Spotify: 'T*he last desperate fart of a dying corpse*'[1] (Radiohead's lead vocalist Thom Yorke)

Do Spotify and other developing new and digital media services have an impact on the current music industry?

The development of new and digital media services such as Spotify is a recent issue which affects the current music industry. Over the years, the music industry has had to evolve a vast amount in order to stay successful and more importantly stay alive. Services such as Spotify disturb the industry due to them changing audience behaviour and allowing users to stream music wherever and whenever they like for free. The industry cannot afford to be in competition with such 'cheap to stream' services. According to Forbes Website *'…it's been widely noted that the digital download sales decline has been offset by the rise in streaming'[2]* which brings an assumption of whether streaming services are taking over the industry. Should we as consumers care about the profits of an industry if we are gaining the ease of accessibility and efficiency to sync or listen to music on any digital device? The key ambition of this essay is to explore the industry, as well as the affects advancements have impacted on it, through analysing Spotify and other similar variables.

The development of new and digital media has changed the way the industry now runs. Due to technological advancements, there are now different forms of promotion available inside the industry. Music needs to be promoted, marketed and distributed. This now takes place on the web where musicians are able to promote and gain publicity online through social media sites such as Twitter and Facebook. It has been said that *'the final and most gruelling step of recording and putting out a CD is the promotion process'*[3]however the rise of social media and advanced technology now means that the process is easier as artists can reach out directly to audiences for free via social networking websites. The belief that social media is an advantage is still debatable and therefore artists do what they can for publicity.

The day and age where musicians had to go on television to promote their latest songs is over. Before the 1980's musicians would record their live performances and even create concept videos for their music however they were unable to get them out to the general public as they did not know where to show them. Finally MTV launched in 1981 as an '*American Satellite television channel'[4]* and became a *'consistent outlet'* [5] for musicians to air their new content on television. The channel is broadcast from New York City and is owned by MTV music and Logo Group which is part of Viacom Media Networks. MTV is considered to be the medium that did *'define pop culture, change generations and shape an industry'[6].* This business model would allow artists to record live music and air them to a large demographic audience without

costing them much at all as they can gain publicity and a fan based just through the sheer amount of viewers MTV has to offer. This would be considered as the traditional business model for music artists as they are purely using broadcast media to promote themselves. *'Low-budget video novices'* were hired to create *'bold and wild[7]'* montage videos. However *'unless you had powerful backing or a name director, your chances of making the MTV playlist were next to nonexistent.'[8]* MTV had become the gatekeepers of the whole process thus meaning they held the key to success. This also meant that they had the power in terms of if you become successful or not. MTV are now embracing new technologies and are using them to their advantage. An example is when the EMAs were taking place, MTV decided to make it only available online as it would gain more public attention in teenage eyes.[9] MTV created a passage way to a business model which still stands today but is different because artists now use the media to their advantage. Whilst discussing the old industry, it is surprising that vinyl LP sales grew last year by 32% which means that a select few still do buy vinyl records and are dedicated fans of the artists' music.[10]

Spotify is referred to as a *'commercial music streaming service'*[11] which was launched by a Swedish company in 2008. Spotify's primary concern is to empower audiences through access to free legal music. It allows users to gain admittance to and stream over 20 million songs whilst on the go. It is enabling easier accessibility to a wide range on songs legally without the need to pay and download them. Spotify has 24 million monthly users and growing with another 6 million subscribers.[12] Furthermore Spotify offers the idea of convenience to people as you are now able to just start listening to the latest songs straight away without having to spend time looking for it online and downloading it. Due to recent developments, Spotify has now been made available on all mobile devices which means that anyone can download and use Spotify's free services. In fact the company can afford to do this as they generate a larger profit margin from advertisements than they would purely through subscription fees or paywalls. As the majority of the population starts to use Spotify and the stats grow from 24 million monthly subscribers, they will be able to charge advertising companies more as they will the most popular music streaming service.

