

Entertainment Marketing Essay

SBTY7004

Student Name: Jennifer Hukins

Student Number: 2020302

Lecturer: Zohe Mustafa

Introduction

With the turn of the 20th century came a dramatic shift in the way we consume music. The invention of streaming made music more accessible and a number of companies saw a gap in the market and quickly established themselves as top dogs in the Digital Streaming Platform industry. Now, the likes of Spotify and Itunes have the monopoly on streaming figures having created ease of access for an affordable amount.

The History of Digital Streaming Platforms

But how did we get here? The history of the development of music is full of gigantic developments dating back to as early as the 1920's with the invention of the radio. This breakthrough meant people no longer needed to leave the comfort of their homes to experience music, and since then continuous enhancements in technology have enabled developments across a number of sectors; however, music has arguably benefitted the most.

After radio came vinyl, then cassettes, CDs and the iPod. Surprisingly, the iPod - which sold 54.8 million units in a single year (Morgan et al, 2020) was only 15 years ago, which demonstrates the velocity at which technological developments have traveled at. Even early digital recordings made the recording process cheaper and simpler as well as improving sound quality and minimising distribution and manufacturing costs. Initially the development in digital technologies led to growth in the music industry, but then followed issues with piracy and illegal downloads, most notably the incident with Napsters peer-to-peer file sharing system which resulted in some hefty legal battles. Streaming was the answer to the piracy problem and revolutionized the monetisation of digital downloads.

Now streaming platforms are at the height of their popularity both with creators and listeners. Thanks to ease of access and reasonable pricing, it has never been easier for musical artists to release music. The shift came as a result of users desire to be able to personalise their listening experience and the benefit has been genre-wide allowing some previously overlooked genres to thrive following the rise in radio airplay.

New Technology

Twenty years ago there were battles in households over access to the internet, and we all remember the apprehension we felt listening to the broadband dial up. Twenty years ago the idea of building a website seemed like a far flung dream to the everyday person. Fortunately, with the development of technology there is no longer a

need for a degree in order to be able to build your own website. Companies have responded to the new age of technology by creating platforms with easy access to a range of facilities including the likes of online stores, links to social media feeds and video players. This has been greatly received by the music industry as it has allowed musical artists to create their own websites, thus taking control of their branding and engagement.

Over time a plethora of websites have appeared which have been used to aid in not only the initial stages of an artists career, but also to assist in longevity, promotion, distribution and marketing. Websites such as bigcartel.com have provided an opportunity for artists to be able to sell their merchandise 24/7, instead of pinning all hopes on a sell out after a live show. Spreadshirt.com makes it easy for anyone to design, print and distribute t-shirts, so no longer does an artist need to pay out for this service provided they have a little artistic flair themselves. Namecheck.com helps new artists to select a name, while sites such as droptrack.com aid in promotion and reach. ReverbNation helps DIY artists build their career through providing opportunities for sync and festival slots, a site builder, EPKs, gig finders and digital distribution amongst many other services. Sonicbirds.com helps artists to land gigs, find musicians and support acts.

And it's not only the musicians who can benefit from these kinds of websites. Songkick and bandsintown have been developed to help the music consumer find tour dates local to them and Spotify has learnt the value in recognising listening habits to create personalised playlists for its users.

In the midst of a world-wide pandemic, live music ground to a halt. Fortunately, thanks again to the advancements in technology, many musicians were able to accommodate live streams which allowed them to make money and fans to experience musicians in their somewhat adapted natural habitat. Former gaming platform Twitch suddenly became host to a number of musical live streams which brought into question issues with copyright and royalty payouts.

Technology can be further exploited to aid in promotion through a number of channels. Again, thanks to no code technology provided by the likes of wix.com artists can be clever with their use of metadata in the form of website tags and titles which can influence traffic. Provided tags are kept relevant, many can be used for maximum optimization. Another way to direct traffic to a bands website, or even draw attention to their brand is through the use of owned, earned and paid media. Artists can earn media through social media channels as well as paid for models such as online magazines and adverts. This is where blogs have become more useful as the music industry has become more alert to the value in natural engagement through links provided by bloggers and influencers. The more traffic a website gets, the more attention Google pays. Google Analytics plays a key part in the marketing of any brand, not just the music industry. It provides a user friendly interface which is easy to navigate and provides

easy access to a broad spectrum of data which can be utilised when creating a marketing strategy. Thanks to Google Analytics, website owners can better understand the performance of their marketing, content, products and more. With a deeper understanding of those who visit a website we can plan more efficiently for tours, create engaging marketing campaigns and understand which social media platforms should be targeted.

Direct to Fan

The evolution of digital technology has also introduced a new way of marketing to the music industry - Direct to Fan (DTF). DTF has allowed musical creators to cut out a lot of the middlemen and has given them the power to make more creative decisions. In turn, this has created greater ties with the artist and fan and has been beneficial in building on these relationships. DTF has enhanced audience engagement through better service to core fanbases who are often more willing to spend more money on their favourite acts.

An example of the success of DTF is Radioheads 2007 'In Rainbows' which was released as a digital download on a 'pay what you wish' basis. At the time the band had no representation from a major label and In Rainbows entered into the Billboard chart, the UK album chart and the United world chart at number 1 and sold millions worldwide (Garland, 2009). DTF allows artists to create a more streamlined process for their fan base, offering merch, tickets and music from one place rather than many. With access to a fans email address estimated to be worth \$75 dollars over a five year period (Malt, 2016), purchases from artists websites rather than a high street store rose by 30% in 2019 (Cooke, 2019).

