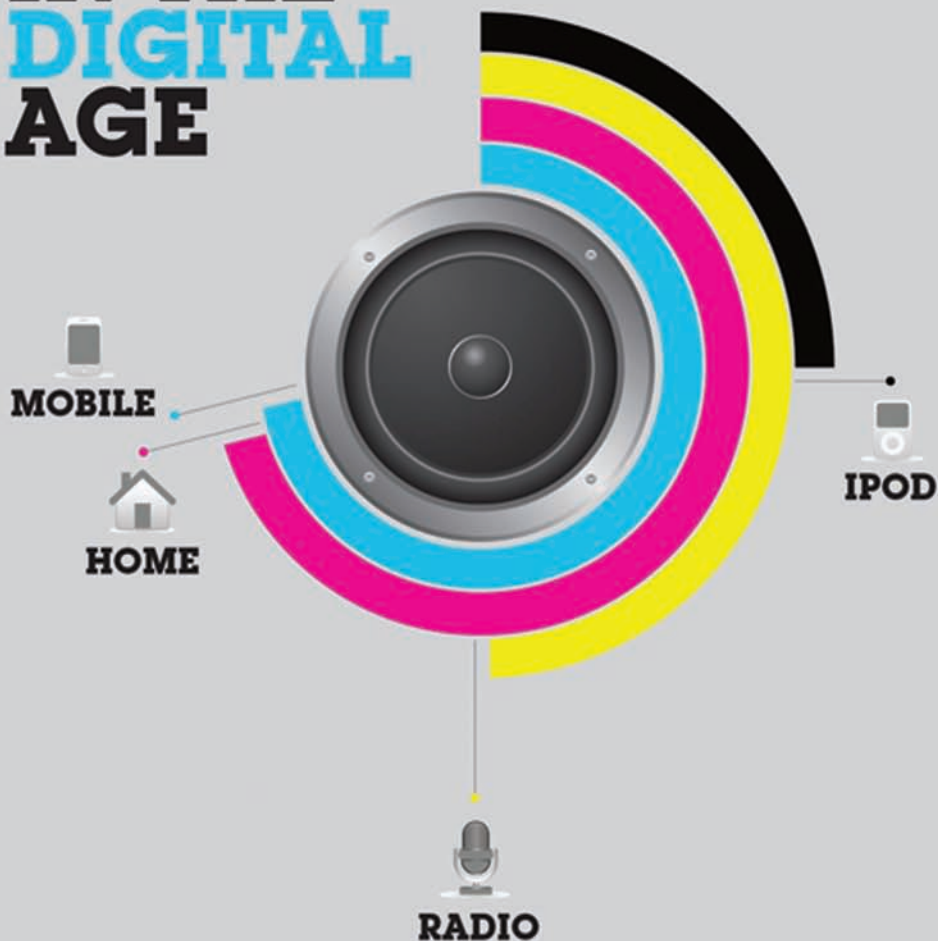


THE DEATH & LIFE OF THE MUSIC INDUSTRY IN THE DIGITAL AGE

JIM
ROGERS



B L O O M S B U R Y

The Death and Life of the Music Industry in the Digital Age

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1

Digital deliria and transformative hype

*In some ways we are the canary down the mine,
the first battle ground, but behind us goes anyone
who creates anything that can be turned into data . . .*

PETER GABRIEL

Since the 1960s Simon Napier-Bell has worked as a songwriter, record producer and author. However, he is best known as the manager of a number of successful international recording acts including Eric Clapton and the Yardbirds, Marc Bolan and T-Rex, Boney-M, Japan and Wham. In a 2008 newspaper article entitled 'The Life and Crimes of the Music Biz', he somewhat gleefully describes the music industry as 'careering towards meltdown' (*The Observer*, Music Monthly, 20 January 2008: 41). Focusing on six key music industry executives from the present and recent past, Napier-Bell dramatically outlines how just four major music companies¹ have usurped almost all rivals and grown to increasingly dominate a business that is 'distinctly

