The effects of digitization on the music industry – From the viewpoint of music creators and independent record labels in Sweden

Digitaliseringens effekter på musikindustrin – Utifrån perspektivet av artister och oberoende skivbolag i Sverige

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Sammanfattning

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Nyckelord

digitalisering, musik, musikbranschen, artister, oberoende skivbolag, musik streaming, digitala teknologier, Sverige
Abstract

The emergence and continuously growing popularity of on-demand streaming music services has changed the music landscape rapidly and new services are entering the market at a high pace. Prior studies show that digitization has affected the way media is created, published, distributed and consumed. The literature review revealed a knowledge gap regarding the effects on music professionals and provided an opportunity to explore how artists and independent record labels perceive the aspects of digitization. The study followed an exploratory sequential mixed-methods approach and consisted of two phases, an initial study including three qualitative interviews, and a quantitative follow-up study, in which working theories that had resulted from the initial study were tested through an online survey (n=81). The results indicate that many independent record labels have changed and adapted their business models and turned into so called 360° music companies. The results further show that digitization developments have to some degree affected the way music is created and produced, with a tendency towards a more individualistic and digital process, and that it has become easier for artists to publish their music; their incomes have however not improved and for many artists the working climate has become harder. The results show that the emergence of on-demand streaming services has disrupted the music industry, instead of having a democratic impact, the power that record labels used to have appears to have shifted to streaming services. Both artists and independent record labels perceive the achievement of fair payments and successful promotion to be the main future challenges. It is indicated that regulations and laws that prevent exploitation are necessary in order to ensure the music industry to be sustainable in the future.

Keywords
digitization, music, music industry, artists, independent record labels, music streaming, digital technologies, disruption, Sweden
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Foreword

This report is written as part of a bachelor thesis in media technology, at the department of technology and society at Malmö University.

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1 Introduction

The continuous development and implementation of digital technologies has affected and changed many aspects of society during the last decade. Digitization has particularly affected the media industries (Aguiar & Martens, 2016) and creative industries (Mangematin, Sapsed & Schüßler, 2014). The media landscape is changing rapidly as new services are entering the market at a growing pace. Digitization and digitalization have affected the way media is created, published, distributed and consumed. Social media platforms and streaming services are challenging traditional mass media such as newspapers, TV and radio as well as the book, film, gaming and music industries. (Aguiar & Martens, 2016) It is claimed that among the creative industries, the music industry is the one that has been affected the most by digitization (Acker, Gröne, Kropiunigg & Lefort, 2015). The music industry has undergone many changes during the recent decades. Music was until the turn of the century published on vinyl records, cassette tapes and CD’s, and purchased physically in record stores. With the advent of the Internet and the digital mp3 format, digital file-sharing services such as Napster, streaming services such as iTunes and digital music players such as the iPod arose around the turn of the century – and music became increasingly digitized. (Wikström & DeFilippi, 2016) As Leyshon (2001) predicted, the music economy with its networks of creativity, of reproduction, of distribution, and of consumption, has been reshaped due to the impact of software formats and Internet distribution systems. Digital technologies have allowed to drastically reduce the costs of copying and disseminating information (Aguiar & Martens, 2016) but on the other side led to decreasing record sales and increasing online music piracy (Cesareo & Pastore, 2014).

Today, on-demand streaming music services such as Spotify have become dominant for mass music consumption (Marshall, 2015). Cross-platform music streaming services are growing (Hall, 2016) and new services are continuously entering the market. According to Sarpong, Dong and Appiah (2016) the new turn to digital streaming services led to that very recent music format technologies such as cassettes and CD's have almost lost their value. The digitization development led further to a continuously declining sale of music in physical formats and to the vanishing of numerous record stores (Leyshon, 2014, p 3). Cesareo and Pastore (2014) claim that music companies have adapted their business models during the recent years, and downloads, music streaming, Internet radios and other subscription-based music services have become an important channel for the distribution of music. According to the International Federation of the Phonographic Industry, Ifpi, the global music industry derived 2014 for the first time the same proportion of revenues, 46%, from digital channels as physical format sales, while 8% stood for revenues from performance rights and the use of music in advertising, film,
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games and television programs (Ifpi, 2015). Aguiar and Martens (2016) point out that the availability to purchase licensed digital songs has changed individuals’ music consumption alternatives. Globally, downloads account with 52% for the major part of digital revenues (Ifpi, 2015). In Sweden nevertheless, digitization occurs with a higher pace. According to Ifpi (2015) in the Swedish market permanent downloads account for only 5% of total digital revenues, while incomes from subscription streams account for 92%.

Music streaming services are popular as they enable artists to reach a worldwide audience (Cesareo & Pastore, 2014) and as they provide users with a collection of millions of songs which can be consumed anytime and anywhere (Ifpi, 2015). Nevertheless, the emergence of digital music streaming services has also caused controversy (Marshall, 2015). Both major and independent artists express their discontent regarding the amount of payment being given to them for allowing their music to be made available on streaming services as well as the lacking transparency of payment shares (Marshall, 2015). Further digitization has changed the way consumers listen to music. According to Mulligan (2014) there is a trend towards playlists with single songs from many different artists, while consumers are spending less time with individual artists and albums. Furthermore, Mulligan (2014) claims that fewer fans develop deep relationships with individual artists. Morris and Powers (2015) claim that streaming services foster on the one side new cultures, practices and economies of musical circulation and consumption but create on the other side a crowded marketplace, and challenge the norms of media consumption.

Digitization appears to have disrupted the music industry and affected all involved parts. Prior studies that investigate impacts of digitization on the music industry mainly focus on consumer needs and behaviors or on economic aspects of music streaming services, subscription models and piracy (Aguiar & Martens, 2016; Borja, Dieringer & Daw, 2015; Cesareo & Pastore, 2014; Sinclair & Green, 2016; Wagner, Benlian & Hess, 2014; Wang & Huang, 2014) However, studies that investigate the perspectives of creators and performers on the impact of digitization are scarce (Poort, Akker, Rutten & Weda, 2015).

Music creation and performance forms the bedrock of the music industry; without it there would simply not be a music industry, which is fed on creativity from those that care to perform musical works, or commit ideas to recorded format.

Rutter (2011, p 13)
With this statement in mind, it can consequently be of interest to approach the topic by collecting insights on the effects of digitization from people involved in the creation, publishing and distribution of music. Furthermore, Sinclair and Green (2016) indicate that research needs to go beyond consumer behavior studies in order to provide a more holistic view of the music industry, thus examine a variety of members of the music industry, including as artists, label and studio owners among others. Regarding statistics presented by Ifpi (2015) Sweden appears to be the most digitized music market. Further Stim, the Swedish non-profit organization representing music creators such as songwriters, composers and publishers (Stim, 2016), claims that the music industry is undergoing a major change and that the high degree of digitization of the Swedish market implies challenges, as being at the forefront of the development implies to not have any given best practices to rely on (Insulander, 2016). It can therefore be of interest to get a better insight into how the Swedish music industry, focusing on small and independent artists and record labels, perceives and adapts to digitization. By creating a better understanding for how the Swedish music industry, focusing on music creators and record labels, adapts to the challenges that digitization involves, music industries in other countries can be supplied with information about benefits and drawbacks of the ongoing digitization that might be useful for their future.

1.1 Objectives

This report aims to create a better understanding for the effects that the ongoing digitization has on independent artists and record labels. By studying independent artists and record labels perceptions on how digitization affects them and on how they adapt their processes of music creation and distribution, the currently existing scientific gap can be minimized. Further the study aims to provide music businesses in less digitized countries and markets with insights into the effects of digitization regarding music creation, distribution, consumption and sales that might provide artists and record labels with guidelines how to adapt their strategies in order to benefit from digitization.

1.2 Research question

The fact that the music landscape has changed is thus regarded as an opportunity to investigate best and future practices for independent artists and record labels, leading to the following research question: How do Swedish independent music artists and record labels perceive that the ongoing digitization has affected them since the advent of on-demand streaming services?
1.3 Limitations

The terms *digitization* and *digitalization* are not clearly defined and their distinction is debated. While many definitions of the term *digitization* (Brennen & Kreiss, 2014; Digitization, 2016a; Digitization, 2016b) appear to focus on technical aspects, mainly to the process of changing from analog to digital form, the term *digitalization* is often used (Brennen & Kreiss, 2014; Digitalization, 2016a; Digitalization, 2016b) when referring to the aspects that digital changes and developments imply for society, businesses and social life. As Brennen and Kreiss (2014) point out that the two terms are closely associated and often used interchangeably in a broad range of literatures, and as it appears that the term digitization is more common, in the following report no distinction between the two terms is made and only the term digitization will be used.

The study’s target group consists of Swedish record labels and artists, as well as global music industries that are challenged by the ongoing digitization. Further the report can be of interest for media students and people active in the media industry as certain aspects of digitization that are relevant for the music industry apply also to other media industries. The research does not include studies on artists and record labels that are not active in Sweden. Further the study will not focus on global major labels or artists signed at major labels.

1.4 Structure of report

The report is aimed to answer the research questions on the basis of theoretical approaches and empirical findings. In order to present the study in a structured way the report consists of several chapters. The following chapters include theory, methods, results, discussion and conclusions. Chapter 2, Theoretical background, presents findings from previous research regarding digitization in media industries, digitization in the music industry and the resulting changes for music creators and record labels. Chapter 3, Methods, presents the research approach and the methods that were used in order to gather theoretical and empirical material for the study. Further ethics and method criticism are discussed. Chapter 4, Results, presents empirical findings from conducted interviews and survey. Chapter 5, Discussion, analyzes and discusses the study’s empirical findings in relation to the theoretical information presented earlier. Chapter 6 – Conclusions, answers the research questions and suggestions for further research.
2 Theoretical background

Digitization involving evolving digital, Internet and mobile technology has affected the entire media industry by the means of how media is created, produced, distributed and consumed (Aris & Bughin, 2009, p 5-7; Croteau & Hoynes, 2014, p 13-15). Despite the media industry’s vast amount of sub industries and their different dynamics, they all have certain characteristics and challenges in common. The major characteristic shared by all media industries is that they are defined by a combination of creativity and business, even if the balance between those two varies. They further share that their core element is content, a commodity that is in many cases immaterial and driven by fashion, trends and inspiration. (Aris & Bughin, 2009, p 1-3) All media industries’ core challenges are according to Aris and Bughin (2009, p 3) following: continuous development of new content offerings, addressing a triple market interface, coping with volatility, dealing with multiple local, rather than truly international markets, and balancing economic with more social objectives. Several academics such as Mangematin et al., (2014) and Wikström and DeFillippi (2016, p 4) claim that no set of industries has been more affected by the impact of digitization than creative industries, which are typically composed of small and medium enterprises and networks of individual artists or entrepreneurs (Mangematin et al., 2014), and it is stated that the music industry was first among all creative industries to be impacted by digital disruption (Aris & Bughin, 2009, p 23; Wikström & DeFillippi, 2016, p 1).

2.1 Digitization and the music industry

The music industry has undergone many transitions during the last decades, and those transitions have been heavily shaped by evolving media technologies (Wikström & DeFillippi, 2016, p 1) and particularly by the rapid evolvement of digital technologies and services (Moreau, 2013).

![Figure 1. Timeline for the advent of new music formats and services from 1995-2016 (with information from Byrne, 2013; Croteau & Hoynes, 2014; Moreau, 2013; the services’ websites)](image)
The timeline in figure 1 shows the music industry’s milestones regarding new formats and services. Further the figure shows that new music distribution services have been developed in an increased pace during the recent decades.

While the advent of the mp3 format in 1995 and the development of the Word wide web (Leyshon, 2014, p 3) including an increasingly faster broadband access for a growing number of people (Moreau, 2013) marked the beginning of a new era for the music industry at the turn of the century, the recent waves of transformation were initiated by the emergence of streaming services (Wikström & DeFillippi, 2016, p 2-3). A significant transformation of the music industry was marked by the development and launch of Apple’s iTunes Music Store in 2003, as the service functioned as the first legal market for online music (Wikström & DeFillippi, 2016, p 2). Further, the service brought a certain aspect of innovation as it was based on an entirely new pricing model, providing consumers for the first time with the possibility to purchase single songs instead of having to buy entire music albums (Aguir & Martens, 2016; Wikström & DeFillippi, 2016, p 2). Aris and Bughin (2009, p 159) explain that with the increasing availability and use of digital music that affected the consumers’ preferences, record companies had to adapt by building on those new medias to reach customers. This development brought new challenges for the music industry as it one the one side highly affected music retailing, record stores continued to disappear, and on the other side forced music companies to redefine their organizational structures, work processes and professional roles (Wikström & DeFillippi, 2016, p 2) and further the need to integrate knowledge from technological sectors increased as digital no longer could be seen as a separate branch (Aris & Bughin, 2009, p 163).

The emergence of subscription streaming services such as Spotify (launched 2008) implied according to Wikström and DeFillippi (2016, p 2) an even higher degree of disruption for the music industry. The new music subscription services were applying a model, that has previously been implied in other media industries such as TV and newspapers (Aris & Bughin, 2009, p 136), but that was new for the music industry as it granted consumers access to a large music library for a monthly subscription fee, implying that consumers were no longer charged for downloading single songs or albums (Wikström & DeFillippi, 2016, p 2). Further the development of mobile technologies and the growing use and popularity of smartphones changed user demands and behaviors (Aris & Bughin, 2009, p 310).