Spotify allows users to create playlists of their favourite artists music and has lists of all the latest songs in separate charts. The business model cuts out the artist completely and just gives audiences music conveniently whilst they get money from allowing organisations to advertise on their application. In some respects, Spotify is helping with the whole piracy issue due to the fact that they provide a service which allows users to listen to music for free without users

downloading illegally from websites. The business model Spotify is part of therefore eliminates a vast amount of piracy as people want a free and convenient service which is what they offer hence the reason why they are becoming more and more popular. This is not considered as a good thing because some believe that Spotify does not care much about the music, but they care more about their revenues and profit margins.

Other services such as itunes are looked upon in the same way as they are attempting to cater for everyone. Due to the brand Apple, itunes is becoming a necessity as users have no choice but to use the itunes service in order to update (sync) music onto their Apple product. Itunes was developed and then released in 2001 by Apple incorporated over 13 years ago. The software itself is a *'media player and media library'* that allows users to *'play, download and organize digital audio and video'[13].'Itunes keeps track of songs by creating a virtual library allowing users to access and edit a songs attributes.'[14]* Itunes' business model is somewhat similar to Spotifys' however is not a streaming service. You have to pay to download their content per song or album. But this does not seem to be a problem for the general public as there is *'…more than 55 million homes with at least one iPhone, iPad, iPod or Mac computer'[15]* The software is currently the most used software in terms of music due to majority of the population owning an iPhone or just an Apple product in general. Itunes radio; a new service recently released by itunes; benefits artists a little more as it allows artists to get *'roughly 13 to 14 cents per 100 plays'[16].* Jay Cooper; attorney for Katy Perry, Sheryl Crow, James Taylor and others; says *'…the more competition there is in that market the better off artists are, in all kinds of ways'*.[17] It is like the saying, all publicity is good publicity. Immortal Technique make their view of the unfair practices in the music industry very clear in their track The Message and The Money: *'You want me to go shopping, cook the food, and put it in front of you but you won't let me sit down and eat with you…'[18]* In other words, the rapper is speaking out to artists everywhere and telling them that record labels do not treat artists fairly and that the business is not as profitable as some make it appear to be. Artists; such as Immortal Technique; really despise the industry and associates the business with *'corruption'*.[19] He believes that music services such as Spotify and even itunes are 'crooks'[20] and he says that he would *'rather have fans download his music illegally on the internet than have record executives accusing the youth of stealing.'[21]* His approach to life and the industry is based on Marxist perspectives as he believes that the industry is run by the people on top and whoever is at the top of the hierarchy pyramid will stay on top whereas others cannot move up the pyramid easily. How audiences are almost injected with ideologies on music

and how they are supposed to believe and think is part of the hypodermic model/injection as audiences are being fed to believe ideologies which they are being forced to believe. Marxists believe that the gatekeepers controlling the majority of organisations (concept on '*monopolisation'[22]*) are actually just making artists produce hit records instead of what they want to produce as at the end of the day, it is all for profit margins and income. Immortal Technique informs consumers that they should go online and download his music illegally as an audience pleasure such as escapism as they should have the right to do as they wish.

'The boom in digital streaming may generate profits for record labels and free content for consumers, but spells disaster for today's artists across the creative industries'[23] The development of new and digital media now means that artists are not able to make enough money and make a decent profitable income. This concept can be noted as the '*multimedia approach'[24]* to advertising music via a new platform. CD sales are down by 14.5%[25] connoting that they are now not as popular as they once were and people purchase all their content online meaning that for artists to make more money, they have to also start selling their content online through popular music services such as itunes and Spotify. These new services *'become the Gatekeepers to the whole process'*[26] according to Thom Yorke. As a musician he feels that Spotify is purely just exploiting the industry by creating this service to allow users to listen to music for free. To back up Yorkes argument, '*Spotifys streaming rate fluctuates…it means that if the service pays an average of 0.5p per stream, these artists make no more than 0.05p.'[27]*In other words, for artists to make £500 from these figures they would need their song to be streamed 1 million times while the record label makes £4,500.[28] These figures support Immortal Techniques opinions based on the music industry and how they care more about their own profits and the profits concerning record labels rather than the artists and what they produce. This economic factor demonstrates how tough it can be for artists to have a successful career.

