or product sector is still going to undergo changes. Music might be claimed to be more of a service sector now, no one knows what it will be in the next centuries to come.

A thorough critique will require a better understanding of what a product sector, service sector and the music industry are. (Kotler et al. 2008, p.85) show their understanding of the product sector as “anything that is offered to a market for attention, acquisition, use or consumption that might satisfy a want or need.... products include physical objects, services, persons, places, organisations, ideas or mixes of these entities.” Already, this definition reveals that there is a relationship between a product and a service. Nevertheless, the service sector “is concerned with offering intangible goods and services to consumers.” According to Pettinger (2019). Lastly, the music industry is explained by Wiesen (2022) as “the business of performing, recording, and selling music through a number of different methods.” To expand Wiesen’s definition I would further divide the music industry into four main groups that is the touring and live industry, the sync and licensing industry, the music distribution industry and the streaming industry. These will be further explained below.

I strongly believe that the music industry has always been both a product and a service sector with or without the new technology because I have got the evidence. If the early live music industry is to be analysed for example during the 1600s when the first concert took place. This clearly reveals that a part of the music industry was already a service sector rather than a product sector only. Scott (1936) generally credited John Banister as one of the few musicians that held concerts at home. Scott reported that these concerts were held at John’s house where he invited more musicians to play as well. The audience was to pay a yearly subscription. This was the age where there was no television or radio but merely word of mouth. To prove that concerts during the 1600s were already a part of the service sector, the audience took home nothing but memories of joy, laughter, therapy from the music. Value was delivered in these concerts rather than any tangible products. The only credit that can be given to technology when it caught up with music was during the radio and television age. It assisted by spreading the word to a wider audience meaning that more people had access to the concerts and musicians could make more revenue.

It is also of paramount importance to examine how technology contributed to the music industry in the early stages for it to be referred to as a product sector (partly) during that period. The physical distribution of music through vinyl, cassette, Cd, Mp3 players ensured that music could be stored and consumed in the form of a tangible product. Thereby classifying it under the product sector.

The new technology in the music industry that paved the way for the greater part of the service sector owes its existence to the internet. Dov (2021) confirmed that “Since the advent of the internet in the early 1990s, the music industry has changed dramatically. It has changed the way we consume music, the way artists get paid, and even the way music is made.” The first new technology that took advantage of the internet was Napster. Napster allowed users to download and share Mp3 music files illegally. Music visibly could be shared without using

tangible mediums like CDs, cassettes and vinyl. Thus, shifting from being products based. Napster reportedly had 80 million users meaning that music was being distributed at a rapid speed without the control of record labels and the musicians. I am of the opinion that it is noteworthy to mention how Napster affected the music industry in terms of revenue for a better understanding of the reasons why the latest technology exists.

In 2000 alone, total recording sales decreased by 33%. The black-market Napster created was active and damaging record labels and artists...Over 87% of the MP3's shared on Napster had already been copyrighted by record labels, clearly eliciting that the platform was not primarily functioning as exposure for new, unsigned artists. [iv] Napster was obviously an illegal distribution site, just like any other black-market.

Obermaier (n.d)

The Napster owners were sued and lost the court case, hence they had to shut it down. Other illegal sites flooded the internet as well including Torrents, Rapidshare, Zippyshare to mention a few. These were shut down because there were all infringing music copyrights. Hence, the Apple's iTunes store took over from the idea that was taken from Napster in 2003, however it thrived to legally distribute music so that record labels and independent musicians could earn some revenue.

As one would expect, CDs are the preserve of those in the older age groups. More than half (53%) of those that listen to or buy CDs are aged 55 and over. Comparatively, just 6% of CDs listeners are 16-24s.

Feldman (2018)

The statistics revealed that as much as the demographics of people that were still buying CDs landed on the ones that are aged 55 and above, the product sector was slowly wearing away. As much as the consumers in the music industry welcomed the digital age of downloading music for free, purchasing the digital music from legal sites took a while. (Mn2, 2020) explained that "In the US, revenues from digital music sales surpassed physical sales for the first time in 2012, while in the UK it took until 2014 for this to happen."

