

**New Technology in the
Music Industry
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Introduction

Over the last twenty years, there has been an unstoppable change in the music market, facilitated by the advent of new technologies. The main variable which has been involved in this process is music consumption, and consequently its distribution. The profound changes in the music industry have affected both consumers, that is the audience, and sellers, whether they are record labels or the artists themselves. The change in music consumption also influenced promotion and sale mechanisms, which have been forced to adapt to the new model. During this irreversible process, music went from being product-focused to being service-focused. In this essay, it will be discussed how technology's innovations led to the change of the music industry, along with the relative advantages and issues related to this.

The transformation of music from product to service

This process began way back in 1999 when young start-upper Sean Parker decided to found Napster together with his business partner Shawn Fanning. The platform was based on the free exchange of mp3 audio files between users. Napster soon went viral, and in just over two years it reached over 27 million users, leaving an indelible mark on the music industry's future (E. Forde, 2019). The rise of music piracy was the first sign of the power of new technologies on music consumption process.

Before Napster and the advent of digital music, music was conceived - both by consumers and sellers - as product-centered. The consumption of music occurred through the sale of physical copies-vinyls or CDs: this shaped the perception of its nature, which was conceived as something to own and collect (M. Doyon, 2013). It was indeed the fact that music could be bought and sold materially that crafted its perception as a product. With Napster began a digital revolution based on the concept of accessibility (T.Lamont, 2013): through the Internet, the control of music distribution has been taken from the hands of the industry (Wikström, 2013).

The transformation of music from product to service has passed through different technologies and stages. After Napster, which allowed the free but illegal download of songs, Apple launched iTunes as a 'legal alternative'. The platform exploited the commercial opportunity suggested by Napster by closing deals with all major labels and selling music digitally. Even though in a different way from before, iTunes allowed music to be purchased as a sort of 'item' once again.

However, iTunes carried on that revolution initiated by Napster: consumers had started to perceive music no longer as a product but as a service. The fact of being able to buy single tracks instead of entire albums gave consumers the power to get only what they were interested in, and thus a sense of personalization began to form in the modalities of music distribution. This sense of accessibility and individualism was then further favored by the creation of the iPod. This piece of machinery allowed people to store music in digital format and having it in the palm of their hands (T. Morey, 2015), setting flexibility and accessibility as new the traits of music consumption. Furthermore, the portability of the iPod opened the floodgates for other portable devices that started imposing themselves as the new standard (Rizoh, 2011).

These new modalities, together with the relative sale prices, had great consequences also on the production of music. The lack of need of physical albums cut down production costs for labels, establishing the 'single' as the new focus and killing definitely the album era (T. Mory, 2015). To be able to sell a track for 0.99 pounds also generated a leveling-off between independent artists and major ones, opening the door to a cheaper and therefore more accessible distribution, and consequently to a greater musical offer. This expansion of the offer was another important step that favored the transition of music from being product-oriented to service-oriented. With the introduction of social media such as Facebook in 2003, this trend had the definitive push to establish itself as a new standard and allow the rise of streaming services.

In 2005, Tim Westergren, Will Glaser, and Jon Kraft founded Pandora. Based on the 'Music Genome' algorithm, Pandora was the first 'recommendation' digital radio, a sort of pioneer for the following streaming services. It was also the first glimpse into the 'freemium' model (M.O'Shea, 2016), an option that would have changed forever the consumption and the perception of music. After the launch of Soundcloud, 2007 and 2008 saw the rise of the two pillars of the new generation of music consumption: the iPhone and Spotify. In 2007, the launch of the product by Apple gave birth to the concept of smartphones, combining all the functionalities (phone, computer, iPod) into a single device. The introduction of the smartphone technology exasperated the modalities that were introduced with the iPod and digital music, changing forever the

industry. Then, the smartphone model proposed by Apple quickly spread as a standard in the mobile phone industry, imposing itself in an all-encompassing way on every brand on the market.

Intrinsically linked to these changes was the appearance on the market of a new streaming platform. Founded by Swedish Daniel Ek and Martin Lorentzon in 2008, Spotify was created to fill a gap in the market: offer a seamless listening experience. A little over 10 years after its creation, the platform is now the leader in streaming services and has over 340 million users under its wing (J. Porter, 2021). Part of its great success is due to the freemium model, which has set a new standard: free and legal music, always available. Spotify offers users two options: a free version supported by advertising, and a paid version (ad-free and with unlimited plays). The possibility of being able to subscribe for free has certainly played a role in attracting consumers, unlike Apple Music-for example- which only offers paid subscriptions.

In any case, the digital download was replaced by digital streaming, and the concept of music as a material 'product' has gradually faded. Thanks to platforms such as Spotify, Apple Music, or Tidal, music has completely transformed itself into a service, that is, into a user-friendly and personalized experience. From the economic perspective, this change has meant that the business that once operated on the basis of the acquisition is now paying for use (Kahani, 2014). Users no longer pay to buy a track or album, instead they subscribe to monthly fees that guarantee, in fact, a service, which is access to the music. The tendency of music towards being perceived as a service has also been favored by an essential technological component of all music streaming platforms: their algorithmic foundations (S.Cole, 2019).

