

IVY MAALI

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MA COMMERCIAL SONGWRITING & PRODUCTION FOUNDATION

ELEMENT 1 - REPORT

How Digital Marketing has Influenced the Music Industry

Introduction

Technology has been an integral part of different elements of life, including the entertainment world. The music industry has seen the evolution of technology through different musical eras. Technological advancements in music production, publishing and distribution have been consistent throughout history. Music was published in sheet music that was printed by machines in the middle of the 15th century (Frith 28). Advancement in printing technologies advanced the music industry since mechanical techniques were later employed for music printing beyond the 15th century. The technology further advanced, leading to the inception of the first tool that could analyse audio in 1857 (Frith 32). Another piece of equipment called phonograph was developed following the introduction of the audio analysis tool. The phonograph could record and play music. The technology further advanced, leading to the introduction of compact tapes in the 1970s (Bruenger 203). After the compact tapes, the internet became the most significant technological development to have a lasting impact on the music industry. The effect of the internet on the music industry included the commercial side of the music as a business. The internet made the music industry more profitable and financially rewarding. Technological advancements have made positive impacts on the music industry. However, adverse effects have also followed technological advancements in the form of different types of disruptive technologies. This paper

investigates the impact of digital technology on the creation, production, marketing, and distribution of commercial music.

The historical relationship between technology and music consumption, and its impact on global music industry economics.

Technology has historically had a connection to the delivery of music to an audience for consumption. The historical relationship between technology and commercial music pertains to its production, marketing, and distribution. The production sector of music has seen the acoustic, electrical and magnetic technological eras (de Keijzer). These are the various eras of historic technological advancements in music production. The acoustic period was the earliest and involved the use of mechanical devices for the production of music. The mechanical devices that were used for recording music were conical horns for recording the voice of the musicians. The technology used in this era is focused and collected by the sound wave's air pressure. The music that was recorded in the acoustic technological age was known for its high volume but low precision. The progressive era of technological advancement in the music industry following the acoustic period was the electrical era. The electrical era saw engineers introduce electrochemical recorders, microphones and electronic signal amplifiers. Musicians adopted these technological inventions by the engineers as a means of recording and delivering music to their audience. These musical instruments were first used in the United States in 1925. The electric era saw a drastic and significant improvement in the sound system and recording of commercial music. The development in music recording was in the form of the music filtered, more amplified, and balanced electronically. The music industry saw a sudden change brought by the use of electrical

microphones and music performers became more stylish while using newly developed music delivery technology. Besides being electronically amplified to its full range, music in the electrical era reached a broader audience, since it broadcasted on radio. German engineers invented the magnetic technology of music production, recording, and distribution. The magnetic era of technological advancement in the music industry was quite significant. This era made the use of magnetic tapes for music distribution to become prevalent. The magnetic technology allowed for the recording of longer music than before. The music could be recorded for longer time duration and still fit on to the magnetic tapes. Through the host of technological advancements experienced through the three eras, music technology engineers had the most impact. The engineers led to the fast growth of the music industry through their consistent innovation of new technology for production, recording, and distribution of music. The technological advancement enabled produced music to reach a wider audience.

Marketing is an essential component of the business side of the music industry. The marketing of music ensured that the produced music reached its desired consumers and the consumers of music are the fans of specified music genres or music artists. Advances in marketing and technology enabled music to reach both national and international levels. Music first reached the international stage in 1920. The first radio jingle in 1926 inspired and persuaded the music audience to tune in. The focus of the audience was obtained by constructing music that caught their interest and attention. The music targeted emotions individuals in the audience by attempting to align with their mood and feelings. Music that captured the emotion and mood of the consumer was used to create advertisements, and this was then advertised through various platforms, such as radio stations and later television.

The distribution of music is essential to ensuring the music reaches its intended consumers. There is an intense competition between different musicians and recording companies within the industry and distribution plays a key part in helping musicians keep a competitive edge. Music can be distributed through radio stations, recorded media such as vinyl and CDS and the internet. Distribution of music through different and ideally as many distribution channels as possible improves the profitability of the music industry and therefore positively impacts the overall level of the economy in the music industry. Events such as music concerts and other advertisement programmes also create revenue for music artists and recording companies. Distribution of music is an essential element of the music industry since it impacts the consumption of music. Higher global music consumption leads to a worldwide increase in profit in the music industry. Advancements in technology at a national and international level have also led to a rise in music revenue.