¹ The companies that Napier-Bell refers to are the Universal Music Group (UMG), the Warner Music Group (WMG), Sony Music Entertainment and EMI – the four corporate players whose combined share of the global recorded music market has, over the past decade, fluctuated between 70 per cent and 80 per cent and, by 2008 (when Napier-Bell was writing) had grown to account for 92 per cent of the Irish market. By late 2011, the market had concentrated further when EMI was acquired by Universal.

medieval in character: the last form of indentured servitude' (ibid.). In Napier-Bell's sensational account, a core group of notorious moguls control and operate these companies and use bullying and thuggery to extract products and performance from their employees and artists. He accuses these companies of being 'intentionally fraudulent' and practising 'systematic thievery' from their artists (ibid.: 45). However, he now sees each passing week heaping more gloom on these majors who are seeing their record sales plummet, and are consequently losing their grip on the industry as the internet renders the machinery of the music corporation obsolete. The music companies, Napier-Bell concludes, were never the 'guardians' of the music industry, rather they were its greedy 'bouncers' who have now become irrelevant. The internet has produced, for artists and managers:

the moment to take things into their own hands. Artists no longer need to be held [by a label] for ten years, and they no longer need to sign away ownership of their recorded copyrights. These days, an artist working closely with his manager can ensure that everything is done in the artist's best interest. (Napier-Bell, 2008: 41)

Napier-Bell's account is decidedly sensational and we might consider that it reflects the biases he evolved over decades of negotiating and battling with the big industry players. Sensationalism aside, his perspective on the situation of the music industry in an evolving digital environment is illustrative of two commonly held and frequently relayed assumptions on the matter:

- 1 The first is that major music companies – the 'bad guys' of the music industry – are facing potential ruin in light of recent and ongoing technological developments primarily centred around the internet.
- 2 The second is that such technological developments, which enable the distribution and promotion of music online, have revolutionized the industry's core structure by enabling interface between artists and consumers like never before. These developments are thus perceived as diminishing the power of major music companies in acting as intermediaries in artist-consumer relationships.

There is a commonly held assumption that new information and communication technologies (ICTs) are liberative for artists and that structural change in artist-intermediary-consumer relationships have been a net gain for the artist. Thus, the internet is widely perceived as having severely disrupted the roles and interests of established industry actors, thus producing a 'new music order'. In short, radical change driven by technology is widely viewed as the order of the day for the music industry in the digital era. Arguments that either celebrate or bemoan the advent of the internet as a medium for the distribution and promotion of music have dominated much commentary on the industry since the mid-1990s. Many column inches have been devoted to commenting on the ethics (or lack of) associated with unauthorized music file-sharing online, and the plights of musicians and music companies as such activities have evolved and spread. The ongoing persistence and topicality of such debates is perhaps best illustrated by the recent levels of coverage given to, and controversy generated by such subjects as the 'Emily' case² or the proposed monitoring of network users activities by internet service in the United States in a move aimed at combating online 'piracy'.³ Such debates around the seemingly existential threats new digital technological innovations (and their uses and misuses) hold for the music industry have been common since the mid-to-late 1990s when unauthorized sharing of music became common on US university campus networks.

Popular music forms the basis of a major international industry that, as Patrik Wikström notes, possesses a nature that is 'as chaotic and unpredictable as any other complex dynamic system' (2009: 170). The final decades of the twentieth century saw the music industry (itself a core constituent element of the broader media and cultural industries) significantly increase its importance in economic and

² Summer 2012 saw Emily White, an NPR intern, post a notice on the NPR blog stating that she possessed a music library of 11,000 songs, but had only ever purchased 15 CDs. The posting generated widespread media coverage and a multitude of responses from both proponents and opponents of free music 'sharing'.