In particular, Spotify's recommendation algorithm is very complex since it analyzes three variables: natural language processing (lyrics and content), raw audio (vibe and mood), and collaborative filtering (comparison between the song and listener's habits) (Ditto, 2020). This combination guarantees users a high level of personalization, which has been employed by Spotify as a marketing strategy to differentiate themselves from competitors. In fact, the platform offers over ten types of personalized playlists including a radio, different daily mixes and the platform's distinctive playlist, Discover Weekly. Given the success of custom playlists, Spotify has recently begun to include personalization within the editorial ones as well. According to the audience data collected by the platform, in fact, users tend to interact more when the playlist is personalized: people seeking out songs after discovering them through a playlist is up 80 percent and track saves are up by 66 percent (J.Kastrenakes, 2019). The concept of the playlist itself, which is the basis of every streaming service, can be considered as one of the main innovations that have brought about a change in the consumption of music. The advantages of introducing playlists are innumerable: on the one hand, the artist can collect thousands of streams if added to an editorial playlist, on the other, the consumer has easier access to discovery and diversity of music genres.

Perhaps for these reasons, listeners have shifted towards playlists over albums: according to the Music Business Association, playlists account for 31% of listening time across all demographics, while albums lag behind on 22% (M.Savage, 2016). In addition to the streaming services and the technological innovations mentioned above, another important tool that determined change is Youtube. The video-sharing platform has further opened the doors to the concept of DIY creative content and music discovery. The platform is also responsible for artists going viral such as Shawn Mendez, Alessia Cara, or Orla Gartland. Today, videos can become viral thanks to the immediacy and the global reach of the platform, with Youtube users reaching an impressive number of 2.3 billion worldwide. This incredible reach can provide several opportunities for profit to be made (E.Forde, 2016). After being accepted in the Youtube Partner Program, videos can be monetized, members of the channel can make recurring payments in exchange for content, fans can browse and buy official artist's merch and it is possible to get a fee when users watch your content (Youtube Help, 2021). Besides the greater accessibility and the possibilities of profit, Youtube has also revolutionized the artist's brand awareness perception. Today, it is not only the music that is evaluated by the audience, but also the visual elements and assets associated with it. Music videos have therefore become an additional but necessary asset to promote and illustrate the artist's vision, other than a means to 'get to know the artist' beyond its music.

The rise of the most recent social media such as Instagram or TikTok has constituted the last step to the definitive transformation of music consumption. The piece of the puzzle that has been added is the interaction between the consumer (fan) and the seller (artist/record label). Social platforms such as TikTok enable users to engage with the music by creating new original content on the basis of the product they are given. The same can apply to Instagram stories, where users can post frames of their day using a suggested track as the soundtrack to them. This engagement factor has had a huge impact especially on the diffusion and the promotion of music, which often makes use of the so-called influencer marketing.

Criticism of the new model

Although new technologies have brought with them progress and innovative production methodologies, some would say that the transformation of music as a service has raised several issues in the processes of music consumption, particularly regarding the revenue mechanism, and that new technologies have negatively contributed to the process, acting as an accelerator. One of the biggest arguments against this new model attacks streaming services, which are accused of not allowing an adequate remuneration to the artists. Musicians are only paid an average of £ 0.004 per stream, and a recent poll by the Ivor's Academy and Musicians 'Union found that 82% of musicians earned less than £ 200 from streaming services across the whole of 2019 (R. Jones, 2021). Another problem with streaming is the perception of value. Since consumers do not buy music anymore, streaming services are creating the consumer the expectation that they will only pay for the frequency of listening (K.Lakhani, M.Iansiti, 2014). Also streaming's distinctive element-the playlists-have been hugely criticized. The appeal of being included in an editorial playlist could push artists and labels to create tailor-made music, release only singles, and reduce the length of the tracks below average so as not to bore the listener and get skipped by users. Furthermore, the fact that playlists are replacing albums in the percentage of plays is for some a worrying sign. In the past, the release of an album allowed the artist to be defined by the work they put into it, while now on the contrary playlists favor a diminishing creative potency.

The same criticism and concerns affect the other platforms. Youtube has been widely criticized for the low payout it provides to creators. In a 2019 comparative analysis with other streaming services, Youtube has ranked last with the lowest rate of \$0.00069 per stream (J.Schofield, 2019).

On top of that, Youtube has also been condemned for being 'anti-copyright' and 'anti-artists' (E.Forde, 2016). Youtube's copyright issues have been a popular topic of discussion, and relate to how the platform implements its protection methods. The legitimacy of its automated measures (Content ID, copyright strikes, etc) used as a form of 'protection' has indeed been questioned multiple times.

Regarding social media platforms, some argue that it may have contributed to a distorted, ruined perception of music. Valuing quality over quantity has brought to a decrease in the attention span of the audience, and the music industry is forced to follow this trend by releasing more and more music in a short period of time (D.O'Neil, 2015). Other than contributing to the elimination of the album, platforms like Facebook, Instagram, and Twitter would constitute a 'toxic environment' for music makers, leading to concerns on the perception of their product and to a consequent lack of originality in music's production. According to Trent Reznor, "Artists are trying to make music to please the tastemakers that tell the sheep what to like." (T.Reznor, 2017).

Conclusion

In conclusion, the digital revolution implemented over the years has caused both positive and negative consequences. Taking stock of the main disadvantages and advantages of this change, it can be said that in general, the change has led to a more democratic way of consuming and producing music. With the advent of digitization, music has become accessible to a wider audience, and the offer has increased exponentially. Listeners can count on a highly personalized experience, as well as on a simplification of the general consumption process, which has become more immediate and cheaper. For artists, the new technologies have made music production and distribution faster and affordable, eliminating the need for a middle figure like a label. The competition-considering the vast offer of music- has increased exponentially, but together with it, the possibilities have also raised. Finally, despite the low pay rates, streaming services like Spotify can be perceived as a positive and necessary input of the modern music industry. By contributing largely to the recovery of the recording market, today they account for around 75% of the recorded music industry's revenue (RIAA, 2018).

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