The subscription streaming services adapted, which implied that customers were allowed to listen to music on their preferred devices without actually owning a digital music file or a physical format (Gerogiannis, Maftei & Papageorgiou, 2014). The music files, that are stored on
a server by the streaming provider, are in many cases only accessible after logging in to the
service’s website or mobile app. Subscription streaming services are sharing the concept of
continuous access, however there exist different pricing and subscription models, some are free
based, some based on monthly subscriptions, while some are ad-supported. (Gerogiannis et al.,
2014) That aligns with Aris and Bughin (2009, p 136) who claim that value-based subscription
services need to attract customers to enroll, develop them for loyalty and maximum revenues
and try to retain them for a maximum lifetime value. The growing popularity of subscription
streaming services led nevertheless also to decreasing digital download purchases (Wikström &
DeFillippi, 2016, p 2) and thereby to a declining income from digital sales and a continuous
decline of physical sales (Ifpi, 2015). Wikström and DeFillippi (2016, p 3) further point out that
the shift in business logic from generating a predefined and fixed royalty for every album sold
to generating varying and not entirely transparent divided royalty every time a consumer listens
to a particular song was perceived as a dramatic change.

The music industries’ shift from music models based on ownership towards models based on
access reflects the change of consumer behavior towards instant, real-time, anytime-anywhere
access (Ifpi, 2015). That fact that younger generations have little or no experience of owning
music and are therefore less drawn to traditional ownership models (Ifpi, 2015), thus value
access higher than ownership (Compton, 2015), is recognized by the music industry, which tries
to meet the demands by integrating services across different platforms (Ifpi, 2015). However, it
remains an ongoing challenge in the digital music market to both meet consumer demands and
to generate fair and sufficient revenues for artists and labels (Ifpi, 2015).

2.2 Business strategies of record labels

The disruption of the music industry has forced music companies to adapt their business models
and in many cases led to horizontal integration and a centralization of ownership, implying that
very few large companies (such as Universal Music Group, Sony Music Entertainment, Warner
Music Group), so called majors, stand for the majority of all music sales (Croteau & Hoynes,
2014, p 13), while a cloud of numerous independent labels, so called indies, stand for the
remaining minority of music sales (Moreau, 2013). Moreau (2013) states that major and
independent music companies have adopted very different business strategies. While majors
apply a model focusing on “stars” and aim to concentrate the demand on a few stars and
promoting them to maximize economies of scale, the independent labels, which often have the
reputation of treating their artists better, apply a model that focuses on the search for new talent.
Moreau further states that it is common that artists in their career start with an independent label and then sign with one of the majors if they meet with commercial success. (Moreau, 2013)

Byrne (2013, p 222-227) describes that digitization has affected the record labels’ core tasks that previously were following: fund of recording sessions, manufacture product, distribute product, market product, advance money for expenses such tours, videos and promotional events, advise and guide artists on their careers and recordings, handle accounting for all steps and funnel money to artists. Also Marshall (2013) states that the record labels’ core tasks have changed, as due to declining sales of physical records, labels had to develop alternative revenue streams. Klein, Meier and Powers (2016) argue that business models centered on record sales have been displaced by newer approaches focusing on touring, merchandise, sponsorship, and various licensing opportunities, which aligns with Marshall (2013) pointing out the fact that many record labels adapted by applying a 360° approach, implying the shifting of focus from record sales to a focus on new areas such as licensing, synchronization rights, merchandising and sponsorship, and thus transforming record labels into music companies. Marshall (2013) further points out the fact that these developments had affected the ways in which record labels negotiate contracts with their artists. So called 360° deals, implying that the record label participates in and receives income from a range of musical activities beyond the sales of recordings (Marshall, 2013), emerged and became the new standard among majors and many independent record companies (Stahl & Meier, 2012).

On the other hand, digitization has implied that recording costs, manufacturing and distribution costs decreased significantly, as recording technology improved and digital distribution almost became free (Byrne, 2013, p 222). Further, live performance and touring are no longer seen as just promotional tools and an income cost but have now turned into a relevant income source (Croteau & Hoynes, 2014, p 235). Furthermore, record companies no longer provide artists with big advances (Byrne, 2013, p 222-227). Today artists can produce, market and distribute their music all by themselves without the help of a record label (Tschmuck, 2016, p 16), nevertheless many artists choose to be take help of a record label as they want to focus on the creative process and do not want to burden themselves with distribution or marketing (Byrne, 2013, p 229-230). Byrne (ibid) marks out the point that the traditional role and distribution model of record labels have changed and states that in the current music landscape six types of distribution models exist. The six distribution models presented by Byrne (ibid) differ depending on the artists’ degree of freedom, responsibility and control; they reach from self-distribution by the artist to a 360° deal in which every aspect of the artists’ career is handed by producers, promoters, marketers, lawyers, accountants and managers. According to Tschmuck
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(2016, p 16, 26) digitization developments have turned musicians from dependent contractors to artistic entrepreneurs, which also implies that artists need to gain expertise that covers economic and legal aspects. Digitization and the advent of streaming services has affected the entire music industry, however, Nordgård (2016, p 181) claims that independent music companies that focus on niche genres are on the losers’ side of the current streaming-based music economy.

2.3 The value of music

Byrne (2013, p 11) discusses the characteristics and value of music and he explains that despite the fact that music is immaterial and ephemeral, as it is only existing when it is apprehended and listened to, music is utterly powerful, as it has influenced how people feel about their surrounding and themselves as long as people have formed communities. Music is communication; it is mediating information, feelings and knowledge. Due to the fact that music itself is immaterial, the perceived value is highly subjective. (Byrne, 2013, p 110-113) Even though it is difficult to define music and accordingly definitions tend to be vague, definitions of music often focus on the aesthetic pleasure and emotional stimulation that humans derive from it (Purves, 2013, p 103). Byrne (2013, p 213-214) claims that many musicians consider making music to be its own reward, but that they seek validation and obtain satisfaction from public recognition. Further Aris and Bughin (2009, p 165) claim that due to the digitization of music, consumers have developed a very different perspective of the value they get and the price they are willing to pay for music. Gerogiannis et al. (2014) draw inferences from prior studies and claim that the individuals’ willingness to pay for digital music is influenced by personal income and perceptions of risk, but also by ethical considerations.

2.4 The making of music

Moeran and Christensen (2013, p 12-13) claim that the music industry, as all creative industries, is characterized by a continuous and often unresolved tension between creativity, an ability to push boundaries, and constraints, of technological, financial, social, aesthetic and spatial aspects, that uphold them. Klein et al. (2016) mark out the point that artists of all kinds are faced with the challenge of balancing commercial imperatives with artistic integrity. Moeran and Christensen (2013, p 27) further explain social aspects are extremely important in creative industries, as creative work is often guided by personal connections as well as by reputation by previous assignments. Therefore, the building of relations of trust is important, trust within
creative partnerships and trust to people outside the partnership and to other organizations, as trust can be a deciding factor in creative productions. (Moeran and Christensen, 2013, p 27-29)

2.4.1 Music creation and production

Aguiar and Waldfogel (2016) point out the fact that production of recorded music has become less costly as inexpensive computers and software have become capable of performing the roles of costly studio equipment. However, Nordgård (2016, p 178) claims that costs related to recording and mastering have in many cases not decreased, as recording and mastering done by professional people in professional studios still has significant costs. Byrne (2013, p 81) argues that new technologies and innovations that build on them have changed the way music is created. With the shift to software-enabled recording, also the quality and capacity of home recording has improved and thus led to the fact that artists increasingly create music in home studios (Leyshon, 2009). Digital music software has further enabled digital sampling, implying that sound is rendered into data, and this data can be reconstructed, adapted, reversed and manipulated in a variety of ways down to the smallest details (Katz, 2004, p 139). Sampling is also claimed to have transformed the nature of composition, as composers can sample existing works, transform them and turn them into new expressions (Katz, 2004, p 157). Digital technology has changed the sound of both performed and recorded music. Further music is increasingly experienced in its recorded form, rather than in the form of a live performance (Burton, 2010, p 159). This aligns with Byrne (2013, p 86) arguing that while in the past artists aimed to record and capture the sound of a live performance, today the contrary applies, artists try to imitate the sound of the recording when performing live. Despite the increasing importance of single tracks Mulligan (2014) argues that creatively the album still represents the zenith of an artist’s creativity and that many albums are still most often best appreciated as a creative whole.

2.4.2 Music distribution

Aguiar and Waldfogel (2016) state that digital distribution has made it possible to make music available to millions of consumers without the costs of pressing physical records, transporting physical goods, or maintaining inventory in physical retail establishment. Gerogiannis et al. (2014) point out the fact that music streaming services become increasingly more popular and successful, which thus leads to that record labels and artists increasingly recognize the streaming services' usefulness and importance in selling and promoting music. Gerogiannis et
al. (2014) further state that the new music streaming services provide especially upcoming artists with new business opportunities, as with the eliminated need of intermediaries when distributing music, artists are now provided with an easy, intuitive and working solution to distribute music to their fans. Also Poort et al. (2015) point out the fact that digitization has facilitated disintermediation, involving the disruption of the traditional vertical system in which media institutions were in charge of producing and distributing content, and changing it into a more horizontal structure that allow creators and performers to operate independently.

Internationally there are a vast number of both free and paid-for music streaming services on the market, and thus an intense competition between them (Ifpi, 2015). Popular subscription streaming services are currently services such as such as Spotify, Deezer, Pandora, Apple Music, Tidal and Google Play (Alexander, 2016; Ifpi, 2015). Nevertheless, Spotify is currently dominating the market, as it is with its about 30 million paying subscribers is one of the most popular music streaming services globally (Statista, 2016a). Further free streaming services such as SoundCloud, Bandcamp and the video platform YouTube are used to publish and distribute music. There are numerous subscription streaming services on the market and each service tries to distinguish itself qualitatively from others with particular features such as for example social media integration, catalog exclusives or human-curated playlists (Morris & Powers, 2015). Also Ipfi (2015) claims that for consumers, pricing options are becoming more diversified as streaming services broaden the parameters of the basic free versus premium model and offer new packages including high quality streams or family plans. However, subscription streaming services offer very similar pricing plans, as shown in table 1 that provides an overview of the specifications of various streaming services, and the consumers choice of one service over another is according to Gerogiannis et al. (2014) a matter of preference, brand awareness and geographical availability.

While free music streaming services such as SoundCloud, Bandcamp and the video platform YouTube allow anyone to upload and publish music (Bandcamp, 2016; SoundCloud, 2016a; YouTube, 2016a), paid subscription streaming services generally only admit authorized actors, such as labels and distributors, to upload and publish music in order to prevent copyright infringements (Apple Music, 2016; Spotify for Artists, 2016; Tidal, 2016). Nevertheless, subscription streaming services provide artists, that are not signed to a label or do not have a distributor, with the possibility to upload music through validated aggregators (Apple Music, 2016; Spotify for Artists, 2016; Tidal, 2016). Aggregators are services that for a set fee or certain percentage handle the licensing and distribution of music and administer the royalty payments generated from the streams (Spotify for Artists, 2016).
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Table 1. Streaming services’ specifications (with information of Apple Music, 2016; Bandcamp, 2016; Deezer, 2016; Faugnder, 2016; Google Play, 2016; McCandless, 2015; SoundCloud, 2016b; Spotify for Artists, 2016; Statista, 2016a, Statista, 2016b; Statista, 2016c; Statista, 2016d; Tidal, 2016; Youtube, 2016b)

<table>
<thead>
<tr>
<th>Streaming services</th>
<th>Service</th>
<th>free</th>
<th>subscription</th>
<th>video</th>
<th>songs &amp; users</th>
<th>publishing</th>
<th>payments to creators</th>
<th>avg. revenue per stream to artist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spotify</td>
<td>ad-funded service</td>
<td>monthly 9.99$</td>
<td>60% discount on extra accounts</td>
<td>no</td>
<td>30 million songs</td>
<td>authorized labels and distributors, aggregators</td>
<td>dynamic pricing model</td>
<td>$0.0001 signed $0.0007 unsigned</td>
</tr>
<tr>
<td>Deezer</td>
<td>ad-funded service</td>
<td>monthly 9.99$</td>
<td>14.99$ elite</td>
<td>no</td>
<td>25 million songs</td>
<td>authorized labels and distributors, aggregators</td>
<td>dynamic pricing model</td>
<td>$0.0016 signed $0.016 unsigned</td>
</tr>
<tr>
<td>Apple Music</td>
<td>no</td>
<td>monthly 9.99$, 15$ family plan (up to 6 users)</td>
<td>yes</td>
<td>37 million songs</td>
<td>authorized labels and distributors, aggregators</td>
<td>dynamic pricing model</td>
<td>$0.007 signed $0.043 unsigned</td>
<td></td>
</tr>
<tr>
<td>Tidal</td>
<td>no</td>
<td>monthly 9.99$, 19.99$ premium</td>
<td>yes</td>
<td>25 million songs</td>
<td>authorized labels and distributors, aggregators</td>
<td>dynamic pricing model</td>
<td>$0.007 signed $0.016 unsigned</td>
<td></td>
</tr>
<tr>
<td>Google Play</td>
<td>no</td>
<td>monthly 9.99$</td>
<td>no</td>
<td>30 million songs</td>
<td>authorized labels and distributors, aggregators, artists</td>
<td>dynamic pricing model</td>
<td>$0.0003 signed $0.0018 unsigned</td>
<td></td>
</tr>
<tr>
<td>SoundCloud</td>
<td>yes</td>
<td>US Only monthly 9.99$</td>
<td>App 12.99$</td>
<td>no</td>
<td>175 million users</td>
<td>anyone</td>
<td>for ad-supported music only</td>
<td></td>
</tr>
<tr>
<td>Bandcamp</td>
<td>yes</td>
<td>yes</td>
<td>anyone</td>
<td>price for music can be set by artists, donations possible</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YouTube</td>
<td>yes</td>
<td>yes</td>
<td>more than one billion users</td>
<td>anyone</td>
<td>for ad-supported videos only</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As the overview in table 1 shows, generally subscription streaming services pay royalty to the right holders and payments are based on dynamic pricing models that are specific for each service and thus difficult to compare. Nevertheless, McCandless (2015) indicates that the percentage share of revenues from streaming services that is distributed to artists, is more beneficial for unsigned artists, receiving about 60%, than for signed artists receiving about 20%. However, as shown in table 1, despite the different payment models of streaming services, averagely a stream generates only between $0.0003 and $0.043 artist revenues (McCandless, 2015). SoundCloud has faced legal issues, as the service has not paid royalty but has recently announced to launch a new subscription service in the end of March 2016 called SoundCloud Go that will pay royalty (Dredge, 2016). YouTube does not pay royalty but has recently employed the possibility for its users to accept advertising placements that can result in payments (YouTube, 2016b). Bandcamp differs from other streaming services as it allows artists to set their own pricing (Bandcamp, 2016). For an overview over specifications of different streaming services see figure 2.
Ifpi (2015) points out the fact that many digital services bypass the normal rules of music licensing, which enables them to generate a significant share of global music consumption, but at the same time diminishes revenues that should be returned to creators and rights holders. Wlömert and Papies (2015) argue that artists should attempt to negotiate contracts in which the growing relevance of streaming is adequately reflected. Further, Sinclair and Green (2016) state that ethical implications of artists receiving very little payment from streaming services will be a significant issue in the future. Consequently, this value gap needs to be addressed in order to create a fair licensing environment and thus to facilitate a sustainable music industry (Ifpi, 2015; Sinclair & Green, 2016).