³ In spring 2012, ISPs such as Comcast, Time Warner and Verizon were widely reported to be entering a joint initiative with the Record Industry Association of America (RIAA) and Motion Picture Association of America (MPAA) whereby the ISP would track, warn, and ultimately restrict or deny services to copyright 'infringers' in the United States. [Similar developments in other territories are outlined in Chapter 3 of this book.]

employment terms. Since the mid-to-late 1990s, innovations in the realm of digital media technologies have evolved to threaten the medium-to-long-term viability of the record industry – the music industry's most important economic sector over many decades. The unauthorized use of copyrighted material is undermining the record industry's ability to make money and has produced a 'crisis' for a sector that had grown exponentially on the back of the CD-boom. Equally, the record industry has been contending with the challenge of moving from physical to digital formats. Moreover, if this is the 'moment' to strike for independence and for musicians to rid themselves of corporate intermediaries and gatekeepers (as Napier-Bell celebrates), then the established music industry 'actors' are indeed navigating turbulent waters.

The music industry, as we shall see, is much more than the record industry. As a whole, it has proved itself to be resilient and innovative in responding to the challenges of digitalization. This book is primarily concerned with examining and understanding how the music industry has negotiated the digital coalface. In the chapters that follow we will consider some of the key problems and challenges facing the music industry since the turn of the millennium, and some of the core response strategies of the industry over that period. We will consider what has changed and what has stayed the same. Ultimately we will seek to draw some conclusions regarding the form and extent of disruption that the 'digital revolution' (which is feted and feared in equal measure) has visited upon this cultural industry sector.

Musical dystopia

Since the late 1990s, a few core themes have grown to dominate much commentary and discussion on the music industry. First there is the marked decline in the value of record sales that has raised questions around the long-term viability of the music industry, with online 'piracy' seen as the primary factor in this contraction. Also, for the established music labels, the transition to a digital environment has brought with it several problems regarding how they can monetize their content. Besides the issue of piracy, the shift to digital has not been without its setbacks as record companies have sought

new revenue streams and new means of distribution in a less than surefooted manner. Against this backdrop, the concept of an industry in crisis has taken hold.

'Crisis' is a concept that has become embedded in discourse around the music industry since the late 1990s. For example:

We run the risk of witnessing a genuine destruction of culture . . . The internet must not become a high tech wild west, a lawless zone where outlaws can pillage works with abandon, or worse, trade in them in total impunity. And on whose backs? On artists' backs. (Nicolas Sarkozy, president of France, 23 November 2007)

Sarkozy's much publicized comments were delivered in the wake of an agreement struck between French internet service providers (ISPs), the French government and movie and music companies aimed at curbing unauthorized file-sharing on the internet. Subsequently, Paul McGuinness (the manager of U2) did little to modify Sarkozy's picture of an impending digital Armageddon:

I believe President Sarkozy truly caught the spirit of the age with that statement . . . It is a good rule of thumb that when it is the manager and not the artist getting the headlines, something is out of kilter. Well there is certainly something out of kilter with the music business today . . . The record industry is in crisis. (Paul McGuinness, speech delivered at *Music Matters* conference, Hong Kong, 4 June 2008)

In the same speech, McGuinness appealed to governments around the world to force ISPs to be proactive in combating online copyright infringement.

Much commentary and analysis of the music industry in the mainstream press has also centred around such crisis rhetoric in recent years. Arguing that the internet has resulted in the evolution of an 'everything is free culture', Willie Kavanagh, (MD of EMI Ireland and chairman of the Irish Recorded Music Association [IRMA]) writes that it is 'impossible for any business to compete with free' (*The Irish Times*, 8 August 2010: 14). Media and journalistic accounts detailing the decline of the music industry have remained commonplace in