However a pluralist would say that it is now easier than ever before as the rise of social media and advanced technology now means that the process is easier as artists can reach out directly to audiences for free via social networking websites. Also the use of auto tune and technology allows anyone to be an artist and sound pretty good if you have the software and you know what you are doing. Many people would consider the industry as hard to get into and to make a name for yourself, however due to new and digital media some artists are made famous. An example of this is Justin Bieber who made himself a name through posting covers of songs on YouTube. YouTube; owned by Google; is considered to have *'empowered videomakers'[29]*as it

can help make stars. Online sites such as YouTube *'potentially benefits artists by helping new artists to become known.'*[30] Warner Music is also producing behind the scenes footage and artist interviews available on the user-generated website and was the first established record label to distribute its content through YouTube.[31]However the other side to this argument is that '*YouTube have anything but their own profit-maximization goals in mind*'[32] and thus means that they don't care much about what they share online as they just do whatever it is that is popular in order to receive money.

The way audiences consume music has led to the revolution of streaming services like Spotify becoming popular. The development of Spotify and other services like it benefit audiences through the fact that it enables easy to access music. A '*virtual music file take up less physical space'[33]* and is easier for people to store. *'Many composers have recognised the advantages of MP3 as an effective way of sending audio samples via email attachments'[34]* because of its format taking up little to no space. People can access their favourite music and stream them for free legally or illegally with nothing stopping them from this. Furthermore the internet in general allows anyone to access anything they want within seconds which raises the issue of piracy. *'A study in 2000 reported 14% of Internet users had downloaded music for free. This number has grown rapidly, and online music sharing has been estimated to result in annual sales losses of $3.1 billion by 2005 for the music industry'[35]*. People also acknowledge the fact that they are illegally downloading however as the vast population now does this; it has now become part of the norm. "*The best way to perfect a service is to roll it out, then use customers' feedback to evolve and refine it*"[36] quoted by Shawn Fanning creator of Napster in 1998.

Audiences listen to music for entertainment purposes as it can be considered as a pathway to diversion or to escape from reality as some may believe it helps relax/calm them. This is a recognised theory known as Uses and Gratification theory created by Blumler & Katz, 1974. It is an analysis of why people use *'particular media'[37].*Also pluralist ideologies based on audience consumption is relatable as pluralists believe that artists and the industry give audiences a number of reasons to view/ listen to certain content such as diversion (otherwise known as escapism). People listen to music for several different reasons however the way they chose to do this can impact on the music industry. Despite piracy being fast, easy and widely available to all, people should be willing to spend 99p on their favourite artists and help support them. They should go see them in concert and buy their merchandise otherwise they will be forced to *'sell out'* [38]and make mainstream music in order to get loads of people to listen to it but will not be as good as their old content. This connotes that new and digital media is destroying the industry

as the quality of music is in decline. With '*up to 25% of all online TV piracy taking place in the UK'[39]* we as a society can take a stand and be willing to pay a small amount in order to sustain our favourite artists careers. However many consumers do not care about whether artists earn enough income as they have a wide range of and accessibility to music online. From a pluralist perspective, audiences have been further empowered through the use of web 2.0 as it allows audiences to become producers of music rather than only being consumers. It allows anyone with a web connection to produce, publish and share their music productions easily without being professional producers. Websites like YouTube allow audiences to share their videos across the world through on host webpage. YouTube has provided many upcoming artists with fame including Justin Bieber. This means that there is no need for professionals inside the industry or even gatekeepers as host websites such as YouTube provide equal opportunities for anyone; including smaller producers; to get their content heard. Briggs and Burke described the internet as *'The most important medium of the twentieth century'* [40]– which is a pluralistic opinion based on the internet possibly due to the sheer amount of user generated content (UGC) available online. The platform in itself provides an equal playing field for potential or amateur producers to release their content to a mass audience for free.