Current debates concerning contemporary music industry trends and the direction of future economic markets

Current trends associated with the music industry include matters on categories such as production, marketing and distribution. Current music industry trends have an origin dating back several years. The emergence and continued innovation of the internet brought certain shortcomings to the music industry. The development of the music website led to consumers sharing music files. The sharing of music files offered many consumers the opportunity to obtain high-quality music quickly. However, the adoption of the services of the music website led to the decline of income generated from music record sales. An advertising problem arose for the music industry. British song rights discovered that 80% of British

citizens desired a professional issued document for help in sharing music. In the United States, the open song model changed to base legal automated downloads. By the year 2011, better music deals eclipsed the physical sales of music records. Paid advanced downloads have quickly gained popularity.

According to Atlantic information reviews, music downloads have surpassed the sale of physical music records. Apple iTunes has presented superior music deals that are better than the physical distribution records of the same music. The music deals have included the ability to share the same list of music over several devices that have Apple iTunes. Some traditional music record shops have gone bankrupt as a result of the significant impact of better music deals offered over the internet, which has become the preference of music consumers since it is also portable and efficient. Other companies such as Spotify offer streaming services to its users for free. These services mean that music consumers have access to free music. However, music consumers interact with advertisements while streaming the music, which generates the income for Spotify and in turn the music artists. An alternative to such streaming services includes a monthly subscription of 10 dollars for access to music without the presence of advertisements. From a music production view, streaming services like Spotify purchases their music to sell to consumers through their streaming services. Spotify has been analysed by experts and implied to be not as advertised potentially. Spotify does not provide download offers based on a consistent rate for every album or music single.

Instead, Spotify pays music industry professionals based on the number of streams of their music relative to the total music posted to the Spotify administration. Spotify claims to be benefiting the music business by delivering them from potential losses such as illegal

downloads of their records. Unrestrained administrations have led to 34% of the recorded music enterprise revenue in 2015 (Swanson 209). Such administrations exhibited an increment of development by 29% from the previous year. The effusive music earnings of the United States incremented by 57 percent in the first six months of 2016. Further financial representation included 50% of enterprise sales. The United States Music organisation helped attain such profits (Swanson 207).

Since the popularising of the internet, a majority of music consumers stopped paying for the music. Companies such as Napster encourage the use of piracy and allow their users to access, share, and download copyrighted music for free. A majority of business analysts predicted a near end of the profitability of the music industry. However, the music industry continues to survive through newly devised sources of revenue. Such sources of revenue include streaming services, product placement, YouTube monetisation, royalties, merchandising, and licensing. Companies such as Kickstarter also help musicians with developing and producing their music collections through financial funding generated by fans who appreciate such music.

Music performing artists have also become reliant upon live performance and product offers such as sweatshirts and t-shirts for the majority of their income, and since 2010, essential field stores such as Walmart now sell more music merchandise than the music itself. Music companies currently often have merchandise sales in their music concerts. It is also common for music producers to align with professional merchandising companies to sell their products through their online platforms. On rare occasions, file companies may offer a genuine conveyance bargain and assembling. Such an offer presents a better price to the

artist, which could exclude the expenses for development and showcasing. Music videos have also developed into an integral part of the income strategy. Product placement is used to make music become popular and gain more views from its consumers. Producers of music formulate a link with brands to promote their music in the videos. Companies pay the producers of popular music a decent amount of money to use the name of their product in the lyrics of the music, or to wear their particular brand of clothing. Such merchandise consists of the items that are worn by music artists in public appearance through concerts and music videos. Music fans are willing to spend money on products that are similar to those which are utilised by their favourite musicians and music artists, and this provides an additional means of earning revenue for the music artist.

YouTube monetisation is another current source of revenue for the music industry. YouTube allows creators of videos to monitor their content, which they post on the website. The availability of YouTube as a source of revenue has helped young and upcoming music artists to bypass record label companies to produce and monetise their music. However, it is not very easy to gain popularity through the internet without the help of any corporate advertising.