news stories, features and opinion columns. For example, 'Piracy continues to cripple the music industry' (*The Guardian*, Thursday, 21 January 2010); 'The music industry . . . knee deep in a downloading crisis' (*The Sunday Business Post*, 6 April 2008); 'Downloads keep going up . . . Music giants lose fortune in 1.2bn song thefts' (*The Times*, 17 December 2010); 'Industry crisis as album sales drop' (*The Irish Independent*, 14 January 2008); and 'Music industry in a flat spin' (*The Sunday Times*, 27 January 2008). Internationally, such commentary is replicated: 'Music labels feel the music pirating pain' (*Sydney Morning Herald*, 21 November 2011); The 'scourge of the illegal copying and downloading of music from the internet' represents 'a competition monster for music retailers and distributors' (*Africa News*, 12 October 2011); 'No cure for piracy since the day the music started dying' (*The Australian*, 12 September 2011); The 'illegal downloading of music and videos . . . [is] a problem that robs billion from music and movie businesses' (*New York Times*, Sunday, 17 July 2011: 11); 'Want a snapshot of an industry in crisis? Take a look at the music business right now' (*Globe and Mail*, 31 January 2008).

Overall, these notions of change have become common-sense assumptions in much discourse surrounding the recent evolution of the music industry. But such reporting is nothing new. In 2003 the *Financial Times* reported how the downturn in record sales revenues experienced by the Universal Music Group 'underlined the severity of the crisis facing the world's biggest record companies . . . a crisis created by the combination of stagnant sales, internet theft and rampant piracy' (*The Financial Times*, 17 June 2003). Even technology periodicals enthusiastically joined the choir. For example, *Wired* magazine declared 2003 as 'the year the music dies' (Mann, 2003).

Furthermore, in 2002 Britney Spears, Eminem and Luciano Pavarotti headed a coalition of 90 recording artists and songwriters that placed full-page advertisements in *The New York Times* and *Los Angeles Times* condemning the practice of internet downloading on the grounds that it threatened their careers. In the ad, the Dixie Chicks are quoted as saying: 'It may seem innocent enough, but every time you illegally download music, a songwriter doesn't get paid' (*The Associated Press & Wire*, 26 September 2002). Subsequently, established international artists such as Metallica and The Corrs have appeared on main evening news bulletins denouncing the use

of peer-to-peer file-sharing services and claiming the future of the industry that enables them to pursue their artistic endeavours is under threat, as are their livelihoods and the conditions that facilitate musical creativity and the production of music recordings. Summer 2009 saw English pop singer Lily Allen, supported by counterparts James Blunt and Gary Barlow launch a blog campaigning against internet music 'piracy' (idontwanttochangetheworld.blogspot.com). Soundings from industry seminars and trade fairs have consistently echoed similar sentiments.

Perhaps the overall scenario of doom and gloom that has grown to characterize the music industry is most vividly stated by *Irish Times* journalist Conor Pope who asks:

Has music had its day? . . . Of the all the upheavals wrought by the internet revolution over the last fifteen years, the shake up in the world of music has been amongst the most profound. The consequence of free music downloads could end up destroying not just the shops that used to sell music, but an entire industry. (*The Irish Times*, Monday, 27 April 2009: 15)

Pope's language is stark and strident. The terms he employs ('upheavals wrought', 'revolution', 'profound', 'destroying . . . an entire industry') imply the most radical disruption to the existing order.

In short, the very existence of a recorded music industry in the short-to medium-term future is commonly perceived as hanging in the balance with artists, record companies and retailers all facing the prospect of economic destruction. Media commentary and analyses critiquing these accounts of crisis and the extent of the claims made by the music industry regarding its collapse have been extremely rare, although not unheard of. For example, 'The big question: Is the crisis facing the music industry as bad as the big record labels claim?' (*The Independent*, 14 February 2007).