It is safe to say that the future of the music industry does not look too bright due to developments in technology occurring all the time. It could be argued that Spotify is a great concept and the idea of streaming instead of downloading does minimise piracy; to a certain degree; although there are still a few issues with it such as the point that the average musician does not get paid anywhere near enough. In time, the industry will be different than it is today and therefore anyone seeking a career in music must learn to adapt and exploit the trends that are shaping the music of music.[41] Many question software services such as itunes along with whether it can last. Can the giants be toppled? If people start using more music streaming services they will not be accustomed to paying for what they can access easily for free therefore could this suggest that Apple would have to change their whole software concept to guarantee people still buy their products? It all relies on one important question: is music streaming the next big thing?

Most evidence does suggest that new and digital media and technology impacts on the music industry by utterly tearing it apart. Nonetheless, it is difficult to dispute that the development of new and digital media has been nothing but evil as if it was not present, the access to content would not be as convenient as it is currently. There is also the fact that it provides more opportunities than ever before allowing pretty much anyone to produce music. Additionally, it is

safe to conclude that the industry has been ruined in some aspects; such as how artists do not make what they deserve; yet has been improved for audiences as music can be widely accessed through a number of sources however this does mean the downfall of the industry as we currently know it?

Bibliography

Alsford, S. (1998, July 30). Retrieved March 20, 2014, from
    http://users.trytel.com/tristan/towns/mcontent.html
Baker, B. (2007). *Guerrilla Music Marketing Handbook - 201 self-promotion ideas.* St. Louis:
    Spotlight Publications.
Beaumont-Thomas, B. (2013, December 13). *The Guardian Music* . Retrieved December 17,
    2013, from The Guardian :
    http://www.theguardian.com/music/2013/dec/13/beyonce-new-album-revolution-pr
Burke, B. a. (2005). *A Social History of the Media.* Cambridge: Polity Press.
Byrne, D. (2013, October 11). *the guardian* . Retrieved January 2014, 1, from the guardian :
    http://www.theguardian.com/music/2013/oct/11/david-byrne-internet-content-world
Casey. (2013, December 19). *Future of Music coalition* . Retrieved December 27, 2013, from
    Future of Music coalition :
    http://futureofmusic.org/blog/2013/12/19/caseys-top-ten-music-tech-policy-developments
    -2013
Chandler, D. (1995). *Aber*. Retrieved January 9, 2014, from
    http://www.aber.ac.uk/media/Documents/short/usegrat.html
Cohn, V. L. (n.d.). The Evolution of Business Models and Marketing Strategies in the Music
    Industry. *The International Journal on Media Management*, 46–58.
Dredge, S. (2013, October 7). *the guardian* . Retrieved January 2014, 1, from the guardian :
    http://www.theguardian.com/technology/2013/oct/07/spotify-thom-yorke-dying-corpse
Dredge, S. (2013, December 11). *the guardian* . Retrieved December 28, 2013, from the
    guardian :
    http://www.theguardian.com/technology/2013/dec/06/spotify-mobile-apps-free-radio
Duea, B. (2005). The revolution to come. *Showreel n9* , 12-14.
Glen Creeber, R. M. (2009). *Digital cultures - Understanding New Media.* Berkshire: Open
    University Press.
Gralnick, J. (2012, March 28). *CNBC*. Retrieved Janruary 20, 2014, from
    http://www.cnbc.com/id/46857053
Harris, J. (2014, April 18). *The Guardian* . Retrieved April 22, 2014, from
    http://www.theguardian.com/music/2014/apr/18/record-store-day

Hedfi, N. (2013, June 24). *Ted* . Retrieved January 7, 2014, from Ted:
> http://www.ted.com/conversations/19050/what_is_the_future_of_the_musi.html

HOROWITZ, S. J. (2011 , July). *HipHopDX*. Retrieved November 23, 2013, from HipHopDX:
> http://www.hiphopdx.com/index/news/id.15878/title.immortal-technique-blasts-record-ind
> ustry-for-accusing-children-of-stealing-music

Hosky, J. (2007, January). Broadcast. *Making music pay*, p. 17.