Digitization has according to Aguiar and Waldfogel (2016) not only enabled a greater accessibility of new releases, but also of older music, as they argue that music streaming services as well as the video platform YouTube provide a vast coverage of both old and new releases. The fact that music is increasingly distributed in a digital form and implies that the interest for physical records is decreasing (Ifpi, 2015). Nevertheless, the vinyl record has recently had a revival and it sales increased, as many music enthusiasts appear to long for aspects such as physicality, aesthetic appeal and good-quality sound, in an era in which everything becomes digital (Bartmanski & Woodward, 2015; Sarpong et al., 2016).

2.4.3 Music promotion and marketing

Morris and Powers (2015) explain that streaming services foster on the on side create new cultures and practices consumption but create on lead on the other side to a crowded marketplace. Nevertheless, Byrne (2013, p 218) claims that here have never been more opportunities to reach an audience. Further, Aguiar and Waldfogel (2016) argue that promotion has become less expensive as Internet radio, social media, and widely available online criticism have complemented traditional promotional channels. Aris and Bughin (2009, p 165) explain that traditionally marketing focused predominantly on business-to-business marketing and record companies had hardly any interest in and contact to the actual consumers. Digitization has facilitated a shift as consumers suddenly had a significant choice and influence. This aligns with Moreau (2013) stating that word of mouth, thus consumer-to-consumer promotion, has become more important, as the recommenders offer the value of personalization, a value that mass media was not able to offer. According to Klein et al. (2016) digitization has implied an extending promotional culture implying that the number of promotional messages has increased. This implies for smaller artists an increasing pressure to think about, build, maintain and even actively strategize their online presence on different music services and on social media (ibid).
Moeran and Christensen (2013, p 20) indicate that creatives often find it difficult to talk about their work. Further Klein et al. (2016) discuss the artists’ challenge of balancing commercial aspects and artistic integrity, as artists do not want to be accused of selling out. Aris and Bughin (2009, p 164-166) also emphasize that digitization not only has shifted the market for recorded music from CDs to mp3s, but enabled possibility to segment customers by music genre. On the other hand, digitization has implied that consumers want to determine their own music selection and way of consuming it, and no longer accept to be patronized by the industry. Nevertheless, it is indicated that only about 15% of consumers are willing make the effort of extensively searching to find their preferred music. (Aris & Bughin, 2009, p 164-166) Streaming services are offering consumers access to about 43 million tracks, and the fact that consumers are provided with an inexhaustible choice (Ifpi, 2015) created a need for curation (Morris & Powers, 2015). Therefore, many services have invested into intelligent music recommendation systems in order to meet customer needs and to defend their market position on a competitive market (Ifpi, 2015).

### 2.4.4 Music consumption and preferences

According to Ifpi (2015) globally music consumption behavior increasingly shifts from digital download purchases to streaming services, which also has an impact on consumer demands. Further, Ifpi (2015) argues that the transition from downloads to streaming occurs faster than with previous format shifts, to e.g. cassettes, CDs and downloads, as consumers do not need to buy new hardware to use streaming services. On the Swedish market the majority of the revenue from recorded music already consists of streaming sales (Musiksverige, 2015), the development is visualized in figure 2, showing the breakdown of revenue from recorded music in different formats in the Swedish market 2009–2014.

![Figure 2. Breakdown of revenue from recorded music in different formats in the Swedish market 2009–2014. (Musiksverige, 2015)](image-url)
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3  Methods

*In this chapter the research design and methods, including strategies for collecting and analyzing data as well as theories that explain why the methods used provide warrant for inferences, that were used for this study are presented. Further ethical aspects and methods are critically discussed.*

As the information presented in the previous chapter shows, digitization and the emergence of streaming services has affected the music industry and the way music is created, produced, distributed and consumed. However, it is also shown that existing theoretical information does not take into account how music creators and record labels perceive the ongoing transformations in the music industry, nor whether or how they adapted to the changing conditions incited by the digital era, thus that there is a knowledge gap.

3.1  Type of research

The aim of this study is to gain insights into perceptions of artists and record label on the ongoing digitization in the music industry, and as previously discussed this is an area where little is known. Kumar (2011, p 10-11) describes that when regarding a research study from the perspective of its objectives the research ambition can in accordance be divided in four different categories and classified as descriptive, correlational, explanatory or exploratory. The research type for this study supports primarily an exploratory approach as Kumar (2011, p 11) points out the fact that it is appropriate to undertake an exploratory research if the study’s objective is to explore an area where little is known. Nevertheless, also aspects of other research types appear relevant, as the study tries to describe common best practices, which aligns with descriptive research having the main theme to describe what is prevalent (Kumar, 2011, p 10). Further the study aims to reveal relations between several aspects of digitization and thus supports to a certain degree correlational research as Kumar (2011, p 10) points out that has the main theme of correlational research is to establish or explore a relationship between two or more aspects of a situation. Finally, the study aims to explain the effects of digitization and how music professionals adapted to it, supporting an explanatory research as Kumar (2011, p 11) states that explanatory research attempts to clarify why and how the relationship is formed. Those aspects implied that the study requests a research design that supports different research types in different stages, the initial study applied an exploratory approach, its results allowed a description of what is prevalent, analysis of the initial study and theoretical background led to findings that revealed correlations that could be explained with help of the follow-up study.
3.2 Research approach

Concerning the purpose of this study a qualitative approach with an unstructured mode of enquiry was assumed to be most appropriate for an initial study, as a qualitative approach allows the identification of variation and diversity. Kumar (2011, p 11-14) explains that research can be divided into two types of approaches when regarding the research’s mode of enquiry, the quantitative, structured approach and the qualitative, unstructured approach. The main objective of a qualitative study is to describe the variation and diversity in a phenomenon, situation or attitude with a very flexible approach, by identifying as much variation and diversity as possible. The main objective of a quantitative study with a structured approach to enquiry on the other hand is more appropriate to determine the extent of a problem, issue or phenomenon and can thereby help to quantify the variation and diversity. (ibid)

Kumar (2011, p 14) emphasizes that it is the purpose for which a research activity is undertaken that should determine the mode of enquiry. As the current study aims to both describe the variation and diversity of attitudes regarding the effects of digitization but also to determine if the collected insights can be quantified, the study requests a combination of both approaches. Figure 3 shows how inductive and deductive approaches were combined in this study’s research design.

![Figure 3. This study’s research design based on exploratory sequential mixed methods](image)

For the initial study an inductive research approach was used, as Hammersley (2006) claims that an inductive research approach is used to study questions where the conclusion is not already contained in the meaning of the premises. In order to be able to quantify the extent of the issues that were revealed in the interviews the conduction of a second study with a quantitative and deductive approach was considered to be most appropriate, as Kalaian (2008)
explains that a deductive approach is primarily used to test theories and specific research hypotheses that consider finding differences and relationships to make specific conclusions about the phenomena. The study as a whole is thus based on both inductive and deductive approaches and on both qualitative and quantitative research methods, and thereby on the use of mixed methods, as Tashakkori and Creswell (2007, p 4) state that the use of mixed methods implies that “the investigator collects and analyzes data, integrates the findings, and draws inferences using both qualitative and quantitative approaches or methods in a single study or program of inquiry”. More specific, the study’s research design uses exploratory sequential mixed methods, as Creswell (2014, p 16) explains that the exploratory sequential mixed methods approach entails that the research begins with a qualitative research phase in which the view of participants is explored, thereafter the data is analyzed and variables are specified, which are then used in a follow-up quantitative phase. Creswell (2014, p 5) explains that a research approach involves three interconnected components: research design, research methods and philosophical worldviews. This study applies a pragmatic philosophical worldview, as it pragmatism is considered most appropriate for the nature of this study considering the fact, as pointed out by Creswell (2014, p 10-11), that pragmatism as a worldview develops out of actions, situations and consequences and is not committed to one system of philosophy, but instead focuses primarily on the research problem and supports that all approaches available to understand the problem are used. Thus a pragmatic philosophy facilitates a mixed methods research including the use of multiple methods, different worldviews, assumptions and forms of data collection (ibid).

3.3 Initial study: qualitative research

For the initial study qualitative research methods were used in order to get insights into personal perceptions of music professionals on the effects of digitization of the music industry and as the research question covers a certain complexity. According to Kalaian (2008) qualitative research is context-specific research that focuses on observing and describing a specific phenomenon, behavior, opinions, and events that exist to generate new research hypotheses and theories. Kalaian (2008) further explains that the goals of qualitative research are to provide a detailed narrative description and holistic interpretation that captures the richness and complexity of behaviors, experiences, and events in natural settings.

The initial study consisted of three qualitative semi-structured interviews that were conducted with one record label, one producer and one artist, in order to cover the perceptions of various roles in the music business. In order to be able to compare and reveal patterns among the
material that the interviews were supposed to generate, a structured interview guide, see Appendix 1, with both open questions and questions that provided some sort of answer alternatives were used during all interviews. The one to one and a half hours long interviews were audio-recorded and transcribed, thereafter the content was coded and clustered. Codes that were used were guided by Creswell (2014, p 198-199) and included codes on topics that were expected to be found and existing in previous literature, codes that are surprising and that were not anticipated, as well as codes that are unusual and of conceptual interest. The content analysis resulted in several key findings that thereafter were transformed into working theories.

3.4 Follow up study: quantitative research

For the follow up study quantitative research methods were used in order to evaluate the findings, see Appendix 2, and to test the working theories, see Appendix 3, at a larger scale and thus to generalize the findings of the initial study. The follow-up study consisted of two different online surveys, one addressing music creators and one addressing record labels. A survey design was applied as it “provides a quantitative or numeric description of trends, attitudes or opinions of a population by studying a sample of that population” (Creswell, 2014, p 155). The survey consisted of an introduction, including information about the study’s purpose, objectives and ethical aspects, and questions regarding the participants’ personal background followed by survey questions regarding the research topic following a logical progression based upon the objectives of the study, see Appendix 4 and Appendix 5 showing the survey design. The survey consisted primarily of closed questions, where possible answers are set out, as those due to their predefined categories help to ensure the information needed is obtained and furthermore responses are easier to analyze (Kumar, 2011, p 151-154). In order to collect data in numerical form that allow a quantitative analysis, which is the foundation of quantitative research (Garwood, 2006), scores, counts of incidents, ratings, or scales were used. Closed questions were complemented a few number of open-ended questions of qualitative nature, thus questions where the possible answers are not given (Kumar, 2011, p 151), where it was assumed necessary to allow respondents to express themselves liberally.

3.5 Selection of respondents

The selection of respondents for the initial study was made subjectively through opportunity sampling and convenience sampling, as record labels and artists can be defined as hard-to-access groups. Convenience sampling implies according to Salkind (2010) that sampling occurs
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based on how convenient and readily available that group of participants is. According to Brady (2006) opportunity sampling, in which the researcher's knowledge and attributes are used to identify a sample, is often employed by social researchers to study covert or hard-to-access groups of people, objects or events. Following an opportunity sampling approach, participants that were known to be music professionals and to have been active in the music industry both before and after the advent of on-demand music streaming services were targeted by the researcher. Furthermore, the selection criterion that the participants should cover different roles in the music industry, such as music creator, producer and record label owner, was used in order to achieve that the information collected would provide a holistic insight. All three respondents are thus music professionals active in the Swedish music business. The fact that all of them have been professionally active in the music industry for at least for 15 years and thus experienced the music industry both before and after the advent of music streaming services, allowed to gather insights about the changes that digitization has implied for the music industry.