Beyond the perceived effects of online copyright infringement on music industry revenue streams, other media accounts point to internet platforms as effectively rendering obsolete the artist and repertoire (A&R) and marketing and promotion functions traditionally associated with major music companies. Sites such as Bandcamp, ReverbNation, MySpace and Soundcloud have all evolved as platforms

for the promotion of artists and recordings. Aside from cyberspaces such as these and other 'mass-user' sites like Facebook and YouTube, a wave of other 'niche' music social networking sites are increasingly regarded as rendering redundant the machinery of the major media corporation in mediating the relationship between artist and music end-user. As *Irish Times* columnist Brian Boyd tells us, music's 'digital revolution isn't discriminatory' with music journalists the latest casualties of technological innovation (*The Irish Times*, Friday, 4 February 2011: 32). In this account, Boyd outlines how he perceives the role of the professional music critic being diminished and replaced by online social networks. Technology, he argues, has made music journalism 'redundant'. For Boyd, music journalists are left 'clinging to the wreckage . . . playing catch-up with a technological revolution' in an environment where music enthusiasts increasingly rely on each other for recommendations and reviews (ibid.).

Musical utopia

The promise and potential of the internet to destroy pre-existing industrial structures and transfer power into the hands of the individual has been soundly celebrated. The transformative hype surrounding digital technologies is perhaps best exemplified by Nicholas Negroponte, one of the founders of the MIT Media Lab and a celebrated *guru* of the information age. For Negroponte, social and economic structures would be revolutionized by digital technological innovations. Writing in high-tech publication *Wired.com* in February 1995, he argued that transfer to digital would lead copyright to 'disintegrate', with everything that was capable of being digitized being potentially 'up for grabs'. If Negroponte's claims were to be realized, then such developments would hold serious ramifications for the music industry as we know it. In such an environment, traditional power structures could potentially collapse. But with the demise of the major labels would come the promise of liberation for artists. Kevin Kelly, the associate editor of *Wired* magazine, argued that:

The recording industry as we know it is history . . . [with] digital file-sharing technologies . . . undermining the established

economics of music'. (*New York Times Magazine*, 17 March 2002: 19–21).

While digital technologies would serve to dismantle the power of the major record companies, Kelly equally points to those same technologies empowering individual recording artists to act independently like never before. In the evolving digital world, those 'musicians with the highest status are those who have a 24-hour net channel devoted to streaming their music' (ibid.).

Equally, while Boyd (2011) laments the role of online social networks in heralding the demise of music journalism, other accounts point more positively to such developments. For example, David Haynes, the founder of Soundcloud (a music-based social networking site) states that:

In the past, there were just a few gatekeepers . . . and you had a powerful network of labels, A&R, radio and TV executives and magazines who decided what you should be listening to. Now it's so much easier to find out . . . what other people . . . on the other side of the world are recommending. (David Haynes cited in *The Guardian*, 5 September 2010)

In the same article, journalist Alexandra Topping points to such online platforms transferring power into the hands of music fans regarding the discovery of new music.

The purpose and structure of this book

The sum of the above accounts is that the music industry is experiencing radical upheaval in the wake of the digital 'revolution'. In the more extreme cases, these accounts spell out changes that are leading to the potential destruction of an entire industry. These notions of negative or insidious change have become common-sense assumptions in much discourse surrounding the recent evolution of the music industry. Equally, as we have seen, other accounts herald the arrival of a more level-playing field in the music industry where both creators and consumers of music are enabled to access

each other without, as Burnett puts it, requiring ‘the machinery of a multinational corporation mediating this relationship’ (2011: 441). It is against this background that the research from which this book has derived initially evolved.

I’ll now briefly outline the purpose of this book. Its central concern is to examine change in the twenty-first-century music industry. The key questions it asks are:

- *What* has changed in the twenty-first-century popular music industry?
- *Why* has it changed?
- *How* has it changed?