More music distribution platforms emerged like Spotify, YouTube, Deezer, Amazon Music, TuneCore, Pandora, ReverbNation to mention a few. Consumers could subscribe to the channels for the music, some would stream the music. These platforms came in as more of a service nature. Interestingly from the report that was provided by (BPI, 2021) seems to give an account that the product sector of the music industry is still surviving amidst all the music distribution platforms. The statistics are represented below:

Vinyl sales	Cassettes sales	CDs sales
-------------	-----------------	-----------

ABBA's Voyage album Under 30,000 in the opening week	200 000 cassettes led by Olivia Rodrigo	14 million CDs boosted by Adele, Abba and Ed Sheeran
--	--	--

A wider critique with more depth will be easier if the new technology is divided into three segments to show how it has contributed to the service sector of the music industry. The three segments include owned media, earned media and paid media. According to Lawson (2018) Owned media is "Any media or content which the organisation has created, published on its own channels and controlled by itself for long-term relationships with stakeholders can be considered within this category." The owned media is further grouped into six categories. These include distribution, creation, aggregator, artist support, music for business and hardware.

Owned media enabled the music industry to be more decentralised in the sense that well able musicians could individually distribute their music on sites like Spotify, Deezer, Tidal, Amazon music, ReverbNation to mention a few. Nowadays, the choice is the musician's thus if they want to distribute hard CD copies of their music or not. For instance, from a music distribution platform like Spotify musicians make £0.0031 per stream. This means that approximately 37000 streams can sustain a musician in the form of royalties. Needless to say, that the musicians upload their music in the streaming and distribution platforms for free. In comparison to distributing the music through CDs whereby the costs related to CD manufacturing add up to £660 for 500 units, according to Pure Music Manufacturing (2022). The digital distribution route is cheaper and faster. Therefore, this contributed to the shift to the music sector as some musicians saw it fit to distribute their music digitally.

Music aggregators like Shazam are in the business of distributing music for the artists to the above streaming sites at a commission or fee. If a musician does not want to go through all the trouble of uploading their music to the streaming sites, they can contract aggregators. The new technology moved into the music industry with such vigour to the extent that musicians are surrounded by the new technology. In other words, the websites and applications are too much, leaving the musicians with no choice but to conform to the changing world as much as some are still attached to old ways.

Besides music distribution, the music industry became more of a service sector thanks to the various social media sites. During the COVID-19 pandemic most musicians could not have concerts hence, they relied on social media sites to sustain their careers. Social media sites enabled the musicians to perform live for their audiences (live streaming), interact with their fans and sell merchandise like branded masks on sites like Merchbar. As a result, a bit of the product sector was still in place although leaning more onto the service sector. Apart from the merchandise, the musicians that released their music during the pandemic launched it online instead of having to distribute physical CDs or Vinyl. Again, the online launch or live concerts paved the way for virtual tickets for the fans.

The new technology allowed most musicians to own music recording hardware and software. Thus, they did not have to go to record labels or studios. Professional music could be produced, mixed and mastered at home. This also meant that musicians did not need to carry

CDs if they were scouting for promoters or managers. Instead, all they have to do now is just send a link probably from their website, social media page to the concerned professionals. Sites like Gigmit offers the platform for musicians and promoters to discover each other.

Of all the types of owned media that have been mentioned, I believe that if this one becomes a success it has got the potential to totally wipe out what is left of the music industry product sector. It is called block chain. The block chain favours fans that are still attached to whatever is close to their icons even if there are intangible assets. It is defined by (IBM, n.d) as “a shared, immutable ledger for recording transactions, tracking assets and building trust.” As said earlier that the more musicians realise the benefits of block chain, the more they will completely go digital even on merchandise and also concert tickets. This is due to the fact that with block chain (as there are referred to as NFTs), transparency leads in terms of the royalties earned by independent musicians without third parties getting involved. Interestingly, another pro of block chain that is going to attract more musicians is the currency that is being used when trading music and tokens in sites like Musicooin and Revelator. Crypto-currency now controls the world and musicians would opt for making money through their music compared to distribution platforms like Spotify.

Paid or bought media is also defined by Lawson (2018) as “media that has been purchased via a third-party provider.” This type of media also contributed in the popularization of the music industry service sector because physical billboards, print adverts, television adverts as well as radio adverts are no longer the only source of music marketing tools. Instead, the new technology brought with it Facebook adverts linked with Instagram through Buffer, YouTube adverts, Google adverts, human influencers and so much more. It lured more musicians because the advertisement rates are cheaper than television adverts. Sites like Gleam for growth competitions also have been useful in contributing to the music industry service sector. This is as a result of artists being able to virtually run competitions as a way of growing their fanbase at a price. Ideally, the competition would require the fans to subscribe, like and share all the musician’s platforms in return of a chance of winning a prize. Hence the music industry becoming more of a service sector without the use of billboards and print material.