Similar to the selection of respondents for the initial study, respondents for the online survey were selected by convenience and opportunity sampling and contacted via personal mail. Further a strategy of snowball sampling (Kumar, 2011, p 208) was employed as respondents from the researcher’s personal network were invited to introduce the survey to their personal network, and several respondents did inform and engage music professionals in their personal network to participate. Baltar and Brunet (2012) state that snowball sampling is a useful methodology in exploratory, qualitative and descriptive research, especially in studies in which the number of respondents is low or where a high degree of trust is required to initiate the contact, thus studies targeting a hard to reach or hard to involve population. In order to increase the certainty of findings a large sample size was needed, Kumar (2011, p 208) states “the larger the sample size, the more accurate the findings”, therefore sampling was further made on the researchers personal Facebook profile and in five Facebook groups of music professionals with between about 200 and 5000 members, which resulted in virtual snowball sampling, as many shared the link to the online survey. Baltar and Brunet (2012) explain that virtual snowball sampling using social networks as channels for recruitment involve benefits when studying topics with barriers of access. Further several record labels were contacted via e-mail in order to achieve a higher a response rate, however the direct targeting did not increase the response rate. As the study was intended to present perceptions of the Swedish music industry, only responses from music creators and record labels that are of Swedish origin or based in Sweden were regarded, one response of a record label that did not fulfill these requirements was thus discarded.
3.6 Research ethics

The study was aimed to follow the ethical guidelines and the ethical research principles presented in the codex for research within humanities and social sciences (Vetenskapsrådet, 2002), provided by the Swedish Research Council. All respondents were informed about the study’s objectives, procedures and its ethical aspects. Respondents were informed about that the participation is entirely voluntary; that they have the right to be anonymous and to withdraw from the study without giving any reason at any time and that they are granted confidentiality. Interview respondents were further informed that the interview was going to be audio-recorded and that they have the possibility to read the report before its publication. Interview respondents were also provided with the choice to be named by full name, first name or initials. All interview respondents of the initial study signed an informed-consent form, two of them approved to be cited by their full names while the responding artist desired to be cited with initials, as the band is generally very restrictive regarding giving interviews and expressing themselves in public. The online survey followed the same ethical guidelines and respondents were reassured of the protection of the information they provide, because of the fact that, as also Baltar and Brunet (2012) argue, that it is essential to establish trust of respondents, regarding both ethical and practical aspects. The survey respondents were asked to provide their full name and e-mail address in order to be able to ensure that participants are active in the music industry, but were granted anonymity if they wished so.

3.7 Methodological discussion

For this report primarily peer-reviewed literature was used, however academic literature was complemented with information from web articles as well as websites representing streaming services in order to ensure to present up-to-date information about the current digitization developments.

Reliability, replication and validity are considered as important quality criteria for research. Reliability is concerned with whether a study is repeatable, replication is concerned with whether a study is replicable by others, and validity, being the most important quality criteria, is concerned with the integrity of the generated conclusions. (Bryman, 2016, p 41) As it is desirable to achieve a high external validity, meaning that a study’s results can be generalized beyond a specific research context (Bryman, 2016, p 42), it is therefore important to mention that the number of respondents, initial study (n=3), survey for artists (n=68), survey for record labels (n=13), might involve issues for the study’s external validity. Further, the sampling of
respondents for the qualitative interviews was confined within the authors’ network, which implies that relevant information that might have been provided by other potential respondents might not be covered and thus that the results might therefore not be generally valid for all artists and independent record labels.

While generalizability, internal validity, reliability and objectivity are considered to be rather quantitatively oriented terms when discussing a study’s trustworthiness, the qualitative equivalents can be considered to be transferability, credibility, dependability and confirmability. Internal validity is concerned with causality, in the means of whether a conclusion with a causal relationship between two variables is plausible (Bryman, 2016, p 42). In contrast internal validity, credibility in qualitative studies implies that the phenomenon in question is accurately and richly described and that the data is accurately represented. Confirmability reflects the need to ensure that the interpretations and findings match the data and thus that all claims made are supported by the data. (Given & Saumure, 2008)

The interviews were held in Swedish, which had the benefits of allowing the respondents to express themselves naturally in their native language and therefore to be comfortable. However, the nature of qualitative research methods involves interpretation of information at several stages. In order to ensure accuracy, the interviews were transcribed. Nevertheless, content analysis always involves interpretation and thus aspects subjectivity. Furthermore, relevant excerpts of the transcription were translated to English, in order to warrant a correct representation of results the interview respondents were asked to examine the accuracy of the translated information presented in the results chapter, thus the accuracy of the information presented in the report is confirmed by the interview respondents. As the sequential studies were conducted with various actors in the music industry, different views are represented, which facilitates a high credibility. The fact that findings from the initial study were used as working theories, which thereafter were tested quantitatively, can be regarded beneficial for the study’s confirmability.

The survey results are based on information gathered from artists and record labels. In order to be able to compare the perceptions of both groups, results are presented in percentages. However, it needs to be regarded that the size of the two responding groups differs, while the number of respondents regarding artists (n=68) supports the presentation of results in percentages, it needs to be mentioned that that number of respondents of record labels (n=13) is rather low and thus percentages representing perceptions of record labels might be possibly less representative.
4 Results

In this chapter essential findings from the conducted interviews and survey are presented. The first part of the chapter outlines results from the qualitative interviews that were based on the interview guide presented in Appendix 1 and conducted with one artist, one producer and one record label. The second part presents results from the follow up study that consisted of two online surveys, one for artists (n=68) and one for record labels (n=13).

4.1 Results from the initial study

The initial study consisted of qualitative interviews with three people representing different sectors in the music industry. Respondent 1, M.C., artist and band member in an indie-pop band, has been active in the music industry for fifteen years. The band, which is signed at a larger Swedish independent label, has released four full-length albums, seven EPs as well as numerous singles and performed about 60 live shows internationally. The band is based in Malmö and Stockholm and consisting of two band members, has a strong fan base from around the world and about 120 000 monthly listeners on Spotify. (M.C., 2016) Respondent 2, Mathias Oldén, producer, composer, musician and former artist, has been active in the music industry for eighteen years. His one-man production studio situated in Malmö is offering services such as production, mixing, mastering and sound engineering. During his time as an active artist and band member of the band Logh he released several albums and EPs and performed about 400 live shows. (Oldén, 2016) Respondent 3, Jonas Nilsson, co-owner and general manager of the independent record label Bad Taste Records and former artist, has been active in the music industry for twenty years. The record label has during the recent years developed into a music company with a total of nine employees consisting of a record label, booking label, management and synchronization label and has offices in Lund, Stockholm and Los Angeles. (Nilsson, 2016) All interviews were conducted during March 2016, and each respondent was interviewed once.

4.1.1 Effects of digitization on the music industry

One of the first questions asked to all respondents was how they perceive that digitization since the advent of music streaming services had affected the music industry. All respondents point out the fact that it has become significantly easier and quicker to reach a global audience as the publishing process is reduced to the simple upload of digital files to streaming services, which
only takes seconds. Nilsson further states that it has become significantly cheaper to publish music as digitization has eliminated the need of manufacture, storage and distribution of physical records and thus eliminated costs and financial risks, which in turn allows the label to dare more. Oldén and Nilsson also claim that it has become easier for smaller artists and bands to spread their music and that the music industry according to Oldén thus has become more democratic as record labels do not possess as much power as they used to have.

4.1.2 Consumer behaviors and preferences

Nilsson names that one of the biggest changes that digitization implied is the fact that singles became more important than albums as streaming services implied a change of consumer behavior, consumers now listen predominantly to single songs and playlists and significantly less to albums. The shift of consumer preference from albums to single songs has also led to that artists increasingly release music in single or EP format instead of the album format, as now even single songs, that formerly mainly had the purpose to promote an upcoming album, can be monetized. (Nilsson) Oldén also states that single songs are gaining more importance, but believes that the downside of this development is that the artistic wholeness, which is provided by album, diminishes. Artist M.C. on the other hand embraces this development, as it would allow his band to be more flexible without the demand of having to create albums. All respondents believe that artists will continue to create collections of songs, but to a lesser degree. Nilsson further explains that today the definition of an album implies that it contains of between 9 and 13 songs, but that he believes that the current definitions will be erased in the future. Both Oldén and M.C. state that they are not sure about how people today consume music or how they find new music. They both explain that they personally either search for new music, mainly on YouTube or SoundCloud but also on Spotify, or get new music recommended from their personal network. They both state that they do never listen to playlists or Spotify’s services such as “Discover weekly”.

Artist M.C. points out the fact that the relation between the artist and the audience has changed, as digitization has led to an elimination of a prior existing barrier between them. According to Oldén streaming services have further provided consumers with a better accessibility and freer choice. M.C. perceives it also as positive that artists can get an immediate response from their audience as streaming services e.g. Spotify or SoundCloud track their users, and artists thus can get immediate insights into the amount of listeners including geographical information for each song or album.
4.1.3 Economic aspects and adaption of business models

All respondents further shared the perception that record labels have been highly affected by the digitization development. Nilsson states that the effects of the advent the digital mp3 format have implied a significant loss of income for record labels and that record labels thus had to adapt in order to find new income sources. Nilsson explains that his own record label adapted by offering gradually new services and branches such as management, booking and synchronization, and thereby developed into a 360° company. It is indicated that management, one of a record labels’ responsibilities, has gained importance and is now increasingly offered as a distinct service. (Nilsson; Oldén) Nilsson further states that major labels showed the same approach to achieve to turn into 360° companies but that they were faced with bigger challenges than independent labels. The fact that major labels are organizations of large scale and tend to have rigid organizational structures implies difficulties to adapt, which resulted in significant income losses and to the fact that many people in the music industry lost their jobs. Artist M.C. points out the fact that major labels have lost their power and struggled economically due to emergence of streaming services, which led to that many labels either disappeared or merged. However, M.C. claims that major labels despite their reduced income can be regarded as winners of the digitization development as they still earn most in comparison to other players on the market, as they either made up deals with YouTube and Spotify or are part-owners of Spotify. M.C. further states that also independent labels can be placed on the winning side because of the fact that distribution costs have declined. Both Oldén and M.C. share the perception and discontent that the digitization development has not brought any major economic changes to artists, as they earn just as bad as before, which is according to Oldén hardly anything. All respondents agree that the emergence of streaming services has implied changes for the music industry, with both positive and negative effects. M.C. nevertheless points out that it is the arising intermediary trade (such as Spotify) that has gained major benefits of this development.

4.1.4 Music creation and production

The respondents also showed a consensus regarding the question if digitization has affected the way music is created and produced. All respondents point out the emergence of easy-to-use and in many cases free software has allowed people to create, record and produce music at home. Further software tutorials on YouTube allow people to learn and improve their skills (M.C.) and to create productions of quite high quality (M.C.; Oldén). Nilsson claims that is today possible for artists to create and produce an entire album in a home studio.
Oldén also indicates that the way music is created has changed, while music prior often was created on instruments such as guitar or piano, it has today become more common that the creation process starts for example with sampling or the use of a drumbeat, and thus is not limited to the use of organic instruments. The emergence of music software also implies that it is no longer necessary to actually to sit with a person playing an instrument to create a sound of it, for example can a drumbeat be easily generated without the use of a drummer. According to Oldén this development has also implied that it is becoming less common that bands are rehearsing on a regularly basis, in the means of meeting physically and playing together as a group. The fact that bands are rehearsing less also affects the quality of live performances. Oldén further states that this development reflects the fact that the number of bands, in means of a consistent group of people creating and playing music together, is decreasing. He senses a shift from consistent bands to changing constellations. It appears to become more common that artists create music independently and based on their needs engage professional musicians for a certain project. This implies that a small number of professional musicians is switching between and participating in projects by several different artists. (Oldén) Nilsson shares the opinion that it occurs that live performances do not live up to the quality of recorded music, but he perceives no correlation to the digitization development, he means instead that badly playing bands always have existed, though claims that it might be easier to mask deficits in the digital age.

All respondents share the opinion that digital technologies have made the production process easier, quicker and cheaper. Artist M.C. also points out that digital technologies have made it easier to redo and fix things in case something went wrong. Oldén indicates that this development reflects the difference between younger musicians and bands that grew up with digital technologies and those that grew up before digitization occurred when recording in a studio. He indicates that younger generations show a more relaxed and less serious attitude towards the recording process as they are aware and used of the fact that digital technologies allow to cut and paste parts of a song if needed, while older generations tend to achieve perfectionism for every take, as they grew up in times when the recording process involved expensive physical tapes. Oldén concludes, without judging it as good nor bad, that this change affects also the final sound, as the cutting and pasting makes a song sound somewhat less human. Nilsson and M.C. also state that the fact that production has become easier, quicker and cheaper has given artists without economic resources the possibility to produce music. The fact that it has become very easy to create music and thus also to produce demos, has on the downside led to the fact that his record label received an enormously increasing amount of digital demo files, many of them of lower quality than in prior times, which resulted in the
record label’s decision to no longer accept any demos, and recruiting of new artists occurs today through recommendations from the personal network (Nilsson).

### 4.1.5 Music distribution

All respondents agree that distribution of music has become extremely much easier, cheaper and quicker as digital files can be uploaded to the streaming services within seconds, instead of having to produce physical records. All respondents also share the perception that physical records are losing the importance they used to have. Nilsson states that his record label produces in many cases only digital records and if physical records are produced it is more common to produce LPs than CDs, as CDs entirely lost their value. He however explains that his record label is still producing CDs in as certain cases, as some countries, for example Germany, and older audiences still show interest for them. Artist M.C. also points out the fact that a new type of record label arises, digital record labels that limit themselves to the digital format thus not offer any physical records.

When the respondents were asked which distribution channels they perceive as the most important ones today, the overall answer was streaming services, Spotify, followed by iTunes and Apple Music. Oldén also names SoundCloud to be an important channel for independent and smaller artists, as anyone can upload music there, while the uploading on Spotify is in some way restricted implying that not anyone can upload music. Nilsson further explains that his record label is publishing the entire music catalog on several music streaming services, as Spotify does not exist in all countries, in order to make all music available worldwide. Also the fact that streaming services in most cases, however depending on the agreement between the service and label, do not charge any fees for the uploading of music makes it reasonable to provide music on as many streaming platforms as possible. The fact that uploads are free of charge has also enabled the record label meet the consumers request and to provide older records, that due to low sales had not been reprinted and thus been removed from the market, by uploading them. This implies that today even older records generate income. (Nilsson)

### 4.1.6 Music promotion and marketing

All respondents claim that the fact that it has become easier to produce and publish music has led to an overwhelmingly vast range of accessible music. Nilsson explains that the market has become saturated and that it has therefore become a challenge to get through the noise, to make people aware that one’s music exists and to make them listen to it. This also explains the fact
that the costs for promotion have remained the same, while the costs for production and distribution decreased significantly. He further claims that many artists assume that there no longer is a need to be signed at a record label as it became so easy to distribute music, which according to him is a common misconception, as promotion, one of the record labels’ core tasks, is still essential. He further states that many artists tend to find it difficult to promote themselves, as it on the side is a challenge to objectively present one’s personal work and on the other side requires personal contacts and time consuming meetings with actors in the industry. (Nilsson)

Nilsson explains that in the digital era marketing has shifted from printed media and promotion in storefronts to digital media and digital campaigns on social media platforms such as Facebook, Twitter and Instagram and campaigns on Spotify and iTunes. Facebook has become an important marketing channel as it makes it possible to target specific audiences, it allows one to make a post on an artist’s Facebook page and then boost it to people that like a similar artist and in that way reach a new audience. Collaborations and campaigns with Spotify and iTunes, implying to get an artist featured on the display front or to get an artist on a playlist, are also very important. Further it is important to get radio plugs and interviews for artists. Nilsson explains that it is always the aim to combine marketing on several channels at the same time to maximize the exposure effect. (Nilsson) Nilsson also explains that different artists have very different attitudes towards marketing, some do not show any interest at all and some are very engaged. He explains that his record label closely collaborates with the artists and supports all artists depending on their needs, thus also updates artists Facebook pages if the artists do not want to do it themselves. (Nilsson)

*If you want to be successful in this business you have to be seen.*

*Period. And this applies to everybody.*

M.C.