These questions in turn direct us to ask a number of others: Is the internet, as some of the aforementioned accounts have reported, inducing a ‘crisis’ that is signalling the collapse of the music industry? Or is it the case that it is producing a period of pressure that is resulting in an intensified restructuring and reordering within the industry? What, if any, implications do the widely reported decline in recorded music sales have for other music industry sub-sectors? Over a decade after the internet first emerged as a medium for the distribution and promotion of music, has the structure and organization of the overall music industry been significantly altered? What are the characteristics of the contemporary music industry? To draw on Kelly’s words, does the contemporary music industry illustrate the ‘new rules for the new economy’ that were predicted to arise from the ability to digitize content and the rapid and widespread diffusion of internet technologies? Does this signal, as Negroponte predicted, the disintegration of copyright law? Or to what extent has the music industry ‘playing field’ been ‘democratized’? – By this, I refer to the increased opportunities offered to smaller businesses and recording artists for self-promotion and distribution. And how have the established music companies responded to the threats, challenges and opportunities associated with ‘being digital’? Furthermore, what continuities have been carried into the digital era? Do the changes that have occurred mark a radical transformation of this cultural industry sector, or do they merely mark new ways of doing the same

things? These are the questions that prompted the research that has ultimately led to this book.

Napier-Bell (2008) details an industry that has been and is controlled, almost exclusively, by a small group of very powerful players. Since the late 1970s concentration has increased significantly and, for the first two of these decades so too did profits. Global compact disc sales reached their peak in 1999 when their retail value was placed at US\$38.7 billion (IFPI, 2000). However, since then (and in stark contrast to the previous decade) the early years of the new millennium showed that sector to be in significant decline. When we also consider the extensive staff cuts that have occurred in major record labels and, the demise of many 'bricks and mortar' music retailers, the record industry as a whole appears to paint a gloomy picture.

Developments in the sphere of digital technologies are commonly cited as carrying severe consequences for the major record labels, and their established roles and interests. At the production end, the finance and resources required to generate recordings have diminished considerably over the years. The necessary technology is cheaper and more accessible than ever before. Equally, when it comes to the distribution and consumption of music, the arena has changed radically since the mid-to-late 1990s. Developments such as the MP3 file and the widespread adoption and popularity of online peer-to-peer networks mean that music can be copied and shared with increasing ease.

As noted above, much media commentary has placed the music industry on a steep downward slope, with illicit file-sharing presented as the primary culprit charged with bringing about its downfall. Similar sentiments are also to be found in some academic writing (see, e.g. Liebowitz, 2002).

Like many other commentators, Napier-Bell heralds this digitally induced disruption and turbulence as an absolute good as it democratizes the entire music industry by giving greater power to both creative artists and music consumers and freeing them from the shackles of multinational entertainment/media corporations. In essence, the music industry is in the throes of significant change and is still in the process of negotiating an extremely turbulent and critical junction. The first decade or so of the new millennium has been a time of 'digital incunabula' for the record industry as it has endeavoured to

come to terms with the change in how consumers access music and how their established tactics and strategies for maintaining market dominance have been challenged. As it is the first of the media and cultural industries to experience many of the challenges arising from the transition to digital, the outcome of the music industry in this arena is being keenly observed by many other actors across the media and cultural industry sectors (Hesmondhalgh, 2010). To recall the words of Peter Gabriel, the music industry is the 'canary down the mine, the first battleground'. For Willie Kavanagh, chairman of the IRMA, the music industry is precisely that, a 'canary down the mine for the digital economy' (*Irish Times*, Friday, 8 August 2010: 14).

For Boyle (2008), an assumption held by society is that in order for the market to 'work', goods must be 'rivalrous' – to use Boyle's analogy of a petunia farmer: 'If I have the petunia, you can't have it'; and also 'excludable' – 'The farmer only gives you petunias when you pay for them' (Boyle, 2008: 2–3). The received wisdom is that the transfer to digital brings with it non-rival and non-excludable products, thus making digitized content extremely difficult to monetize. Hence, music is increasingly conceived of as 'free' content. As such, the record industry has been 'working extensively to control the flood of copyrighted music on the internet' (Burnett and Wikström, 2006: 579).

Facebook, YouTube, internet blogs and other social media are now perceived as key intermediaries necessary for the generation of profile at consumer/user level. Traditional intermediaries such as radio and the music press are perceived to carry a decreasing level of significance. Furthermore, in this era of crisis for the record industry, we are increasingly told of the growth of the live music market, and the necessity for artists to be able to generate income through this, and other sources such as synchronization fees as the market for recordings declines, possibly terminally.