Hutchison, T. (2008). *Web Marketing for the Music Business.* Oxford: Elsevier.

James, N. (2009). Editorial: cheap as silicon. *Sight and Sound*, 5.

James, N. (2009, February). Sight and Sound. *Cheap as silicon*, p. 5.

Jones, S. (1992). *Rock Formation* . Sage Publications .

Kleinhans, C. (2008 , Spring). Webisodic mock vlogs: HoShows as commercial entertainment
> new media. *Jump Cut* .

Knopper, S. (2013, 9 20). *Rolling Stone*. Retrieved 02 10, 2014, from
> http://www.rollingstone.com/music/news/will-itunes-radio-benefit-musicians-20130920

Laing, S. D. (2006). *The Guerilla Guide to the Music Business - About the music business by
> people in the music business: 2nd edition.* New York : The Continuum International
> Publishing Groups Ltd .

Leigh, R. (2014, January 1). *Mirror*. Retrieved January 9, 2014, from Mirror:
> http://www.mirror.co.uk/tv/tv-news/netflix-itunes-spotify-help-boost-2976974

Lindvall, H. (2013, October 25). *the guardian*. Retrieved December 28, 2013, from the guardian:
> http://www.theguardian.com/media/2013/oct/25/spotify-artists-sue-labels-music-streamin
> g

Lynskey, D. (2013, November 10). *the guardian*. Retrieved December 28, 2013, from the
> guardian:
> http://www.theguardian.com/technology/2013/nov/10/daniel-ek-spotify-streaming-music

McCourt, P. B. (2003). When creators, corporations and consumers collide: Napster and the
> development of on-line music distribution. *Media, Culture & Society* .

McMartin, T. (1998-2014). *Anti-music*. Retrieved March 18, 2014, from
> http://www.antimusic.com/lowdown/05/integrity.shtml

Owsinski, B. (2014, January 15). *Forbes*. Retrieved March 31, 2014, from
> http://www.forbes.com/sites/bobbyowsinski/2014/01/15/is-verizons-victory-a-streaming-m
> usic-killer/

Parker, R. (2008). DCD to launch music download websites . *Broadcast*, 17.

Pennington, A. (2009). Playing to a new crowd. *Broadcast*, 29 - 30.

Resnikoff, P. (2013, September 25). *Digital Music News*. Retrieved March 12, 2014, from
> http://www.digitalmusicnews.com/permalink/2013/09/25/lies

Robinson, T. (2013, December 6). *the guardian* . Retrieved December 28, 2013, from the
> guardian :
> http://www.theguardian.com/culture-professionals-network/culture-professionals-blog/20
> 13/dec/06/music-golden-age-joining-dots

Shepherd, R. (2006, December 8). Broadcast. *Lewis fronts MTV awards show online*, p. 6.

Shepherd, R. (2006). Lewis fronts MTV awards show online. *Broadcast*, 6.

Spotify . (2013, December 11). *Youtube*. Retrieved December 17, 2013, from
　　　http://www.youtube.com/watch?v=H-EIBBbxnfA&safe=active

Spotify . (2013, March 24). *Youtube music*. Retrieved December 17, 2013, from Youtube:
　　　http://www.youtube.com/watch?v=E-wbGBc4BuY

Strong, J. (2012). *Home Recording For Musicians For Dummies, 4th Edition.* Hoboken, New
　　　Jersey: John Wiley & Sons.

Sudip Bhattacharjee, R. D. (2003). DIGITAL MUSIC AND ONLINE SHARING: SOFTWARE
　　　PIRACY 2.0? *COMMUNICATIONS OF THE ACM*.

Sudip Bhattacharjee, R. D. (2006). Do Artists Benefit From Online Music Sharing? *The Journal
　　　of Business*.

Technique, I. (Composer). (2003). The Message & The Money. [I. Technique, Performer] New
　　　York City, New York , United States of America .

Technique, I. (2011, January 24). Immortal Technique on Obama, 9-11, government, and music
　　　industry. (M. Portnaya, Interviewer)

the guardian . (n.d.). *the guardian* . Retrieved December 28, 2013, from the guardian :
　　　http://www.theguardian.com/technology/spotify

Tom Hutchison, A. M. (2010). *Record Label marketing.* Oxford: Elsevier.