Both Oldén and M.C. explain that they do have profiles on social media channels but that they are not actively using them. When asked if they have a website Oldén states to have one while M.C. to have not. Both share the opinion that marketing and advertising can reduce the magic of music and harm their integrity. Both Oldén and M.C. highlight the importance of artistic integrity over economic profit, and explain that they dedicate themselves to make music that is innovative, pushing existing boundaries and making a difference. They further claim that word-of-mouth is more powerful than marketing as word-of-mouth implies that people who genuinely like their music are spreading the word.
When the respondents were asked if they are satisfied with how they and their music is presented on Spotify, all revealed a certain discontent. All respondents explain that the presented artist background information that currently is generated automatically via an external database is incomplete, outdated and in many cases inaccurate. They further explain that they experience it to be almost impossible to change or update the presented information. All respondents further state that they would appreciate if background information not only regarding the artist but also regarding the album could be published.

*It's really just the cover art, a band name, song name, nothing else.*

*There is no background information whatsoever.*

Nilsson

All respondents desire to be able to present background information, such as information about the year and place the album was recorded. Further authors of lyrics and chords, record label (Nilsson) producing, mixing, musicians, thank you lists (Oldén) are regarded as necessary. Oldén explains that type of background information was earlier presented in convolutes, thus LP covers or CD booklets, which gave the album an extra dimension and enabled the listener to get to know the artist. He claims that this information is hardly accessible in the digital era. This implies also downsides for him as a producer, as commissioning in the music industry mostly occurs based on previous work references. (Oldén) Nilsson points out the fact that not only music professionals but also numerous consumers request background information and lyrics. He exemplifies that the record label recently developed a website presenting the entire biography, discography, background information, lyrics for one of their artists in order to meet the customer needs. (Nilsson) All respondents state further that information about them as music professionals can be accessed on Wikipedia, nevertheless M.C. and Oldén highlight that the information presented is not entirely accurate.

### 4.1.7 Income sources

When the respondents were asked about their most important income sources, the answers showed no consensus. Artist M.C. states that copyright income from Stim (radio, film, and TV) and royalties from physical and digital record sales stand for the biggest part of the income, followed by the income of live performances. Oldén also claims that copyright income from Stim (radio, film, and TV) is the most important income source and further indicates that the entire music industry generates less money, which affects him as a producer in that way that it is harder to get a direct income for music production and that percentage deals, that are dynamic
and that only pay off if the song or album is successful, are getting more common and important. Further he states that also mixing orders are an important income source and explains that mixing usually is paid per song. All respondents further agree on that music in advertising, data games and movies can be relevant income sources. It is nevertheless important that the target group is fitting and that the artist’s integrity is kept (M.C.; Nilsson). M.C. states to have turned down several requests of high monetary value regarding music placements in advertising in order to retain the band’s integrity. Oldén claims that advertising, data games and movies are becoming much more important, as they are today one of the few ways that make it possible for smaller artists to earn a lot of money. YouTube has recently enabled artists to get payments for their music, in case they allow YouTube to place advertising in the beginning or in the middle of a clip (Nilsson), nevertheless the payment is extremely low (M.C.; Nilsson).

Both Oldén and M.C. make clear that incomes generated by Spotify are almost irrelevant to them, as they are so low. Nilsson on the other hand claims that Spotify is the most important income source as Spotify stands for about 90% of the record label’s income. All respondents also point out that the fact that Spotify does not pay per listening of a song but instead has created their own dynamic payment model, causes that many do not understand how payments are distributed between artists. All further claim to be aware of the fact that Spotify is partly owned by several major record labels. They further all explain that they are aware of that Spotify is not making any profit yet, nevertheless, the lack of transparency makes them question the reasons for this fact. All respondents further share the hope and optimism that Spotify will make profit in the future and thus royalty shares for artists to increase. When asked if they might remove their music from Spotify if the payments got lower, both Oldén and M.C. claim that they would not. Oldén explains he personally sees Spotify rather as a marketing channel than an income generating channel, and that the income from Spotify is already today so low that it would economically not make any difference. Artist M.C. means that the main goal is that the music is listened to and he would therefore publish his music where he can reach an audience; withdrawing music from Spotify could lead to fewer listeners and possibly make them appear arrogant and thus harm their reputation. He claims that he is not satisfied with Spotify but indicates that he perceives the only existing option, to offer music for free, also as morally wrong, as it is not appropriate that artists work as hard they do without getting paid for their work. (M.C.) Both Oldén and M.C. state that regulations are needed. Oldén proposes that new copyright laws and models for the Internet are necessary, as he perceives the Internet as somewhat anarchic. M.C. also points out that artists should get more active in driving their opinions, to gather and start to revolt; nevertheless he perceives the likelihood that this will occur as rather low.
Nilsson further explains that he is aware that many artists perceive themselves being conceived by Spotify but that the reason for their low incomes in many cases are disadvantageous or outdated contracts with their labels. He explains that digitization has decreased the record labels’ costs, which implies that contracts that were made before the advent of streaming services are outdated, and artists should renegotiate their contracts to get more adequate and thus higher percentages. He also states that his record label only signs contracts that last a short time but can be renewed, as they want to ensure that the artists they are collaborating with are satisfied. However, there are other record labels that sign contracts that last up to ten albums. He also explains that when record labels that do not have direct agreements with Spotify and iTunes, but instead use intermediary digital distributors with unfavorable agreements that in turn have an agreement with Spotify, the share for the artists decreases. He explains further artists and managers need to get engaged and gather knowledge to be able to negotiate.

*It's also that you, the artist or the manager, must know what it is you are negotiating, what these numbers mean, not just: Damn, now I got signed with a major record label, everything will solve itself.*

Nilsson

He further states that due to the fact that consumers can choose to listen to single songs and no longer have to buy albums makes it impossible to delude them, and thus only songs that are appreciated by the audience generate an income for the artist. (Nilsson)

### 4.1.8 Future developments and challenges

All respondents believe that music streaming will be the prevalent way of music consumption in the near future. All further expect the continuous emergence of music streaming services. M.C. and Oldén assume that there is a risk that one single service will dominate the entire global market, while Nilsson believes that at least three service providers will exist. All respondents further share that the biggest challenge for the near future is to achieve fair and thus higher payments for artists, in the means of that artist get paid for their work in a way that they are able make a living and maintain their career. Nilsson believes that main underlying challenge is to increase the number of paying subscription consumers, as today many consume music through the streaming services’ free version. Nilsson states the biggest challenge is to get through the noise as well as to simplify processes for artists and consumers. He further perceives that the shift of consumer behavior towards playlists will make it more challenging to obtain the consumers attention for the artistic value of an album. Artist M.C. states that due to the fact that
it has become very easy for anyone to produce and distribute music the range of accessible music has become overwhelming. Record labels were prior deciding which music should be provided on the market and thus functioning as a filter. M.C. perceives the development towards democratization as positive but experiences at the same time a need for curating. He believes that music curating platforms and services that focus on high artistic quality or certain genres will arise in future, as consumers always have appreciated guidance towards quality. Oldén further indicates that many management and record labels appear to increasingly transfer tasks and responsibilities from themselves to their artists, thus requiring artists to engage more in administration and promotion tasks, which results in a harder working climate for the artist and obstructs their creativity. Also M.C. highlights the trend that artists are increasingly forced to act as entrepreneurs and many get burned out.

4.2 Key findings from initial study

The content analysis has resulted in several findings; see Appendix 2 that provides the entire list of findings. While several findings aligned with the information provided in chapter 2, *Theoretical background*, others have not been revealed or discussed in earlier studies. The findings also revealed that the effects of digitization involve several contradictory aspects and thus a certain complexity. Findings that appeared novel and relevant to investigate led to the definition of several working theories that are presented in Appendix 3.

4.3 Results from survey

The follow up study was primarily aimed to evaluate the findings from the initial study and consequently to test the working theories that resulted from the initial study. The follow up study consisted of two online surveys, one for artists (see Appendix 4) and one for record labels (see Appendix 5).

![Figure 4. Genres of responding music creators (n=68)](image)

The results presented are based on n=68 responses from music creators of different age groups and various genres, mostly indie and alternative, pop or rock music, as visualized in figure 4,
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and n=13 responses from independent record labels, also covering various genres, founded before and after the advent of streaming services, as visualized in figure 5 showing information about respondents. The responding independent labels stated to have between zero and 4 employees, several mentioned however that they are more than one person, e.g. more than one owner, to take care of the business. Further 15% of record labels state to also have offices outside Sweden.

![Figure 5](image)

Figure 5. Information about respondents consisting of artists (n=68) and record labels (n=13)

When the respondents of the survey for artists and music creators where asked to define themselves, their answers revealed that 62% are also active as producers. Although most music creators cover several roles such as songwriter, musician, composer and singer, many appear to not entitle themselves as artists, as visualized in figure 6. For the purpose of clarity, in the following chapters all responding music creators will be called artists.

![Figure 6](image)

Figure 6. Music creators’ roles (n=68)
4.3.1 Effects of digitization on the music industry

The results show that 99% of both artists and record labels perceive that the music industry has changed since the advent of on demand music streaming services and that they have been personally affected by digitization developments, the majority (85%) state the industry to have changed much or very much (data not visualized). The results further show that artists and record labels perceive many aspects of digitization in a similar way as shown in figure 7. Nevertheless, the perception of several aspects differs, such as perceptions regarding the effects on income sources.

![Figure 7. Artists (n=68) and record labels (n=13) perceive many aspects of digitization similarly](image)

Further the majority of both artists and record labels share the opinion that digitization has implied most benefits for consumers (artists 96%, record labels 85%), streaming services (artists 82%, record labels 69%) and major labels (artists 43%, record labels 69%), and most drawbacks for artists (artists 77%, record labels 62%), and independent record labels (artists 52%, record labels 77%).

4.3.2 Consumer behaviors and preferences

According to figure 7, 77% of artists and 54% of record labels perceive that single songs have become more important than albums. The results regarding the respondent’s personal consumer
behavior, visualized in figure 8, however show that the respondents listen to a larger degree to entire albums than they listen to single songs. The results further show that 81%-85% of the respondents state to predominantly listen to music on the streaming service Spotify and thus that Spotify is the most popular way of listening to music. Further the video platform YouTube appears to be a popular channel for music consumption (39-43%). The results further show that CDs and digital downloads are used by a minority of about 20%, while LPs still appear to be rather popular and used by about 40%.

Figure 8. The respondents’ personal consumer behavior

When respondents were asked how they usually find new music, it became apparent that recommendations by friends and personal networks are most significant, as shown in figure 9.

Figure 9. How respondents find new music
Further playlists of others and Spotify’s services such as Discover Weekly or Spotify’s choice of similar artists appear to be very common ways of finding new music for artists. Some artists also named that printed music magazines, reviews, radio and TV, awards, live shows, as well as other streaming services such as Bandcamp help them to discover new music. Record Labels most common way of finding new artists to sign are recommendations from personal networks, followed by incoming demos and by actively searching for new artists.

4.3.3 Economic aspects and adaption of business models

The majority of both artists (72%) and record labels (77%) claim incomes from sales of physical records have decreased since the arrival of on demand streaming services. Further 85% of record labels state to have changed and adapted their business models. Several mentioned that they have offered new services and are focusing more on streaming services and thus music in a digital format and less on physical formats, two labels offer music in digital formats only. One record label listed to have adapted by distributing everything for free except LPs. Another record label mentioned to have expanded to new markets where sales are still high even for music in physical form, and one record label stated to have shifted the focus from EPs and albums to single tracks.

![Figure 10. Services offered by the record labels](image)

More than half of the record labels appear to offer various services, nevertheless only 23% offer management as a separate service, as shown in figure 10 visualizing the services offered by the record labels. Further, the results show that record labels predominantly sign contracts for a single album at a time. One record label stated generally not to sign any contracts, and if they do so only contracts for single albums are signed, while another record label stated to sign contracts for both single and several albums and in certain cases for single tracks, depending on the artist.
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Figure 11. Artists’ relation to record labels and management

49% of artists and 31% of record labels agree with the statement that record labels used the power they used to have, and as shown in figure 7, and a total of 59% of artists state that is become less (44%) or much less important (15%) for artists to be signed at a record label, while only 9% perceive it to have become more important to be signed at a record label, as shown in figure 11. The results show, as visualized in figure 11 showing artists’ relation to record labels, that 52% of the artists that participated in the survey are not signed at a record label, while 27% are signed at a record label and 21% have their own label, further 24% of artists have a manager, in most cases independent from a record label deal.