In short, we are being invited to accept that prevailing relationships of power within the record industry are currently undergoing radical transformation. However, Boyle invites us to 'pause . . . and inquire how closely reality hews to the economic story of non-rival and non-excludable public goods' (2008: 3). This book accepts Boyle's challenge and interrogates the 'received wisdom' regarding the impact of digitalization on the music market. It will proceed to question the

extent of the change that has occurred in the music industry in the internet era, and ultimately contend that we are witnessing not only change, but also significant continuity in the structure and character of the music industry. Here, despite the 'flood' of free music available online, it is useful to evoke the 'bottled water' analogy: water falls freely from the sky, yet people pay a premium to have it nicely packaged. This book will remain mindful of this analogy and Boyle's request for 'inquiry'.

The core research drawn upon to examine the evolution of the music industry in the digital era has primarily involved an extensive series of in-depth interviews with 30 key popular music industry informants mainly conducted across the period 2007–10. They were initially conducted during the course of an Irish-based doctoral research project. The majority of the interviewees are thus operating in Ireland, with a number of others UK-based. The interviewees comprise personnel and key informants across a broad spectrum of music industry activities, core and ancillary. Many of the comments and quotes continue to hold true, yet in such a dynamic and fast moving industry, some of the comments detailed in the chapters that follow may already seem a little dated. Three or four or five years add up to a long time in the music industry. But while this is so, they still provide a most valuable set of tools for the exercise at hand. It is important to remember that their value here lies in the light they shed on many of the common-sense assumptions we hold in relation to the digital technology/music industry relationship, and by extension, to the assumptions we make as a society to the role of technology in general. The data deriving from those interviews combines to complicate many of the straightforward assumptions that we routinely make in relation to the roles and outcomes of new and recent digital technological innovations in the context of the music industry. Perhaps more significantly, they paint a picture of innovations occurring outside the realm of technology that ultimately serve to emphasize strong strands of continuity contrasting with the more conventional images of radical change and upheaval implied by the host of media and journalistic accounts referred to above. In short, while many things change, many things don't.

All of the interviews drawn upon in this book were conducted over a decade after the internet first became a medium for the mass

circulation of music. They provide interesting and useful insights into the experiences, activities and perspectives of a variety of key informants spanning a broad range of music industry sectors and related spheres. Their accounts illustrate the core issues, challenges and opportunities as they have evolved for the industry on that 'first battle ground' as music has turned into data. These accounts ultimately combine to offer a much more complex and nuanced perspective on the music industry in the digital age than many of the techno-centric accounts of radical disruption that point largely, or only to crisis and decline.

The 30 interviewees were as follows: Stuart Bailie (music journalist); Ben Barrett (artist manager); Jim Carroll (music journalist); P. J. Curtis (record producer); John D'Ardis (record/CD manufacturer and studio owner); Dick Doyle (national record industry trade organization representative); George Ergatoudis (music radio executive); Bruce Findlay (artist manager); Ross Graham (director, Northern Ireland Music Industry Commission [NIMIC]); Dermot Hanrahan (media entrepreneur); Jackie Hayden (music journalist); Gerry Harford (artist manager); Shay Hennessy (independent label owner); Peter Jenner (artist manager); Úna Johnston (music industry trade fair organizer); Willie Kavanagh (major label executive); John Kennedy (ex-international record industry trade organization representative); Johnny Lappin (independent music publisher); Steve Lindsey (independent music publisher); Jim Lockhart (musician / music radio producer); Fachtna O'Ceallaigh (artist manager); Dave O'Grady (independent label owner); Michael O'Riordan (independent music publisher); Petr Pandula (independent label owner); John Sheehan (retired major label executive); Julian Vignoles (TV commissioning editor); Alison Wenham (international independent record industry trade organization representative); Bill Whelan (composer and record producer); John Williamson (artist manager); and Ian Wilson (music radio producer). The activities listed after each name represents each interviewee's principal occupation at the time of the interview. A short biography for each interviewee is contained in the appendix at the back of this book.

