



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

MA Music Business (Level 7)
New Technology in Music & Creative Entertainment
SBTY7004
Discipline Tutor: Zohe Mustafa

The Impact of New Technology Music Industry: Product to Service

Student Name: Emmanuella Idris
Student Number: 1910409

Word Count: 2499

Table of Content

Introduction	3
New Technology	4
Streaming Services	5
Distribution Service	7
Applications	7
Artificial Intelligence	8
Bitcoin	9
Conclusion	9
Bibliography	10

Introduction

The birth of new technology has permanently altered the way arts and culture are consumed in the world. The developments of the internet, MP3 and digital recording technology causing a dramatic paradigm shift in the control, delivery and definition of creative assets. The industry transitioning from a product focussed sector to service focussed. Catalogues of digital content now traded on streaming services more quickly than a sale could be run at a music CD shop. Digital and physical sales decrease while music streaming continues to grow exponentially, and tools for distribution and consumption change consistently (Bargfrede, 2017). In this essay, we will be evaluating how new technology has turned the music and creative industry from a product to a service sector and how the digital world has affected the way that consumers listen and access music.

In order to break down the extent to which the music industry has transformed into a service-based sector. It is important to identify some of its key components; backdating its utilisation as a product based sector.

As a product sector, the music industry initially relied upon its consumption through the phonograph cylinder, vinyl, 8-track. After the introduction of the CD, DAT and MP3 in 1982, 1989, 1998 and music piracy; which saw music piracy groups, as well as online music service Napster, ripping and re-sourcing artist's music digitally for personal profit. causing a dramatic plummet in physical sales (Witt, 2015).

It may be suggested that the birth of piracy gave consumers access to music that they would not have otherwise been able to access; due to unaffordability; additionally giving the consumer the opportunity to customise their listening experience to solely their favourite songs without having to purchase a whole album, and limits to the amounts of the physical product of a CD that could be purchased and sold. However, it can also be suggested that it forced the industry to find new resources for revenue and to maintain legitimacy in the consumer to artist relationship. This may have been a fundamental transitional point for the music industry as a product-focused sector to the beginning stages of becoming a service sector.

Companies such as BMG Rights Management and Kobalt began offering record label services without demanding rights to the music, the major players in the record label industry were forced to rethink their existing business models. As a result, some musicians had become empowered by the advancements in technology and had changed the playing field forever (Harrison, 2017).

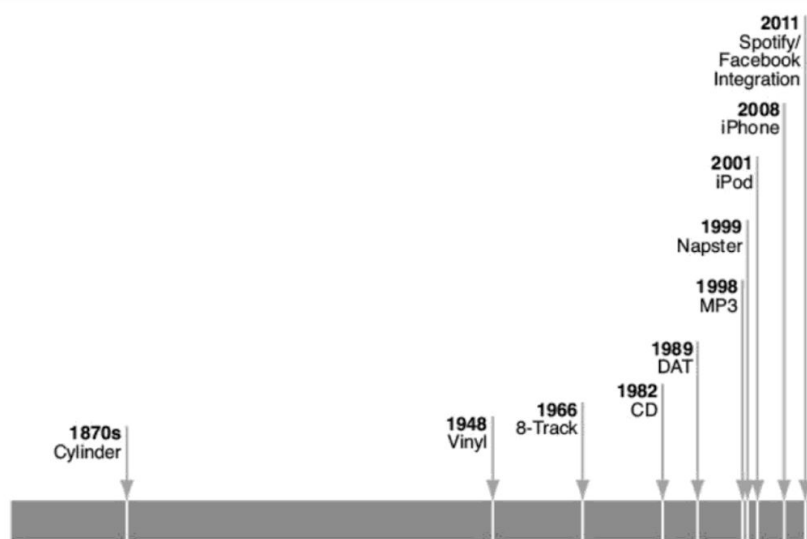


FIGURE 1: Music Industry product to service timeline (Bargfrede, 2017).

The collaboration with new technologies has given the industry a new dimension and multiplied the consumer reach for the artists and music, creative organisations; with the use of multimedia such as Music in Televisions and video games, applications and digital advancements such as bitcoin and artificial intelligence.