Referring back to Lawson (2018), he perfectly described earned media as “commonly the result of well-executed paid and owned media campaigns where recognition and extra coverage is the reward.” In comparison with outdated media, earned media would be in a form of musicians being featured in newspapers, magazines. The new technology introduced online newspapers, online magazines, music reviews, guest blogging, online interviews. The shift from the product to the service sector affected every department of the music industry.

All this new technology that has been discussed above is here to stay no doubt and I am of the opinion that the music industry is yet to be infested with more of the platforms as time goes by. It is also without a doubt that most of them are and will be convenient for the musicians and reliable. This is owed to SEO practises. Thus, the search engine optimization. It gives the musicians more control over their media as a whole and strategies on how to improve. Which musician will shun away from such? (Google Search Central, n.d) explained the search engine optimization as “the process of making your site better.” Google analytics is a tool under SEO that reveals the speed of sites and guides the owners of the site how to correct the website. This includes, key word guide (in websites to be discoverable quicker),

Meta tags which happen to be bits of text that describe a page's content. Social media sites like YouTube, Facebook, Instagram, Twitter have got analytics as well. The YouTube analytics reveal the demographics of the audience (the age, gender, race of the target market), the location of the audience, the number of likes, dislikes, comments, the amount of time spent watching or listening to the music.

More still needs to be said with regards to the new technology being responsible for music industry becoming more of a service sector. Although after the insightful critical research and evaluation, I have arrived at the conclusion that the music industry was more of a product sector before the new technology, a part of it was already a service sector as outlined in the beginning. I am still unwilling to give all the credit to the new technology in terms of it shifting the music industry from a product sector to a service sector because we still have CDs, Vinyl, Cassettes that are still being sold.

References

BPI. (2021) In Music: vinyl and cassettes continue surge. Available at: [2021 in Music: vinyl & cassettes continue surge - bpi](#). (Accessed: 8 June 2022)

Dov, Y. (2021) 7 Ways the Internet Has Changed the Music Industry. Available at: [7 ways the internet has changed the music industry \(weraveyou.com\)](#). (Accessed: 8 June 2022).

Feldman, R. (2018) Who still buys CDs and can the format survive? Available at: [Who still buys CDs and can the format survive? | YouGov](#). (Accessed at: 8 June 2022). (Accessed: 10 June 2022)

Google Search Central. (n.d) Search Engine Optimization (SEO). Available at: [SEO Starter Guide: The Basics | Google Search Central | Documentation | Google Developers](#) (Accessed: 10 June 2022)

IBM. (n.d) What is Block Chain? Available at: [What is Blockchain Technology? - IBM Blockchain | IBM](#). (Accessed at: 9 June 2022)

Kotler et al. (2008) *Principles of Marketing*. 5th Edition. Hoboken. Financial Times: Prentice Hall

Lawson, C. (2018) Paid Media, Owned Media or Earned Media? Available at : [Paid Media, Owned Media or Earned Media? Let's Clarify... \(orientation.agency\)](#). (Accessed at: 9 June 2022)

Lo, R. (n.d) Defining IT Services for the Business. Available at: <https://www.thinkhdi.com/library/supportworld/2013/defining-services.aspx> (Accessed: 07/06/2022)

Mn2s. (2020) The History of Music Distribution. Available at: [The history of music distribution | Features | MN2S](#). (Accessed: 8 June 2020)

Obermaier, E. (n.d) Napster. The Black Market that Publicly Dominated the Music Industry. Available at: [Napster: The Black Market that Publicly Dominated the Music Industry – Perspectives on Black Markets v.3 \(pressbooks.pub\)](#). (Accessed at: 8 June 2022)

Pure Music Manufacturing. (2022) CD Manufacturing Costs. Available at: [CD Manufacturing & CD Pressing, cheapest prices in the UK \(pure-music.co.uk\)](#). (Accessed: 9 June 2022)

Scott, H. A. (1936). London's Earliest Public Concerts. *The Musical Quarterly*, 22(4), pp. 446–457.

Wiesen, G. (2022) *What is the Music Industry?* Available at: [What is the Music Industry? \(with pictures\) \(musicalexpert.org\)](#). (Accessed: 07/06/22)