However, it should be noted that a number of these interviewees have worked in more than one area of the music industry (or related sphere of activity) during their career. The overall 'occupational' breakdown of the 30 interviewees is as follows: eight are (or were)

employed by a major record company in either senior management or personnel roles; six work (or have worked) for an independent record company; three are (or were) employed in senior management or personnel roles by a major music publishing company; five own, work (or have worked) for an independent music publishing company; six are (or were) artist managers; four work (or worked) in live music promotion; three work (or worked) as record producers; three serve (or served) on the board of management of music royalty collection societies; three are (or were) music retailers; three are (or were) professional musicians/composers/creative artists; four are (or were) senior representatives of industry trade bodies; four are (or were) music journalists; eight work (or worked) in the management and production of music radio; three have produced specialized music programming for television; one is a record/CD/DVD manufacturer; one is a former music industry lawyer; two have worked in training and education for the music industry; one is a music industry trade fair co-ordinator/event manager.

So, as the sums above indicate, a significant number of those interviewed have worked across two or more spheres of activity throughout their careers. The assembly of such an array of informants serves to offer a unique, and extremely rich information resource, based on the accumulated (and often tacit) knowledge of highly experienced actors across a broad range of music industry activities. While each individual interviewee offered a unique angle on the music industry in digital times, the artist managers interviewed provided particularly interesting and insightful accounts. As managers representing the interests of recording artists, they engage with all of the other actors throughout the music industry chain and surrounding spheres of activity and, as such, offer an additional insight into and perspective upon the role of other actors.

Historical context

At this point, it is perhaps useful to offer some historical context to the evolution of the music industry. If everything is supposed to be changing, then what is it changing from? What was the world of music like before the internet entered the equation?

As we will see in this book, the popular music industry is much more than just the record industry. Rather, it has been aptly described as a 'scaffold of intense alliances between diverse and often conflicting interests and motivations' (FORTE Task Force, 1996: 21). As an industry, popular music encompasses a variety of dimensions comprising a range of actors including songwriters, composers, performers, artist management services, record labels, distributors, retailers, music publishing companies, live music agents and promoters and a host of other related realms of business. At the industry's core lie three primary spheres of activity: the record industry, the music publishing industry and the live music industry.

Out of all the sub-sectors in this industrial network, the most important in terms of economic significance has been the record industry. As the twentieth century progressed, the record industry multiplied its value. In the mid-1940s the value of record sales in the United States was US\$109 million; by 1980 this figure had risen to US\$3.7 billion (Gronow, 1983). The other major international markets for records (United Kingdom, Germany, France and Japan) also expanded significantly across this period. By 1990 the retail value of the US recorded music market was US\$7.5 billion with estimated global revenues in excess of US\$24 billion (IFPI, cited in Negus, 2011: 59–60). The compact disc (CD) proved to be a real boom technology for the record industry and provided the platform for a decade-long period of super-profits driving global revenues to a record high of US\$38.7 billion in 1999 (IFPI, 2000).

It is also important to emphasize that the story of the record industry throughout the twentieth century was not entirely a picture of year-on-year growth. As Hesmondhalgh (2007) points out, cycles of boom and decline have characterized the sector. Worldwide recession saw record sales experience a downturn in the early 1930s and again at the turn of the 1980s. Overall, however, the record industry has experienced a very significant swelling of its value up until 1999.

Throughout its history, the music industry has experienced a high degree of concentrated ownership (Chapple and Garofalo, 1977; Negus, 2011; Peterson and Berger, 1990). By the early 1990s, shortly before the internet first evolved as a medium for the widespread dissemination of music, five major transnational music labels controlled over 70 per cent of the global market for recorded music (Negus, 2011). Soon after,