The success of a DTF strategy all comes down to connection, and while the Radiohead example was a success, it is worth noting that the band already had a huge following and were enjoying a successful career. Rock band Marillion used a DTF strategy for two of their album releases asking fans to pre-order their album to allow them to generate funds to start recording. The reward for the fans was to have their names included in special edition artwork when the album was released. DTF has come into its own as the market has become saturated and opportunities for artists have become few and far between, and has allowed artists to thrive without funding from labels or publishers.

Blockchain & AR

More recently the creative industries have been buzzing about the idea of Non-Fungible Tokens (NFT) which are blockchain assets which are threatening to shake up the record industry. Both NFS and DTF have the potential to work together to create a dynamic music industry which gives more control to the artist in terms of creative direction, pricing and distribution. Blockchain works by creating a quick and seamless experience whereby each user on the chain has access to its complete history. The technology boasts transparency and security as records are irreversible (Heap, 2017).

Blockchain has been hailed as a technological pioneer that stands to revolutionise the music industry. With the use of Blockchain technology creators can keep full control over copyright and royalties through a transparent 'chain' without the need for any middlemen. One platform that has made the news recently is Bluebox for its ease of access to back end accounting and royalty tracking system on the blockchain. Bluebox claims that its system allows royalties to be split, recorded and managed by multiple users at once. Having been in development for 3 years it is believed to be the most sophisticated platform on the market at the moment (Ingham, 2021).

Another example of the success of a blockchain in the music industry has been provided by Imogen Heap, who founded Mycelia. The platform uses blockchain technology to provide artists with all of the necessary tools to manage their careers including pay, distribution and rights. This in turn was aimed at giving back artists creative control over their careers which allows them to engage how they choose with their fan base and gives them more power where distribution is concerned.

Blockchain is a relatively new technology which is evolving rapidly. With claims that it can create a worldwide database for copyright and royalty purposes it has a lot to stack up to. Another increasingly popular technology is Augmented Reality. First used by NASA as a navigation system in 1998 (Yianni, 2018) the technology has advanced dramatically with companies like Nintendo using their own AR to create a fully immersive gaming experience for the likes of Pokemon Go. Not to be outdone, the music industry has also used its fair share of AR to create other worldly experiences. In 2019 Coachella used AR to turn one of its stages into a magical AR land where festival goers could use their phones to see a real-time space experience above them. Sam Smith used AR for the release of Diamonds, which allowed users to see Sam dancing on top of his cover artwork (Assemblr, 2021).

Social Media

The power of social media cannot be overlooked either. As the requirements of generations have developed in line with technological advancements, fans have been given greater access to their idols, being given access to

them like never before. No longer does a fan need to wait for a publication to be printed to see what their idols are doing, or have a hard copy of an album sleeve to know the words to their latest single. Additionally, where platforms such as Facebook started off as websites, the response to digital developments have led to accessibility of social media becoming easier through standalone apps. The convenience of being able to check in on anyone from anywhere has become something we all take for granted, but is all thanks to technological advancements.

Social media has also improved the artists ability to get real time feedback from their fans which can be used to create better marketing strategies. Similar to the services provided by google, Facebook and Instagram can provide artists with valuable information about those who engage with their music. For example, age ranges, genders, similar interests and location all of which can be used when creating an effective marketing strategy for an album release or for planning a tour.

As social media has grown in popularity, so has the rise of the influencer with some 'regular' people amassing follower numbers into the tens of millions and turning their social posts into full time work. Now there are even management agencies specifically for influencers. Warren Lentz -The CEO of TalentX - has been quoted as hailing TikTok as 'the next generation talent incubator' (Stassen, 2020) pointing to the success of Shawn Mendez and Justin Bieber on Vine and Youtube. Thanks to social media and the accessibility it provides to people, Artists without such big followings have been able to reach out to these influencers to aid in release campaigns or even brand awareness. Having an influencer appear in a music video is a simple but effective way to expand reach and starnage.com makes it easy for users to filter through the masses and pick out relevant influencers.

What does the future hold?

The music industry has responded to the shift in peoples requirements by finding new and exciting ways to offer experiences over products and to enhance the experience of the music fan. Whilst the transition to digitalisation has proved to be productive and beneficial in a number of ways, the record industry has struggled with the change with sales of recorded music now accounting for less than 35% of what it was in 1999 (Gordon, 2015). In 1982 Michael Jackson Thriller retailed at \$7 and sold over 30 million copies. The price paid per stream has been documented with some DSPs paying out at little as \$0.003. This means that 30 million copies stands to generate an income of just \$90,000 which is a far cry from the \$210,000,000 the Thriller album made for Epic Records.

And of course, there is the question of copyright law. Twitch has struggled to find a solution to the number of takedown requests it was subjected to in the summer of 2020 (Carnihan, 2021). Blockchain technology could

revolutionise the way in which information is stored and shared which would mean royalty payouts are faster, but with an impenetrable system there is room for error at the initial data entry stages that cannot be reversed. Furthermore, with fraud cases almost doubling to 39,364 in 2020 (UK Finance, 2021) in the midst of the COVID-19 pandemic trust here is a huge issue.

The music industry has come a long way in its technological developments, but it still has some way to go. Perhaps time is the best resource here. Much like Seth Godin expresses in his book Tribes, we still need to see some examples of people following trends before we will be truly ready to embrace all of the changes we are seeing in the industry.

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