About a third of artists answered the open-ended question about the benefits of being signed at a record label, and the majority stated to appreciate the support of a record label regarding marketing and promotion, including both financial aspects and the benefits of a record label’s experience, reputation and network. Further aspects mentioned are the benefits of having someone else present one’s music as well as the support with administrative work, help with production and worldwide distribution of physical records as well as financial funding recordings and videos. Several artists mentioned that they mainly are interested in making and performing music, and being signed at a record label allows them to focus on the creative work.

When asked about the drawbacks of being signed at a record label about a fourth answered, most artists stated that are no major drawbacks of being signed at a record label, nevertheless several claim that it significantly depends on the record label but that they have experienced record labels not keeping their promises, taking too high payment shares, and not having the power to sell the artist’s trademark and music. Some state that the major drawbacks of being signed at a record label are to have less freedom regarding artistic decisions, having to compromise and to work to deadlines, which puts pressure on the artists. One artist states:
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Even if they don’t tell you to change that much in your music you still have this feeling of pressure [...] Pressure to produce something that will sell, which can kill or disturb your creativity.

The artists’ expressed desire to focus on the creative aspects aligns with their answers to the question of their main driving factors and goals when making music, as shown in figure 12. The three most named driving factors by artists were to be creative (69%), to express themselves (62%) and the joy of making, regardless if their music is listened to or not (40%). Only a minority (12%) regards getting economic rewards as important. Other aspects named were the aim to socialize with other musicians and to make music that touches people.

Figure 12. Artists’ driving factors and goals when making music

As presented in figure 13, which is visualizing in which formats artists and record labels mostly release music, the results show that about half of artists state to mostly release albums, while the other half mostly releases EPs or single songs. Nevertheless, for artists who are signed at a record label or have their own label (65%), as well as for record labels (54%), the release of music in an album format is still most common.

Figure 13. Most used release formats
4.3.4 Music creation and production

The results confirm that the majority of artists are creating music in home studios (61%) and a total of 74% state to work on their own in most of the cases, as visualized in figure 14 showing how and where artists create music. The majority works primarily on their own (56%), even if some engage musicians for recording sessions (19%) and/or live performances (10%), but at the same time the results show that making music with band members in a studio is still very common (47%). Further the results show that the majority (total of 54%) of artists predominantly use organic instruments, however the results also indicate that at least 65% of all music made involves digital and electronic instruments.

![Figure 14. How and where artists create music](image)

4.3.5 Music distribution

All respondents state to have published their music on streaming services and 43% of artists state to increasingly distribute their music without the help of a record label. Regarding digital publishing and distribution, all record labels state that they use digital distribution services to publish their music on streaming services as they do not have any direct agreements with streaming services. As visualized in figure 15, visualizing to which degree artists and record labels use various streaming services to publish music, the distribution channel on which artists and record labels have most music published are Spotify and iTunes. Further it appears that the video platform YouTube is the service that is used of the highest percentage of responding artists, followed by SoundCloud, and that also almost all record labels publish music on
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YouTube. Several record labels also stated to have their music published on many more, up to 50 other streaming services. Several artists also named Bandcamp to be an important distribution channel.

Figure 15. Streaming services artists (n=68) and record labels (n=13) use to publish music

Figure 16. Artists’ and record labels’ degree of satisfaction with streaming services
The results also reveal, as shown in figure 16, that the majority of artists (total of 74%) and record labels (total of 69%) are dissatisfied or very dissatisfied with the payment shares they receive from streaming services they are using. The majority of artists and record labels further perceive music streaming services not to be enough transparent regarding the distribution of royalties (artists 82%, record labels 54%) and how to get featured on front displays and playlists (artists 84%, record labels 92%). Further about 49% of artists and 31% of record labels perceive that streaming services are not transparent enough regarding information about their audience. When artists and record labels where asked if they are satisfied with way they and their music is presented on streaming services, the degrees of satisfaction varied slightly depending on the streaming service, however averagely only a third stated to be satisfied.

Many respondents answered to the open-ended question asking which features or services they would appreciate or consider as necessary. The most named request of both artists and record label considered the wish that streaming services should allow to present more information about artists and their music, information about involved musicians, composers and songwriters, producers, when and where the album was recorded, lyrics as well the implementation of metadata and thus to enable the user to search music by e.g. a songwriter and not only by the artist. Further several respondents request from streaming services, especially Spotify, to allow artists and record labels to edit information more easily. Another request expressed was that Spotify should provide more information about user behavior, for example to show number of listeners even for songs that have fewer than one thousand listeners. One record label further requested the implementation of music videos in music streaming services such as Spotify and hidden embed codes for officially unreleased music releases on music streaming services. Further equal conditions for major and independent labels were requested, one artist explains:

*I think streaming services like Spotify can really control indie artists and labels. If you are not on it, you don’t exist but if you are on it you get literally nothing as royalties. They payouts are much bigger to the major labels like Universal etc. I also think the digitalization of music has made people judge music by the amount of plays, views, likes, follows. Instead of how good the music is.*

When artists and record labels where asked on which channels consumers can access information about the artist, music, and background information such as for example work lists, biography, discography and images, most respondents answered Facebook (80%) and personal website (50%). About a third of artists names Instagram, Spotify and the record labels website to provide information about themselves.
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While 91% of artists state to have music published on Spotify, only 60% of artists state to have information about themselves and their musical work provided on Spotify, and only about 20% to have information provided on Wikipedia and AllMusic, however about 20-25% of those claim that the information presented on these services is incorrect, as visualized in figure 17.

Furthermore, respondents expressed the desire for curation. One artist stated the wish that editors should pick out and recommend independent artists worth exploring. Another artist stated that reviews and features for new artists and tracks would be desirable, furthermore one proposed the need of “album only” streaming services. Several respondents also stated the desire for more transparency, for example transparency regarding YouTube advertising revenues and how streaming services define related artists. One artist stated that a service that acts as a total online presence home for artists, one that collects accounts from all social media, is missing. Despite the artists’ high degree of dissatisfaction regarding different aspects of streaming services, 82% state that they would not withdraw their music from streaming services even if incomes from those services would decrease, as visualized in figure 16.

### 4.3.6 Music promotion and marketing

Roughly 80% of both artists and record labels perceive that it has become easier to reach a global audience since the advent of on-demand streaming services. The majority of both artists (total of 57%) and record labels (total of 85%) however perceive that promotion has become more or much important, as shown in figure 18, revealing that the perceptions of artists and record labels regarding the importance of promotion differ.
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The results further show that the majority of artists state to promote themselves at least once a month on social media channels, and Facebook appears to be the channel that is most used, followed by Instagram and YouTube. Those three channels are as well the used by most record labels (93-100%). 31% percent of artists do not have a personal website and 75% do not have a blog, as visualized in figure 19, presenting how artists promote themselves on digital channels.

![Figure 19. How artists promote themselves on digital channels](image)

Figure 19 shows how record labels promote their artists and music catalog, as well as that the majority of record labels help artists to update their Facebook profile if necessary. The results reveal that Spotify playlists appear to be the most common way of promotion, used by 92%, as well as that the majority of record labels (85%) use collaborations with journalists to promote their artists and music catalog. Further Facebook ads are used by the majority of record labels (77%).

![Figure 20. How record labels promote their artists and music catalog](image)

4.3.7 Income sources

The results reveal, as visualized in figure 21, that the majority of both responding artists and record labels perceive that the overall economic situation for artists has not improved since the
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advent of on-demand streaming services. However, 57% of artists perceive that their income from music has not changed, 30% perceive their income has changed for the worse, only 13% perceive that their income has changed slightly for the better. However, record labels perceive developments for artists more negatively, as 69% perceive that the economic situation of artists has changed for the worse, while 23% perceive a positive development.

![Figure 21. Artists’ and record labels’ perception on the economic situation of artists](image)

The results further indicate that live performances are the most important income source for artists, as shown in figure 22 presenting perceptions of artists and record labels regarding the importance of various income sources. The results further show that revenues from digital music (paid downloads and streaming) are bigger than revenues from music in a physical format. Nevertheless sales of physical records are still considered to be relevant income sources, however LPs appear to stand for a bigger part than CDs.

![Figure 22. Artists’ and record labels’ perception on the relevance of various income sources](image)

The results further indicate that incomes from music streaming services and YouTube are far more relevant for record labels than for artists, as only 19% of artists but 85% of record labels consider that music streaming services are relevant or very relevant income sources. This aligns with the fact that only 10% of artists, but 69% of record labels stated that streaming services
have become an important income source, as shown in figure 7. The results further show that royalty payments from radio, TV and film are for artists slightly more relevant than incomes from music placements in data games, movies and advertising.

4.3.8 Future challenges

The voluntary open-ended question asking what the biggest challenges in today's music industry are was answered by 84% of responding artists and of 100% of record labels. The results revealed that the two main challenges appear for both groups to be promotion and fair payments. The majority of artists stated that the main challenges are to get through the noise and thus to reach an audience and to get fair payments for music streaming and live performances in order to be able to make a living. Several stated that promotion has become crucial and that independent artists and record labels struggle to compete with the major labels’ economic power. Further several are concerned with the increasing power and lack of transparency of Spotify, combined with low payments, and state that not being on Spotify implies to not exist as an artist, which leaves artists with no other options. Furthermore, several artists perceive the climate in the music industry has hardened; uncertainty, stress, and low payments are perceived to affect the music industry, the working climate, and the quality of music in a negative way.
5 Discussion

Digitization has impacted all media industries and as Aris and Bughin (2009, p 23) and Wikström and DeFillippi (2016, p 1) indicated the results show that the impacts have been specifically disruptive for the music industry. Both artists and record labels state that they perceive that the music industry has changed significantly since the advent of streaming services. The survey results indicate however also, that different actors in the music industry have been affected in different ways, as artists and independent record labels perceive that the recent wave of digitization has implied most positive affects for consumers and streaming services, they state at same time that the development has implied most drawbacks for artists and independent record labels, which indicates that they consider themselves to be on the losing side. The study set out to answer the research question regarding how Swedish music artists and independent record labels perceive that the ongoing digitization has affected them since the advent of on-demand streaming services. As argued in the previous chapter the results turn towards key findings regarding following aspects: effects on the music industry, consumer behavior, music creation and production, distribution, promotion, income sources, and future challenges. Following, it is discussed how these key findings relate to information that was retrieved from academic literature.

5.1 Effects of digitization on the music industry

The results support that digitization has disrupted the music industry in the means of that traditional roles and distinctions between sectors have been blurred out, a fact that was prior indicated by several authors (Byrne, 2013, p 229-230; Marshall, 2013; Wikström & DeFillippi; 2016, p 2;), as both the majority of artists and record labels were shown to cover several different roles and to offer various services. This implies that business models centered on record sales have been displaced by newer approaches in order to compensate for income losses that derived from the declining of record sales (Nilsson, 2016), as prior indicated (Klein et al., 2016; Stahl & Meier, 2012). The results reveal that finding a balance between creativity and business, whose combination is one of the major characteristics of all media industries (Aris & Bughin, 2009, p 1), appears to be a major challenge for actors in the music industry, a circumstance that has been indicated by Klein et al. (2016) and Moeran and Christensen (2013, p 12-13), as artists stated that being forced to focus on business aspects harms their creativity and has led to a harder working climate, while record label owner Nilsson (2016) made clear that it is almost impossible for artists that are creative but not considering business related
aspects to be successful in the music industry. Despite the fact that different actors in the music industry due to their nature have a stronger tendency and interest towards one of the aspects, digitization developments imply that in the current landscape all actors in the music industry need to approach and gain knowledge about new areas in order to adapt to the changing landscape. Consequently, it is increasingly necessary for artists to gain expertise about both creative and business-related aspects in order to be successful, which aligns with Tschmuck (2016, p 16, 26) and perceptions of Nilsson (2016). Although only less than half of the respondents perceive that record labels have lost the dominating power they used to have, the overall results confirm the assumption of Byrne (2013, p 229-230) that digitization has been disruptive for record labels, due to the fact that artists are no longer dependent on record labels as artists can in today’s digital era produce, publish and distribute music without the help of a record label and consequently increasingly choose to do so and in many cases start own labels.

Nevertheless, many artists appear to appreciate the support regarding administration, accounting, management and promotion a record label can provide (Byrne, 2013, p 229-230), as the results show that the majority of music creators mainly want to focus on being creative and do not want to be concerned with administrative and economic aspects of the music business. The results further show that many record labels have due to the decreasing sales of recorded music adapted their business models during the recent years, thus started to offer new services, entered new markets and increasingly turned into music companies that follow a 360° approach as indicated by Byrne (2013, p 229-230). The results also show that independent record labels, that are usually organizations of a smaller scale, appear to perceive to have the benefits of being more flexible thus can adapt faster to changing situations than major labels and can thus be more experimental, as the results show that new types of record labels, e.g. record labels that provide digital records only, arise. Furthermore the results support the assumption of Marshall (2013) that digitization has affected the way independent record companies recruit and contract artists, as the results reveal that the nearly all independent record companies sign contracts that last shorter time periods in order to stay flexible on a market that is changing at a high pace, however, artists that signed traditional long-term contracts before the advent of streaming services seem to bear disadvantageous consequences and should thus attempt to renegotiate their contracts as suggested by Nilsson (2016) and Wlömert and Papiès (2015).

