

Program : MA Music Business

Module : New Technology in Music and Creative
Entertainment

Module code : BMTY7004

Lecturer : Zohe Mustafa

Assignment title : Essay

Student name : Chiu Wai Yin, Winnie

Student ID number : 2125608

Submission Date : July 8, 2022

The past two decades of rapid and astonishing technological innovation brought enormous disruption to many industries worldwide. This has undoubtedly affected the music business at many levels. One of the most significant impacts was the shifting of consumption and industry of music from being product-focus to service-focused. Take a look at the progression from the phonograph, analogue tape machine, CD, and physical distribution to digital recording software and various internet-based streaming service like Spotify subscription, YouTube, digital aggregators etc.

All of these have greatly influenced the behaviours of the record companies, musicians & consumers. This evolution has brought both positive & negative impacts to the music industry, which all the stakeholders are needed to be aware of. In this essay, the way new technology has facilitated the ongoing process of music distribution & music marketing will be discussed and evaluated.

Music Distribution

Back in the old days, producing superior quality recorded music like vinyl was expensive and scarce.

It was also a complicated task to distribute the music and let it get heard by the world. The logistical problem associated with the distribution of hard copies of music required enormous resources and efforts; therefore, it took a long time for a musician to get worldwide recognition because of this barrier.

MP3 constitutes one of the technological developments which completely changed the music industry. It also eliminated massive amounts of manufacturing and shipping costs of the recorded music. (AssignZen, 2022)

Thanks to the internet, music distribution is now getting a lot quicker and easier without having to transport an enormous number of hard copies, and a vast range of options are now available. People can now play music directly from the internet without the need to go to retail stores to buy a physical CD. They can play digital audio music, stream it directly, and even buy it online.

This accessibility of music to real-time listening experience is definitely a radical shift in music listeners' relationship to music.

RIAA (Recording Industry Association of America) confirms that "the market share of online music download via the internet or mobile phones as a percentage of the total sales of recorded music in the United States rose from 1.5% in 2004 to 50% in 2011" (Moreau, 2013)

With the emergence of different online selling & streaming platforms, including but not limited to iTunes, Spotify, YouTube, Sound Cloud, Pandora, Tidal etc., music is now more easily and readily spread to an extensive range of audiences belonging to various countries, backgrounds, and cultures.

iTunes Music store – the first online service for selling music

The first company to create a successful online service for legal sales and distribution of music was Apple Computer, whose iTunes Music Store was the first online retailer to offer the music catalogues from all major music companies. It used an entirely novel pricing model, allowing consumers to de-bundle the music album and only buy the tracks they liked. (Wiskstrom, 2021)

Despite the above, the rights holder still has control over how the royalties are to be paid, and it was kept transparent and predictable. Because of this, the iTunes Music Store was the world's largest music retailer (online and offline) in 2013, and it has sold more than 25 billion songs since it launched in 2003.

Apart from digital download services like iTunes Music Store, which allows the audience to purchase individual tracks, there are other legal streaming services that choose to offer users access to a large music archive for them to listen to at their leisure. This service typically charges a subscription fee, allowing the audience to hear as many songs and as frequently as they want. Companies like Spotify (2006), Deezer (2007) and much later, Apple Music (2015) was created to offer this service.

Spotify

Although this sounds difficult to convince the record labels to license their catalogues to the platform and persuade users not to own a copy of the track or album, the most representative platform offering this service is Spotify. Spotify made a breakthrough, transformed the mindset of both users and rights holders, and successfully built a solid ground.

Spotify was founded in 2006 by Daniel Ek and Martin Lorentzon with the aim of creating a library of music charging a subscription fee for whatever number of songs downloaded. They positioned themselves as a legal service that could compete with illegal file sharing. However, it faced many difficulties at the start-up stage, including the traditional thinking of the royalty model, which is challenging to apply to an access-based service since the revenues generated are based on the number of users of the service but not on the songs sold. It is also difficult to persuade the rights holder to share the risks and, at the same time, instead of taking a fixed license fee per track, share the revenue of the company. At the end of 2013, the company announced they had generated more than a billion dollars for rights holders worldwide, which according to Spotify, is proof that their model does work.