Unknown. (2006). YouTube signs music deal with Warners . *Broadcast*, 8.

Unknown. (2014). *Like Totally 80s*. Retrieved January 04, 2014, from
　　　http://www.liketotally80s.com/80s-mtv.html

Various Wikipedia Editors. (2013, December 23). *Wikipedia*. Retrieved December 27, 2013,
　　　from Wikipedia: http://en.wikipedia.org/wiki/Spotify

Waelbroeck, M. P. (2006). Why the music industry may gain from free downloading — The role
　　　of sampling. *International Journal of Industrial Organization*, 907–913.

White, I. (2000). Tales from the real world. *Broadcast*.

Wikipedia. (2014, January 1). *Wikipedia*. Retrieved January 1, 2014, from Wikipedia:
　　　http://en.wikipedia.org/wiki/Spotify

Wikström, P. (2009). *The Music Industry: Music in the Cloud (DMS - Digital Media and Society)*
　　　. Polity Press .

Youngs, I. (2010 , March Tuesday). *Who is resisting and why are they doing it?* Retrieved
　　　November 20, 2013, from BBC News :
　　　http://news.bbc.co.uk/1/hi/entertainment/8557734.stm

---

[1] Stuart Dredge, the Guardian, 2013

[2] Bobby, Forbes, 2014

[3] Jeff Strong, Home Recording For Musicians For Dummies, 4th Edition, 2012, page 17

[4] Wikipedia, 2013

[5] *Ibid*

[6] Like totally 80s, 2014

[7] Rob Tannenbaum and Craig Marks, I Want My MTV - The Uncensored Story of the Music
Video Revolution, 2011, page 8

[8] Tom Robinson, the Guardian, 2013

[9] Rob Shepherd, Lewis fronts MTV awards show online, 2006, Page 6

[10] Bobby Owsinski, Forbes, 2014

[11] Wikipedia, 2013

[12] Dorian Lynskey, the guardian, 2013

[13] Wikipedia, 2014

[14] *Ibid*

[15] Jodi Gralnick, CNBC, 2012

[16] Steve Knopper, Rolling Stone Music, 2013

[17] *Ibid*

[18] Immortal Technique, The Message & The Money, Revolutionary Vol. 2, 2003 (song)

[19] Steven J. Horowitz, 2011

[20] *Ibid*

[21] *Ibid*

[22] Stephen Alsford, The Men Behind the Masque, 2004

[23] David Byrne, the Guardian, 2013

[24] Adrian Pennington, Playing to a new crowd, 2009, Pages 29 - 30

[25] Bobby Owsinski, Forbes, 2014

[26] Stuart Dredge, the Guardian, 2013

[27] Helienne Lindvall, the Guardian, 2013

[28] *IBID*

[29] Kleinhans Chuck, Webisodic mock vlogs: HoShows as commercial entertainment new media, Jump Cut, 2008

[30] Sudip Bhattacharjee, Ram D. Gopal and G. Lawrence Sanders, Do Artists Benefit From Online Music Sharing?, The Journal of Business, 2006

[31] YouTube signs deal with Warners, 2006

[32] Paul Resnikoff, 2013

[33] Glen Creeber and Royston Martin, Digital cultures - Understanding New Media, 2009, Page 99

[34] Ian White, Tales from the real world, 2000

[35] Sudip Bhattacharjee, Ram D. Gopal and G. Lawrence Sanders, DIGITAL MUSIC AND ONLINE SHARING: SOFTWARE PIRACY 2.0?, 2003, Page 107

[36] Jane Hoskyn, Making music pay, 2007, Page 17

[37] Daniel Chandler, aber, 1995

[38] Trent McMartin, anti-music, 1998 – 2014

[39] Nick James, Editorial: cheap as silicon, 2009

[40] Briggs and Burke, A Social History of the Media, 2005

[41] Neder Hedfi, Ted, 2013