5.2 Consumer behaviors and preferences

The continuous emergence and growing popularity of streaming services appears to strongly have affected the way music is consumed and released. The results confirm the statement of Ifpi
(2015) claiming that the music industries’ shift from music models based on ownership towards models based on access, such as streaming services, reflects the change of consumer behavior towards instant, real-time, anytime-anywhere access. The results further confirm the assumption that consumers have shifted their consumption behavior towards single tracks and playlists consisting single tracks from various different artists, a fact that Nilsson (2016) states to be one of the major impacts of the recent wave of digitization. The results show that the shift of consumer behavior is reflected by artists and record labels who increasingly release music in formats other than the prior dominating album format, however it appears that formats that allow to present music as a collections of songs are still most common, which aligns with the perception of respondents of the initial study who claim that artists aim to create an artistic wholeness and thus will continue to release collection of songs. The results further show that the majority of respondents, both artists and record labels, primarily listen to music on the on-demand subscription service Spotify, which aligns with the fact that Spotify is currently one of the most popular music platforms (Statista, 2016a). Surprisingly the video platform YouTube, that is not aimed to be a music streaming service, is indicated to a popular music consumption channel among artists and record labels, as YouTube appears to be regarded the platform that provides a variety of new and in many cases unreleased music. Further, the results indicate that LPs despite digital developments are valued higher than CDs, and respondents appear to still listen to a large degree to LPs and reveals that the wholeness provided by the album format can provide is still appreciated, which aligns with studies that indicated that LPs are having a revival (Bartmanski & Woodward, 2015; Sarpong et al., 2016).

5.3 Music creation and production

Digitization developments has also facilitated the emergence of music software (Aguiar & Waldfogel, 2016), which has apparently implied that the production process has become easier, quicker and cheaper (Byrne, 2013, p 222, respondents of initial study), however, only less than half of the survey respondents perceive that it has become easier to produce music, which might be imply that production despite the technological developments still requires a specific expertise. Nevertheless, the results reflect that the emergence of easy-to-use software has led to the fact that music is increasingly created, recorded and produced in home studios as stated by Byrne (2013, p 81) and Leyshon (2009). The increasing use of digital music software is also affecting the way the created music sounds, as the results show that music that solely is created with organic and physical instruments appears to be become less common, while the majority of music today involves digitally created instrumental sound. The results further indicate the music
creation in the digital era is showing traits of individualism, as the results show that it is more common that artists create music on their own and in many cases engage professional musicians for certain projects if needed, rather than making music with a band in a rehearsal studio.

5.4 Music distribution

The overall opinion of respondents implies that digitization since the advent of on-demand streaming services has made the distribution of music much easier, cheaper and quicker as digital files can be uploaded to the streaming services within seconds. The rise of on-demand streaming services has on the other hand led to the fact that physical records are losing the importance they used to have, as indicated by Ifpi (2015), as well as to the declining of digital download purchases, as indicated by Wikström and DeFillippi, (2016), and confirmed by the results. The results further confirm that digitization has eliminated the need of the prior existing intermediaries when distributing music (Gerogiannis et al., 2014; Poort et al., 2015) and thus created the possibility to publish music digitally and at almost no cost, which enabled artists and record labels to make their entire music catalog accessible for a global audience (Aguiar & Waldfoogel, 2016; Cesareo & Pastore, 2014) and further allows them to monetize older records that due to low sales had not been reprinted and thus been removed from the market (Aguiar & Waldfoogel, 2016). The results show that the most important distribution channels are considered to be Spotify, followed by iTunes and Apple Music, however record labels distribute their music on as many services possible in order to enter as many markets as possible which regards Ifpi (2015) highlighting the fact that internationally there are a vast number of both free and paid-for music streaming services on the market. The results further show that free streaming services such as SoundCloud, Bandcamp and the video platform YouTube appear to be particularly popular for upcoming and established independent artists as those services allow anyone to upload and publish music. Consequently, it is indicated digitization developments involve aspects of both disruption and democratization. However, while record-labels have lost their gate-keeping and intermediary function regarding music distribution, it appears that new actors of intermediary trade have entered the market and profit from digitization. As the survey results show all independent record labels stated to publish their music via digital distributors, as they do not have direct agreements with streaming services, thus having direct agreements as Nilsson’s record label has, appear to be unusual. Additionally, unsigned artists are forced to use aggregators to publish their music, which indicates that despite the fact that distribution has become cheaper and easier, a certain share of revenues is today absorbed by a new type of intermediary trade. As it is indicated that the power and economic profits have apparently
shifted to the intermediary trade, the overall impact of digitization development can thus not be regarded as democratic.

5.5 Music promotion and marketing

The majority of artists and record labels stated that one of the biggest challenges in the current music landscape is to get through the noise, which aligns with the indication that the fact that production and distribution of music has become extremely much easier, cheaper and quicker (Byrne, 2013, p 222) has resulted in an overwhelming range of accessible music but also a crowded market place (Morris & Powers, 2015) and thus challenges for artists and record labels to make their music noticed. The majority of record labels state that promotion has become more important. However, artists appear to be aware of the importance of promotion, nevertheless the results indicate that the majority of artists do not actively promote themselves on a regular basis, the reasons are not entirely clear but might reflect the opinion of artist M.C. (2016) and Olden (2016) that promotion diminishes the magic of music and can harm the artist’s integrity. This reveals that artists, that due to digitization are increasingly pressured to actively participate in building their online presence (Klein et al., 2016), react antagonistically. Both artists and record labels further perceive that playlists generated by streaming services have become an important promotional tool, however the majority perceives a lack of transparency on how streaming services choose and decide which artists to feature. The majority of respondents also highlighted that they are dissatisfied with the way they and their music are presented on streaming services and request several features that allow them to present more detailed background information, on the one side to be able to convey the artistic wholeness and on the other side to provide credits for all parts that are involved in the creation and production of the music. Furthermore, personal recommendations and word-of-mouth by music professionals and consumers appear to be a crucial factor for successful promotion. The results indicate the growing importance of building strong personal networks and collaborations within the industry, as indicated by Moeran and Christensen (2013, p 27-29), as collaborations with streaming services, radio stations, newspapers and magazines appear to be necessary for successful promotion.

5.6 Income sources

It can be regarded as a fact that the majority of artists value artistic integrity higher than economic profit, an aspect that was indicated by Klein et al. (2016), as the results show that
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artists stated to be mainly driven by the joy of making, being creative and expressing themselves regardless if their music is listened to or not, and as only 12% stated to consider economic rewards as a driving factor to make music. Despite the fact that artists are not driven by economic rewards, the majority of music creators stated to be dissatisfied with the payments they receive and many show concerns regarding their economic situation in the future. This reflects the perception of both artists and record labels stating that the economic situation of music creators has not changed for the better since the advent of streaming services. This in turn aligns with the fact the majority of artists claim that incomes from streaming services such as Spotify are not relevant to them, which can be comprehended when regarding McCandless (2015) overview of the revenues an average stream generates for the artist. The results reveal that the majority of both artists and record labels are not only dissatisfied with payments of streaming services, but also with the lack of transparency regarding the streaming services payment models and way of featuring artists on playlists, as well with the way streaming services present artists and their music. Nevertheless, the majority of artists stated that they would not withdraw their music from streaming services even in cases payments would decrease, which can on the one side be explained with the fact that artists perceive themselves being forced to make their music accessible on streaming services in order to “exist” (M.C., 2016) or on the side that they might regard those services simply as marketing channels (Oldén, 2016). The results reveal however also that streaming services appear to be one of the most relevant income sources for record labels. The only income source that both artists and record labels regard as very relevant and to have become more important are live performances, which aligns with Croteau and Hoynes (2014, p 235).

5.7 Future challenges

The major future challenges for artists and independent labels appear to be twofold. One of the major challenges appears to be to generate fair and sufficient revenues for artists and labels, as the results revealed and also Ifpi (2015) stated. The results also indicate that many music creators feel powerless in today’s music industry, an industry that appears to be dominated by large companies and global corporations, and several respondents stated that regulations and laws that prevent from an exploitation of music creators and smaller players in the industry are necessary, which aligns with the statements of the respondents from the initial study. The other major challenge is to get through the noise, as both artists and record labels stated that the vast amount of accessible music has made it increasingly difficult to get one’s music noticed, which in turn creates major challenges for promotion.
6 Conclusion

The report aimed to investigate how Swedish music artists and independent record labels perceive that the ongoing digitization has affected them since the advent of on-demand streaming services and to gather information about best and future practices of the Swedish music industry. The results show that the emergence of on-demand streaming services has disrupted the music industry, instead of having a democratic impact, the power and gatekeeping function that record labels used to have appears to have shifted to streaming services. Many independent record labels seem to have adapted their business models and have on the one side entered new markets or started to offer new services, thus turned into so called 360° music companies, in order to compensate for the decreasing incomes from record sales.

Digitization developments have to some degree affected the way music is created and produced, with a tendency towards a more individualistic and digital process; the core challenge of balancing artistic integrity and economic aspects has however remained the same. The fact that artists no longer are dependent on record labels, has made it easier for artists to publish their music and thus to make their music accessible for a global audience. Their incomes have however not improved and for many artists the working climate has hardened. The artists’ dissatisfaction with low payment shares generated from streaming services is indicated to have several sources. Beside the fact that revenues from streaming services are significantly lower than those from physical records, the fact that streaming services apply dynamic and not always transparent pricing models, as well as the fact that many independent labels do not have direct agreements and thus rely on intermediary services, in addition to the fact that many artists have outdated contracts appear to be sources for low artist revenues and dissatisfaction. Both artists and independent record labels perceive the achievement of fair payments and successful promotion as the main future challenges, however the majority of artists appear to be overwhelmed by the high pace of ongoing transformations in the music industry and seem in many cases to feel powerless and further not to be proactively approaching the implied challenges. It is indicated that regulations and laws that prevent exploitation are necessary in order to ensure the music industry to be sustainable in the future.

6.1 Recommendations

Practical results of this thesis can serve as recommendations for actors in the music industry, and might further be regarded as a contribution to emerging guidelines. Among the creative industries the music industry appears to be the industry that is changing at the highest pace, as
The continuous development of technologies and changing consumer behavior facilitates the emergence of new services. As digitization developments affect the music industry as a whole it implies that all parts need to gain expertise about the ongoing developments in order to be able to adapt. This study indicates that all involved parts need to be aware of the fact that revenues from recorded music are constantly declining, as physical record and digital download purchases are decreasing. Despite the fact that streaming services are gaining popularity and revenues from those services are becoming more important and appear to be important income sources for record labels, the payment shares that artists receive do not allow them to make a living. Consequently, artists and record labels need to be aware of the fact that they need to seek alternative revenue streams, thus offer new services or enter new markets.

Artists should thus also use the opportunity to monetize older records, and consequently to make all their music accessible. Live performances appear to have become the most important source; further new areas such as the data game industry and advertising industry seem to become important income sources for both artists and music companies. However, the challenge to receive fair payments remains. All involved parts need consequently to gather knowledge about legal and economic aspects and best practices, in order to be able to negotiate and create agreements that are fair and beneficial for all involved parts. Artists have in the digital era the possibility to produce and distribute their music without being signed at a record label, however they should evaluate their own interests and capabilities, as without the help of a record label, artists have on the one side more control and the benefits of larger percentages of revenues, on the other side however more responsibilities and they need to a greater degree deal with administrative, economic, legal and promotional aspects. However, artists that are signing contracts with record labels also are recommended to gather knowledge and to ask questions about the record label’s agreements with third parties, such as digital distributors, as those in turn affect the artists’ situation. Further, record labels are recommended aim to create collaborative partnerships, regard artists as equal partners and consequently share knowledge and build trust. Record labels should also consider to offer certain services independently from record deals. Further artists need to consider that in the music industry the establishment of personal contacts and reputation are key factors for many aspects of success, while many record labels have built up their networks over long time, upcoming artists need to put effort in building their networks. As the range of accessible music is overwhelming, promotion is as important, if not more important than it used to be. This implies that artists actively need to participate in building strategies concerning their online presence.
Streaming services such as Spotify have in many cases not enabled features that allow artists and record labels to present detailed background information about their musical work. However, while the majority of music professionals actively research and seek new music on various platforms, only about 15% of consumers do. That implies that artists and record labels need to proactively provide correct and detailed information about artists and their work including background information on their own websites or social media profiles in order to eliminate barriers and thus to enable consumers to easily obtain information about the artist. From a long-term perspective streaming services are dependent on content, thus on artists that create and provide music, and streaming services should consequently build trust and create transparency and aim to provide fair payments, but also to consider the implementation of value-adding features for artists and record labels, such as the presentation of album details as well as the implementation of meta information and possibly functions that allow consumers to support artists, e.g. a donate function. However, while artists will continue to be creative and follow their passion and create music new services will emerge, and those services that succeed to equally meet the needs of consumers, creators those of other involved parts will benefit and keep their market position. However, as the results show, artists appear to be economically in the weakest position and in order to ensure the music industry to be sustainable in the future, regulations that protect music creators are needed. Music creators should consequently claim their rights and actively drive their issues.

6.2 Future research

This study generated an overall coverage of the effects of music creators and independent labels, however during the conduction of the online survey it was revealed that music professionals such as songwriters, composers and producers have been heavily affected by the ongoing digitization developments and studies about their perceptions would provide knowledge that would increase the understanding of the music industry’s complexity. Further as the sample size of this study was limited, future research with larger sample sizes could provide results of higher generalizability. This study further revealed that music professionals personally regard YouTube to be a highly popular channel for music consumption despite the fact of their high degree of dissatisfaction regarding YouTube’s low payments, it can thus be of interest to investigate the contradictory behavior of music professionals’ regarding the way they want their music to be consumed and the way they personally consume music.

During the conduction of the survey several music professionals and organizations as well as the Swedish Musicians' Union contacted me, showed their interest and support, and expressed
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the need for changes and regulations in the music industry. Those sources revealed that parts of the Swedish music industry that are actively driving campaigns and projects in order to achieve fair conditions and payments for artists do exist in Sweden. At the same time, discussions with several artists indicated that many artists are not aware of their existence. This situation provides an opening for continuing the work presented in this thesis.
References


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Appendix 1- Interview questions

Below questions that were asked during the qualitative interviews are presented. Only those questions that led to relevant results regarding the report’s research questions are presented.

Record label/Producer Background

- How would you describe your role in the company? How would you define your job description?
  - How long have you been active in the music industry?
  - Have you been a musician yourself?
- What are the main services the record label is/ you are offering?
  - How many employees do you have?
- (Record label only) How many artists do you have currently signed at your record label?
  - Are they all Swedish or international?
  - Is your record label focused on a certain genre?