The streaming platforms have become so successful that they have become the music industry's primary revenue source. According to Wild Code School music news in 2022, music streaming & video streaming occupied 45% of the music industry's total revenue. (Wildcodeschool, 2022)

Apart from being the major revenue generator of the record companies, another advantage of the streaming platform is its feature which allows the audience to choose the music they like and "skip" those they do not like. Fans can pick songs from the curated playlist and make their "own" archive. This allowed genres that were overlooked by traditional media to be caught by listeners.

Besides, artists can also make use of the streaming platform to control how they want to distribute their new music. They can choose the correct channels and customize the experience to best fit their image to their fans. Fans also become more used to turning to stream if they want to look for a new release since those platforms have more variety of new songs released daily.

Last but not least, the streaming platform also can provide a non-exhaustive overview of analytical data & user information like the number of listens (or views), demographics (country/gender), number of followers & statistics on each song published etc. to the artist which is difficult to obtain from traditional retailer platform.

The negative impact of technology on Music distribution

There is no doubt that technological advancement has many advantages for the music industry and individual artists. It pulls all the audience from various parts of the world together; it facilitates the global connection between musicians & listeners and makes music distribution more efficient and less costly. It also creates a new listening experience among the audience and gives more control to the artists. However, it also creates several disadvantages which adversely affect the music industry.

1. Piracy & copyright

Piracy is a common problem that all artists face. With the emergence of MP3 technology, it makes hardcopy music become insignificant. People can easily make good-quality copies of music resembling the original copy and share it openly with everyone around the globe for mass consumption via the internet and social media platforms. Without appropriate legislation and regulations, this open sharing facilitated by technology creates loopholes with which people breach patent laws, and the composers' copyright is also being infringed easily.

2. Reduction in total revenue

Apart from piracy which is one of the culprits in the economic losses in the music industry over the past decades, amounting up to 12.5 billion dollars every year according to the Recording Rights Association of America (Deaux, 2017), the increased music distribution due to iTunes technology also contributed to an overall reduction in total music revenue in the whole industry. (AssignZen, 2022)

In 2014, more than 1.4 billion online music copies were sold in digital form, reducing the sales of CDs by 700% (CNN Money, 2015). Therefore, it was found out following the introduction of iTunes stores, even though more music was being sold, implying that the iTunes technology encouraged distribution rate, the total revenue earned by the record labels and also the artists were still reduced due to the drop in revenue of the physical CDs.

Music Marketing & Promotion

Marketing and promotion are crucial in determining the success of music. In the past, this was done by record labels which they would try their absolute best to get the music heard by the audience to increase sales and promote the artist.

Before the advent of digital marketing, promotion usually will be done through traditional media like radio, television companies, billboards, the press, and even subway stations reaching an extensive target. This will also be done in retail channels, which are the physical shops where consumers will buy the physical CDs.

Gone are the days when artists looked forward to being featured on radio, having an interview on TV, or being mentioned in the newspaper. They will prefer to have their music picked on a curated playlist on streaming websites, being mentioned or played on social media, sharing platforms, etc. The advancement of technology and the internet have significantly altered the role of traditional music marketing media and led to the rise of different promotion strategies and innovations.

1. Social Media platforms

Through new media technologies, artists can now take advantage of viral marketing, in which people share promotional information among themselves via different social media platforms. This sharing has no cost involved and can reach an unlimited and uncontrollable number of audiences with promotional materials for their music. This enhances a two-way interaction between artists & fans and also between organizations.

A study conducted by MusicWatch shows that 90% of social media users participate in some form of music- or artist-related activity on social platforms (Crupnick, 2018). Two-thirds of social media users agree that they discover new artists on social media, and nearly 60% visit online streaming services/platforms to listen to music after they see an update, tweet or post. (Cole, 2019)

The above showed that people like going to different social platforms for music-related activities and content. Not only do individual artists prefer to use social media platforms to promote their music, but record labels worldwide are also looking into different ways to interact with social media platforms for music promotion and fan bases.