New Technology

The use of technology as a platform for music continues to be a growing avenue. Technological advancements allowing musicians and creatives to have different routes to create revenue from their work and reach consumers.

New technology helps to grow the creative's reach through social media platforms integrations such as Facebook, Instagram, Youtube and Tiktok. A variety of digital organisations have made an appearance in recent years, giving the creative control and consumer reach back to the creative individual or organisation. Allowing the creative to piggyback on the various social media platforms through paid advertising to manage and refine the consumer that is exposed the artists steering their reach through creative branding, music content and company ethos to guide the discovery process.

Technological advancements allowing the creative to automate their market. The online tools give the artists more opportunities to distribute their music and be discovered by the consumer. The online website creators platforms such as Wix, Bandzoogle, Reverbnation and Wordpress allow the creative to create a hub where all their creative assets can be seen by the consumer at once.

Technology continues to significantly influence the music industry in today's day and age. Consumers are beginning to integrate modern technology into their daily lives and advancing the ways they listen to music through the use of smart speakers.

One of the biggest changes the music industry has seen is that the visual and acoustics elements to music have been separated. Prior to the 20th-century music could only be consumed live - encapsulating the visual and audio aspects. With the advancement of audio engineering, creating new dimensions to the structuring of audio and sound.

Over the past few years, the use of computerised sound has adapted into what is seen today in mainstream music. Format, mediums, performance, and distribution of music has forced those in the music industry to follow the rising tendencies to either evolve or become obsolete.

These new developments in how audio is handled demonstrate one aspect of the shift within the music industry. The impact of digital technology can also be seen through the evolution of Audio production; the rise of the independent artists; independent online distribution and streaming services levelling the playing field between the independent artist and the major record labels revenue and consumer reach, and the changes in the way the consumer listens to and purchase music.

Streaming Services

From 2011 onwards, online streaming became the latest phenomenon; It was initially protested by the artists and record label as creative work could now be accessed and listened to online without a direct purchase being guaranteed. However, in recent years the monetization of music streaming has improved with streaming platforms such as Apple Music and Spotify making 80% of the music industry's revenue (Alexander, 2019).

Research also shows that although a significant amount of revenue comes into the industry through streaming services as a significant amount with just 56.4% of the total money taken by subscription streaming services in the region ending up with the record labels and artists; so they are left at a slight loss. Organizations such as the Featured Artists Coalition (FAC) have policies in place to protect artists in the music industry and to maintain a relative balance in the artist to consumer relationship. Streaming services such as Spotify, Apple Music, YouTube Music, Soundcloud and Tidal as well as social media have been able to create a platform for the consumer to connect directly to the artists. Consumers or Fans and artists can connect, fans and brands can connect, and fans and other fans can connect with one another (Harrison, 2017).

UK recorded music subscription revenues: retail vs. wholesale (£m)