Licensing is another means of earning revenue from music in modern times. The owners of music can license their music to organisations for use in commercial advertisements. A more common current source of music revenue is touring. Tours and music concerts provide a reliable source of income for the music industry. Touring can also be a way of exposing bands to a broader audience and therefore, further potential future revenue. Many music enthusiasts are willing to pay to watch their favourite musicians in live performance. Contracts are negotiated between the music companies and the musicians. The

revenue for paying the associated parties is generated from the sale of tickets and merchandise. Currently, musical tours are the means that produce the most revenue for music artists and affiliated parties. Since the music market has expanded to reach the international market following the advancement in technology in the form of the internet, music concerts can be held worldwide, therefore generating further income.

Music artists and producers are also entitled to receive a royalty from their content if their music is played through music channels. Radio stations also pay fees to the music producers, leading to a significant source of revenue for the music industry.

In the 21st century, many music fans do not pay for music. However, there exist multiple means of earning revenue in the music industry. The future economic market of the music industry looks promising since the advancement in technology has gathered various revenue solutions. The income from selling audio cassettes and compact disks may have been lost, but other sources of revenue have effectively replaced them, as facilitated by technology. Also, further technological advancement could likely improve the music economic market in the future.

Assess the Impact of Legislation on Current and Future music industry market trends

Recent legislation has taken place in the music industry that impacts the present and future of the industry. The bill encompasses legal, ethical, and sustainable working practices (Deahl). The legal legislation on the current music industry involves the modernisation of the music licensing system. This legislation aims to improve the licensing of music to ensure

involved parties of the music industry get the deserved revenue from their work and the legislation conducted under the Music Modernization Act (MMA), which passed into law. President Trump signed the MMA. The Act was the most significant copyright law reform in decades. The bill was heralded by politicians, labels and musicians and was unanimously passed through the Senate and the House before being signed by the president (Deahl).

The bill aims to catch up on the era of music streaming brought about by technological advancement. The MMA changes the distribution of royalties of a musical recording to sound engineers, mixers and producers. The MMA resolved the problem of consumer preferences and technological developments in music. The bill separated into three major legislation pieces. The first is the MMA, which shapes the licensing process in the music industry. The process shapes to simplify the payment of holders to the rights of the music. The second is the Compensating Legacy Artists for their Songs, Service, & Important Contributions to Society (CLASSICS) Act for the pre-1972 recordings (Deahl). The final piece of the legislation is the Allocation for Music Producers (AMP) Act. This Act enhances the royalty earnings for producers and engineers when their recordings are used online, on radio and TV. This Act is the first in which producers have mentioned in copyright law. This legislation will have a positive impact on the economic market of the music industry since music producers and artists will get more remuneration for their work.

Innovation in technology has resulted in the rise of ethical issues such as illicit copying of music files. The illegal reproduction of musical content arose from the compression and electronic distribution of music files over the internet. Music consumers that are not willing to pay high amounts for music content consume the music illegally through free downloads of copyrighted music. Record labels have engaged in a multimillion-dollar

lawsuit against illegal downloads or price-fixing of their copyrighted content against their customers. The ethical legislation against illegal downloads and price-fixing are created to reduce the loss incurred by record labels, music producers, and music artists. This legislation will help solidify the current and future market of the music industry.

Sustainable working practices in the music industry include responsible packaging, the use of new technologies, re-use actions, and recycling. Responsible packaging includes the making and shipping of test pressings and printing labels. New technologies that are useful in the sustainability of music include 3D printing and the high definition vinyl production method. New entrant companies such as NEWBILT have established a new generation of record presses (Novation Music). Such new technology helps music labels meet the demand for staying in business. Re-use actions include the re-using of cardboard packaging, reusable plates and cutlery, and reusable cups in concerts. Recycling practices include practices such as the recycling of bio-waste in collaboration with Nutriloop (Novation Music). Trash bags recycle into plastic pellets. Sustainable working practices have become dominant in current and future music industry trends.

Conclusion

In conclusion, technology has been an integral part of different elements of life, including the entertainment world. Technology has historically had a connection to the delivery of music to an audience for consumption. The production sector of music has seen the acoustic, electrical, and magnetic technological eras. The marketing of music ensures that the produced music reaches its desired consumers. Current trends associated with the music

industry include matters on categories such as production, marketing, and distribution. The internet has resulted in the devising of new ways of acquiring revenue in the music industry, impacting the current and future economic markets. Recent legislation has taken place in the music industry that impacts the present and future of the industry. The legislation encompasses legal, ethical, and sustainable working practices.

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