The characteristics & key differentiation of different social media platforms were analyzed below :

- Facebook: Good for content distribution (videos, photos, teasers & announcements), fans engagement via own Facebook group & live stream events via Facebook Live (Qulin, 2021)
- Instagram: This is great for Instagram stories, photos, video posts, and IGTV for creating brand identity.

- Twitter: This is more useful for engaging the fans with short updates on information about the labels/artist
- YouTube: This medium is well known for its video-sharing platform together with interviews and teasers for upcoming events/songs.
- LinkedIn: This platform is famous for its professional networking within and outside the music industry workspace
- Tik Tok: This is the most upcoming social media platform reaching especially young audiences with pure video content creation with the use of a musician's song as background.

Thanks to all the social media platforms, artists can get real-time feedback from their fans, and with all the analytical tools, they can review their marketing strategies in a timely manner.

Apart from social media platforms, there exist many other ways, with the advancement and innovation of technology, which helps the individual artist and record labels to conduct music marketing strategies and promotion.

2) Playlist platform

Another way of promoting the music is trying to pitch the song to a specific playlist within a streaming platform. This is a fact that there are millions of songs that exist on the streaming platform. Therefore, artists must find a way to get their songs picked by the audience. The most efficient way is trying to get a place in a specific playlist since it is common for listeners to follow a curated playlist and create their own song archive from a specific playlist. There are wide varieties of playlists associated with different genres, tones & moods, which the artist can choose from to fit their own styles & works.

The best way to approach this is to find the appropriate tastemaker and ask for their help to put the song into their corresponding curated playlist. This might need the help of a plugger or an agency, but this can definitely help the artist to reach more listeners.

3) Personal website

A personal website is just like a home base for the musician. This is a space for the artist to do a good narrative of himself and also a place where this story can be presented in an attractive and distinctive way. Building up the community, sharing photos and video files, and selling merchandise directly on the personal website allows the listeners to better understand the artist, who he is, what he does and most importantly, where to listen to his music.

4) Email marketing

With social media platforms and personal website targeting a mass audience in one go, email marketing is the only direct form of communication available to artists to each individual audience. Promotion information can reach a specific audience via email marketing campaign, which fans who opt-in to receive communication are more likely to pay attention to.

5) Live shows

The live music industry has always been an important source of income for performers, audio engineers, venues, promoters, and other professionals.

During the pandemic, musicians have been monetizing live-streamed performances over social media platforms using donation links or paid access services. Another example of how technology innovation impacts live shows and festivals is the rise of virtual reality concerts. The development of more sophisticated VR headsets, combined with their wider adoption, has opened new doors for companies to produce products that bring concerts and shows to fans.

All these innovations made live shows conducted nowadays, unlike traditional styles, with more sophisticated ideas and more attractive to the audience.

The above all illustrate how the new technology has changed the era of traditional music marketing to a new world. Everything becomes more efficient, more targeted, more timely & more measurable. With the non-stop development of technology, it was believed that the world would become even smaller, the distance between each person would be shortened, and maybe every person could be reached with a click of a button on your computer. To conclude, the evolution of technology is changing the way ideas are transformed for music creation, recording, distribution, and marketing. This might have positive and negative impacts on the music industry, but musicians or record labels need to continuously go through the process and make adaptations to the changes to stand out in the field. We cannot deny that advancements in music technology have fostered growth and innovation in the whole music world, which is, after all, the point of art. (SUU, 2021)
(2493 words)

Reference List

Admin (2017) '*How technology affects music and musicians*', bestdigitalpianoguides.com, Jul 5, 2017. Available at : <https://allabouttherock.co.uk/impact-technology-music-industry/> (Accessed : June 25, 2022)

AssignZen (2022) '*How Technology Affects the Music Industry?*', AssignZen, May 5, 2022. Available at : <https://assignzen.com/how-technology-affects-the-music-industry/> (Accessed : June 25, 2022)