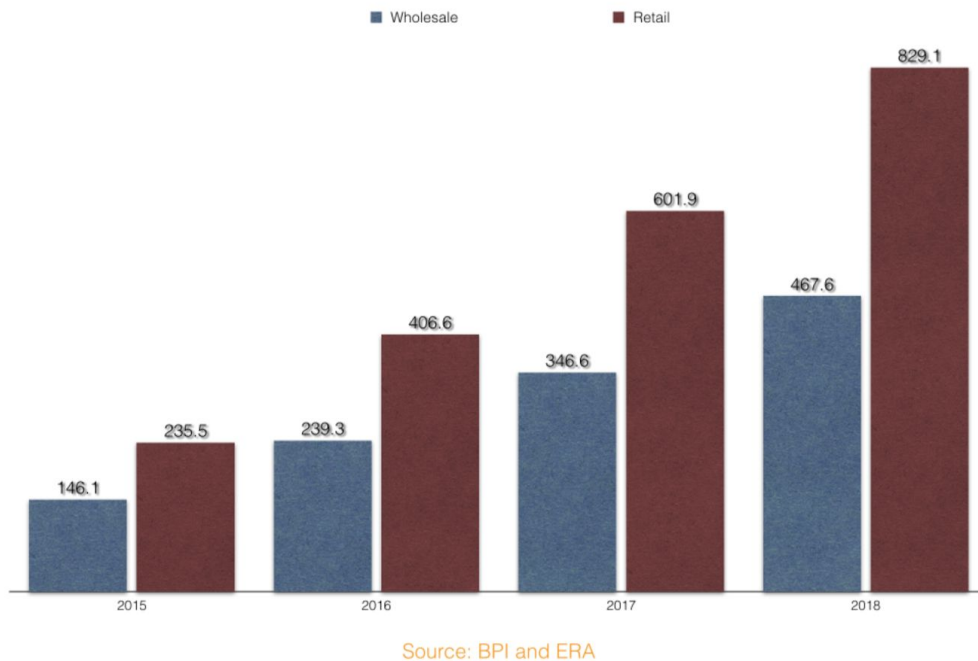


FIGURE 2: UK recorded music subscription revenues: retail vs. wholesale (£ms) (Ingham, 2019)

Streaming services operate with algorithms; These Algorithms have been developed to analyse the musical tastes of the consumer and personalise the users experience based on their listening preferences, gender, age, and location all play a role in what music is delivered. The users can make their own customizations when streaming music online. Though custom playlists are recommended to them via complex algorithms, users are not prevented from stepping out of their bubble, connecting with new artists and fans, and developing a new taste in music. This simply adds to the appeal that technology is good for the music industry and satisfies customers now more than ever.

The truth is, though technology has seemingly “taken over” the music industry, a lot of things still remain the same. Artists still record in traditional recording studios using real live instruments and backup singers. Audio and sound engineers are still needed to set up, record, and edit the final product to meet the demands of the consumer. The only difference is that computers are enhancing the music to make it sound more like what consumers want these days. Expert audio engineers are taking old pieces of music and making them new. They are blurring the line between what is real and what is digital – and customers love it.

Distribution Service

Music Distribution and discovery has become a key aspect for the creative to monetize their content; as well as allowing the artists to have more control in the areas in which they can connect with their consumers. Distribution platforms such as Zapier and IFTTT connect one application simultaneously to another; allowing distribution content optimisation. As a service based industry new routes can be utilised by artists in order to monetize their services such as the principle of 'piggy-backing' using platforms such as DropTrack, which provides artist support in getting their music at the front of the traffic, reaching people that are bloggers or social media influencers; who can assist in promoting their music through reviews, video responses and shoutouts.

Applications

With the advancement of the smartphone and smart devices. The mobile devices have developed more capacity; where in which applications for project management such as Trello; graphics design app Canva and music production app FL Studio Mobile can all be utilized from mobile phone devices to create high quality products and services. Other platforms also allow the creative to make their own app, where they can manage creative services such as Ticket sales, Client Scheduling and Selling of Merchandise, integrating the application with their website and other social platforms; the process is made easy with Appy Pie (*Best No-Code Application Development Platform* | Appy Pie, 2020).

DistoKid - distribution service

How to get reach

Piggybacking on these services maximises you're reach

Other avenues to monetize:

- Licensing
- Merchandise

Mixcloud and Anchor - setting up a podcasts, creating a broadcasting hub to narrate your story and connect further to consumers.

Fan/download gate - fan must complete a task, interact with your social platforms in some way, in order to have access/unlock the download of track. Eg. Subscribe to your YT, retweet your post, follow you on Instagram.

Competition - offering services for a limited time for free giving fans the opportunity to win these services by following you on social platforms and registering their interest via commenting on the competition post, the winner is picked at random.

Songtradr creates a platform for music producers to venture into Music Synchronisation; license and sell their music making your music accessible for big companies to use without having to go through a record label (*Songtradr - Intelligent Music Licensing*, 2020).

Music sharing platform Soundstripe allows consumers and other creatives to have access to royalty-free music, for branding and vlogging content that may be used on platforms such as YouTube, Instagram and Podcasts. Building a more personable connection between the artist and the consumer as well as building the rapport between creatives. Support each other through exposing their own fan base to another artist's music (Soundstripe, 2020).

Blockchain Distribution Companies - Transparency in Transactions to prevent fraud
Music Coin
Universal Based Income - a form of royalty payment in cryptocurrency

Artificial Intelligence

The use of artificial intelligence and machine learning is becoming a prevalent aspect that is being explored within the creative entertainment industry. Collaborating its use with advanced visual CGI effects in creating a virtual or augmented reality. This is explored quite significantly within application games and video games, where the creative has the opportunity to replicate the live experience of the visuals and audio right into a consumer's home. The use of artificial intelligence has also been explored in the area of music production through Neural Synthesis. Machine learning gives scope for an original audio file or sample to be analysed; learnt inherently and reconstructed to produce a new audio file from scratch. Online platforms include Spark AR, Heijar AR, Eevo App using VR and AR to allow the user to play segments of a drum kit with their eyes. Roar AR creating music video technology. Opulous screening app providing music based apps and games online.

A.I. will also make it easier to create and deliver the right messages to the right audience at the right time. On the music business side, it will help artists reach their audience more efficiently, and hence create more income (Mechanics, 2020).

“Having seen what it is capable of around advertising and marketing already, I suspect that A.I. will come to play a larger and larger role in finessing ad campaigns and delivering more revenue back to artists.”

Darren Hemmings, MD of Motive Unknown (Mechanics, 2020)

Bitcoin

Creating a bitcoin currency by tokenizing assets to be universally distributed for profit - through transparent, impenetrable transactions. Artists can create their own cryptocurrency. Make a Metamask - to make a wallet, how to take payment and move cryptocurrency around. Artists can release a single and ask people to pay for your singles exclusively through cryptocurrency (Musicoin, 2020).

.

Conclusion

Music enthusiasts are left with just what they hear. Subtle additions to their listening experience with 8D technology; panning the audio through external speakers allowing the listener to be 'immersed' in the music. New technology instigating the establishment of renowned audio and sound engineering schools in the to burst with students excited about the technological changes in this evolving industry, many musicians are left worrying that technology will essentially replace them.

However, this essay helps to suggest how technology has impacted the music industry. It can be seen that while some areas have transitioned to automation, digital technology has contributed to the music industry, rather than replaced it. Additionally, it can be argued that some key industries are still, and will continue to be inherent as products-based; that is the artist or creative as a brand and the music; which continues to be a fundamental aspect to gauging the consumers behaviour and building a fan base irrespective of technology.

Bibliography

Alexander, J. (2019) *Streaming makes up 80 percent of the music industry's revenue*, *The Verge*. Available at: <https://www.theverge.com/2019/9/6/20852568/streaming-revenue-growth-spotify-apple-music-industry-ariana-grande-drake-taylor-swift> (Accessed: 5 May 2020).

Bargfrede, A. (2017) *Music Law in the Digital Age: Copyright Essentials for Today's Music Business (Revised)*. Berklee Press Publications.

Best No-Code Application Development Platform | Appy Pie (2020). Available at: <https://www.appypie.com/> (Accessed: 5 May 2020).

Harrison, A. (2017) *Music: The Business - Fully Revised and Updated, Including the Latest Developments in Music Streaming*. 7th Edition. UK: Virgin Books.

Ingham, T. (2019) *Streaming Platforms are Keeping More Money From Artists than Ever (and Paying Them More, Too)*, *Rolling Stone*. Available at: <https://www.rollingstone.com/music/music-features/streaming-platforms-keeping-more-money-from-artists-than-ever-817925/> (Accessed: 5 May 2020).

Mechanics (2020) *Soundcharts | Market Intelligence for the Music Industry*, *Soundcharts.com*. Available at: <https://soundcharts.com/blog/music-industry-trends> (Accessed: 27 April 2020).

*Musicoi*n (2020). Available at: <https://musicoi.n.org/> (Accessed: 5 May 2020).

Songtradr - Intelligent Music Licensing (2020). Available at: <https://www.songtradr.com/> (Accessed: 5 May 2020).

Soundstripe, I. (2020) *The Best Royalty Free Music & SFX | Unlimited Licenses*, *Soundstripe.com*. Available at: https://www.soundstripe.com/?gspk=c2VtYW50aWNsYWJz&gsxid=fEdxhRYYVZtW&sid=1-g-Cj0KCQiApaXxBRDNARIsAGFdaB_VETi7zUgWgKupf4zxOsC-KbWqTxZi-mADRB0olheflb6Biyl-OpoaAqZjEALw_wcB&utm_source=growsumo (Accessed: 5 May 2020).

Witt, S. (2015) *How Music Got Free*. London: Bodley Head.