Cole Sean (2019) '*The impact of technology and social media on the music industry*', Econsultancy, Sept 9, 2019. Available at : <https://econsultancy.com/the-impact-of-technology-and-social-media-on-the-music-industry/> (Accessed : June 25, 2022)

Covert Adrian (2013) '*A decade of iTunes singles killed the music industry*', CNN Business, Apr 25, 2013. Available at : <https://money.cnn.com/2013/04/25/technology/itunes-music-decline/> (Accessed : June 25, 2022)

Crupnick Russ (2018) '*Music Scores A Gold Record on The Social Media Charts*', MusicWatch, Aug 6, 2018. Available at : <https://musicwatchinc.com/blog/music-scores-a-gold-record-on-the-social-media-charts/> (Accessed : June 25, 2022)

Deaux John (2017) '*The Impact of Technology on the Music Industry*', All about the Rock, Dec 21, 2017. Available at : <https://allabouttherock.co.uk/impact-technology-music-industry/> (Accessed : June 25, 2022)

Disctopia (2022) '*How Technoloty is Changing Music Promotion and Marketing*', Disctopia 2022. Available at : <https://disctopia.com/how-technology-is-changing-music-promotion-and-marketing/> (Accessed : June 25, 2022)

Moreau Francois (2013) '*The Disruptive Nature Digitization : The Cases of the Recorded Music Industry*' International Journal of Arts Management. ResearchGate

musicFIRST (2018) '*How Technology is Changing the Music Industry*' musicFIRST, Jan 17, 2018. Available at : <https://musicfirstcoalition.org/technology-changing-music-industry/> (Accessed : June 25, 2022)

Obiechefu Jason (2022) '*Changing technology allows for new distribution means in music industry*', The Ticker, Apr 29, 2022. Available at : <https://theticker.org/7451/business/changing-technology-allows-for-new-distribution-means-in-music-industry/> (Accessed : June 25, 2022)

Quin Alex (2021) '*How Digital Marketing Is Transforming The Music Industry*', Forbes, Mar 30, 2021. Available at : <https://www.forbes.com/sites/forbesagencycouncil/2021/03/30/how-digital-marketing-is-transforming-the-music-industry/?sh=1a9842c4b98a> (Accessed : June 25, 2022)

StudyCorgi (2021) '*Influence of Technology on Marketing of Music in the 20th Century*', StudyCorgi, Dec 14, 2021. Available at : <https://studycorgi.com/influence-of-technology-on-marketing-of-music-in-the-20th-century/> (Accessed : June 25, 2022)

SUU (2021) '*The Impact of Technology on the Music Industry*', SUU, Feb 2, 2021. Available at : <https://online.suu.edu/degrees/business/master-music-technology/tech-impact-music-industry/> (Accessed : June 25, 2022)

Twelverays (2021) '*How Digital Marketing Is Influencing the Music Industry*', Twelverays, May 17, 2021. Available at : <https://twelverays.agency/blog/how-digital-marketing-is-influencing-the-music-industry> (Accessed : June 25, 2022)

Wiebe David Andrew (2014) '*How Has Music Marketing Changed in the Internet Age?*', MusicEntrepreneurHQ, Sept 18, 2014. Available at : <https://musicentrepreneurhq.com/music-marketing-changed-internet-age/> (Accessed : June 25, 2022)

Wikstrom Patrik (2021) '*The Music Industry in an Age of Digital Distribution*', OpenMind, 2021. Available at : <https://www.bbvaopenmind.com/en/articles/the-music-industry-in-an-age-of-digital-distribution/> (Accessed : June 25, 2022)

Wildcodeschool (2022) '*Music and tech ; the influence of technology on the music of tomorrow*', Wild Code School [blog], Feb 2, 2022. Available at : <https://www.wildcodeschool.com/en-GB/blog/influence-tech-music-technology-future-artificial-intelligence-streaming> (Accessed : June 25, 2022)