Artist Background

- How long have you been active in the music industry?
- How would you define your job description?
- Do you work fulltime as an artist?
- Are you signed at a record label? Major or minor?

All/Digitization

How do you perceive that digitization has affected the music industry since the advent of on-demand streaming services? According to you, has the music industry/business changed since advent of on-demand streaming services in general?

- In what way?
- What are the major benefits of the ongoing digitization for the music industry?
- What are the major downsides of this development for the music industry?

How do you perceive that digitization has affected you personally as a record label/producer/artist?

- Has digitization affected the way music is produced? Technically? Economically?
- Regarding music distribution:
  - Has digitization affected the way you distribute music?
o Has it become easier to reach out to the audience?
o Which distribution channels would you consider being currently the most important ones?

• What would you consider being the most important income sources nowadays: physical record sales, digital downloads and streaming, concerts, other?

• Is the music business economically sustainable for you (as a artists/producer/record label)?

• Marketing and advertising
  o Have you changed your marketing strategy the recent years?
  • Which channels do you use to promote your artists /yourself as an artist/producer?
    o Are you as a record label/ artist/producer active on social media? FB, Twitter, Instagram,…?
    o Do have a website or blog?
    o Has the relationship to your artists/audience changed?
  • Which factors are the most important to get attention for your music nowadays?
    o Do have the feeling that well-done videos, storytelling, holistic concepts are necessary?
    o How important are reviews in magazines, blogs, news? Awards?

Record label/Producer Market position
• Has digitization changed the way of finding (and signing) new artists?
• Has digitization affected your market position?
  o What are the pros and cons of digitization for you being a minor record label vs major record labels? (record label only)
  o Have you as a record label/producer adapted and in what way? Have you changed your business model?
  o Did you enter any new markets? And did do give up on any? Which ones?
  o Do you provide any new services? Or gave up any? Which ones?

Artist
• Do you think it has the same importance to be signed at a record label nowadays?
  o What do see as the main benefits and drawbacks of being signed at a label?
All

• Are all of your released albums/EPs/singles published on music streaming platforms?
  On which platforms?
  For you as a record label/artist/producer, are there any specific features, services that you miss/you would appreciate?

• Are streaming services such as Spotify a relevant income sources for you?
  (Artist only)

• Are you satisfied with the way you as an artist and your music is presented on Spotify?

• What drives you to make music?
  o Would/could you continue to make music if income from music would get less?

• Do you feel that that digitization has affected music quality?

• Do you feel that that digitization has affected the artistic value of music?

• How do you perceive the trend that music is increasingly consumed through playlists?
  o Are albums still a relevant format?
  o Do you think that artists will continue to produce albums or will the release of singles become the new standard?

• How do you think music will be consumed in the future?

• What do perceive as the biggest challenges in the near future?
Appendix 2 - Findings from initial study

Findings that resulted from the initial study are presented below. While some findings correspond with information from prior studies, numerous findings appeared to be novel. Further several findings appear to correlate, however many correlate in a contradictory way.

<table>
<thead>
<tr>
<th>Aligns with prior studies</th>
<th>Regarded as novel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical records are losing their importance. LPs have nevertheless a higher value than CDs.</td>
<td>A new type of record label that provides digital records only arises.</td>
</tr>
<tr>
<td>The production process has become easier, quicker and cheaper. The emergence of easy-to-use software has implied that music is increasingly created, recorded and produced in home studios.</td>
<td>Record labels no longer accept or listen to demos. Sound editing, copying and pasting parts of a song, has become the standard. Music software increasingly replaces human musicians and physical instruments. The number of bands is decreasing, while it is becoming more common that artists create music independently and engage professional musicians for certain projects. Bands rehearse less, which affects the quality of live performances.</td>
</tr>
<tr>
<td>Digital platforms such as Spotify, iTunes and Apple Music are the most important distribution channels.</td>
<td>Incomes generated by Spotify are irrelevant to artists but the biggest income source for record labels. Nevertheless, artists do not consider withdrawing their music from Spotify. Artists’ most important income sources are copyright income from Stim (radio, film, and TV) and royalties from physical and digital record sales followed by income from live performances.</td>
</tr>
<tr>
<td>Distribution of music has become extremely much easier, cheaper and quicker. It has become significantly cheaper to publish music and thus also easier for smaller artists and bands to spread their music.</td>
<td>Record labels do not possess as much power as they used to have. Management has become more important. Digitization has not affected the artists’ economic situation, as they earn just as bad as before.</td>
</tr>
<tr>
<td></td>
<td>Music professionals are dissatisfied with the fact that Spotify does not provide the possibility to present background information and details about artists and albums. Artists appreciate consumer monitoring provided by streaming services.</td>
</tr>
</tbody>
</table>
Consumer behavior has shifted.  

Regarded as novel

Consumers listen primarily to single songs and playlists and significantly less to albums. Artists will continue to create collections of songs similar to albums. The importance of the album format declines and thus the artistic wholeness of music. Music creators are not aware of the consumers’ listening behavior. Music creators’ listening behavior differs significantly from average consumer behavior.

It has become significantly easier and quicker to reach a global audience.

It has become more difficult to reach a new audience due to the overwhelming range of accessible music. Promotion costs have remained the same. Digital campaigns on social media platforms such as Facebook, Twitter and Instagram and campaigns on Spotify and iTunes have become important. Many artists perceive marketing to have a negative impact on their integrity and they therefore do not actively promote themselves.

One of the biggest future challenges is to obtain that music professionals fair payments, thus to find ways consumers to pay for consuming music.

Independent artists value artistic integrity higher than economical profit. Artists are in many cases not aware of the meaning and implications of contracts.
Appendix 3 - Working theories

The findings from the initial study indicated that the effects of digitization are numerous and that they involve certain contradictions. Findings that appeared novel and interesting to investigate were transformed into working theories and used as a starting point for the survey design. These working theories are presented below.

*Being signed at a record label is no longer necessary. Management has gained importance and is now increasingly offered and contracted as a separate service.* Digitization has been disruptive for record labels, as they have lost the dominating power they used to have. Nevertheless, record labels that succeeded to evolve into 360° companies survived. Independent record labels, that are usually organizations of a smaller scale have the benefits of being more flexible, and thus can adapt faster to changing situations than major labels. Further new types of record labels, record labels that provide digital records only, arise. Digitization has disrupted the industry and artists can produce and distribute their work without being signed at a record label, nevertheless many appreciate the support a manager can provide.

*Music creators are not aware of the consumer listening behaviors. Music creators’ listening behavior differs significantly from average consumer listening behavior.* Consumer behavior has shifted. Consumers listen primarily to single songs and playlists and significantly less to albums. Artists state they do not know how people consume music, they claim that they personally do not listen to playlists, but instead actively search for new music on YouTube, SoundCloud and Spotify and retrieve and share recommendations exclusively to their personal network, predominantly consisting of music professionals. Artists nevertheless perceive that the importance of the album format declines and thus the artistic wholeness of music. They are however convinced that artists will continue to create collections of songs similar to albums.

*The emergence of easy-to-use music software appears to be one of the main reasons for the disruption of the music industry.* The emergence of easy-to-use software has led to that music is increasingly created, recorded and produced in home studios. Music software increasingly replaces human musicians and physical instruments. The number of bands is decreasing, while it is becoming more common that artists create music independently and engage professional musicians for certain projects. Bands rehearse less, which affects the quality of live performances. The production process has become easier, quicker and cheaper. Sound editing, copying and pasting parts of a song, has become the standard for both the music creation and production process.
Personal contacts and relationships are getting more important. Recruiting and commissioning occurs mainly through personal networks. Further personal contacts and collaborations, with streaming services, radio stations, newspapers and magazines appear to be necessary for successful promotion. Word-of-mouth generated by music professionals and consumers is a crucial factor for successful promotion.

Promotion is becoming more important, but not all involved parts are aware of it. Due to the fact that production and distribution of music has become extremely much easier, cheaper and quicker has resulted in an overwhelming range of accessible music, which implies that it has become more difficult to reach new audiences. Record labels state that promotion has become more important and that promotion costs have remained the same. Artists on the other hand perceive marketing to have a negative impact on their integrity and thus do not actively promote themselves. Independent artists value artistic integrity higher than economical profit.

Digitization has not affected the artists’ economic situation. Artists are dissatisfied with Spotify but remain loyal. Artists claim that they earn just as bad as before and that incomes from streaming services such as Spotify are nearly irrelevant to them. Nevertheless, artists do not consider withdrawing their music from Spotify. Artists would appreciate more transparency regarding Spotify’s payment model. Artists are in many cases not aware of the meaning and implications of contracts signed due to a lack of knowledge or interest. Music professionals are further dissatisfied with the fact that Spotify does not provide the possibility to present background information and details about artists and albums and request solutions.
Appendix 4 - Survey questions for artists

Study on artists’ and record labels’ perception on the effects of digitization on music industry

Hej
Minnam är Christina Primeschitz och studerar Medieproduktion och procesdesign på Malmö Högskola. Jag skriver just nu mitt examensarbete som handlar om artisternas och skivbolagens syn på den pågående digitaliseringen av musikbranschen.

Syftet med denna studie är att undersöka hur den pågående digitaliseringen, speciellt sedan uppkomsten av streamingjärnarna, upptäcktes av artister och skivbolagen och vilka effekter digitaliseringen har på musikskapande och distribution.

Denna undersökning är viktig då den kommer att komplettera tidigare forskning som oftast bortser från artisternas och skivbolagens syn.

Ditt deltagande är helt frivilligt. All information kommer att behandlas konfidentiellt och du kan vara anonym om du så önskar. Den insamlade data kommer endast användas i studiens syfte och i studiens ramar och därmed inte för kommersiella syften. Undersökningen kommer att presenteras i form av en uppsats och en offentlig presentation vid Malmö Högskola och publiceras på Malmö högskolas publikationsdatabas Musep där den kommer att vara tillgänglig för allmänheten.

I fall du några frågor kan du kontakta mig, Christina Primeschitz, via christa@vandenberg.se eller 0738-168040. I fall du har frågor till min handledare Daniel Spikol, vid Malmö Högskola, Institution Teknik och Samhälle, kan du kontakta honom via daniel.spikol@mah.se Genom att delta i undersökningen, samtycker du med att dine svar ingår i studien.

Tack för att du medverkar i denna studie!

*Obligatorisk

Survey / artist

ARTISTS & RECORD LABELS

MAKE YOUR VOICE HEARD!

DONATE 5-10 MINUTES OF YOUR TIME = CONTRIBUTE TO SCIENCE

Personal information
Please fill in the following information even if you want to be anonymous. You can choose in the next step which information you want to protect. Name and e-mail are only needed to make sure you are a real person and that you don’t participate more than once. The information will be treated confidentially.

1. First and last name (confidential)

2. Age (confidential) *
   Markera endast en oval.
   - <20
   - 20-24
   - 25-29
   - 30-39
   - 40-50
   - >50
3. E-mail (confidential)

4. Gender (confidential)
   Markera en oval:
   - Female
   - Male
   - Other

5. (confidential)
   Markera en oval:
   - I live in Sweden
   - I'm Swedish but live abroad
   - Other

6. Artist or band name (confidential)

7. I allow you to name following information in the report
   Markera alla som gäller:
   - First name
   - Last name
   - Artist or band name

8. How many years have you been active in the music business? *
   Markera en oval:
   - 1-5
   - 6-10
   - 11-15
   - 16-20
   - 20+

9. You are ... (Choose as many as you like) *
   Markera alla som gäller:
   - artist
   - producer
   - musician
   - singer
   - songwriter
   - composer
   - Övrigt:

10. You work with music... *
    Markera alla som gäller:
    - professionally
    - only as a hobby

11. Are you currently part of a band? *
    Markera alla som gäller:
    - no, I'm a solo artist
    - yes, I'm a permanent band member
    - yes, I'm a permanent band member of several bands
    - yes, I'm a temporary band member

12. How many hours per week do you spend on working with music or creating music? *
    Markera en oval:
    - 40 or more hours
    - 30-39 hours
    - 20-29 hours
    - 10-19 hours
    - 5-10 hours
    - 0-5 hours
13. Are you signed at a record label? *
   - [ ] No
   - [ ] I have my own label
   - [ ] Yes, at an independent label
   - [ ] Yes, at a major label

14. If yes, what are for you personally the major benefits of being signed at a record label?
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________

15. If yes, what are for you personally the major drawbacks of being signed at a record label?
   __________________________________________________________
   __________________________________________________________

16. Do you have a manager? *
   - [ ] Yes, as part of my deal with record label
   - [ ] Yes, independent from record label deal
   - [ ] No

17. How would you define the genre of your music, if you had to? (You can make up your own) *
   - [ ] Pop
   - [ ] Rock
   - [ ] EDM/Dance
   - [ ] Indie/Alternative
   - [ ] Folk
   - [ ] Soul
   - [ ] Country
   - [ ] Metal
   - [ ] Hip hop
   - [ ] R&B
   - [ ] Punk
   - [ ] Origi:

18. What are your biggest driving factors and goals when making music? *
   - [ ] To express myself
   - [ ] To reach a big audience
   - [ ] The joy of making, I don’t care if people listen to my music or not
   - [ ] To be innovative
   - [ ] To make a difference
   - [ ] To be creative
   - [ ] To get economic rewards
   - [ ] To become famous
   - [ ] It’s the only thing I’m good at
   - [ ] Origi:

19. When creating music, to which degree do you use organic instruments (e.g. guitar, piano, drums...) and digital, electronic instruments (e.g. samplers, drumbeat created on computer...)? *
   - [ ] Mostly organic instruments
   - [ ] 1
   - [ ] 2
   - [ ] 3
   - [ ] 4
   - [ ] 5
   - [ ] Mostly electronic
20. When you make music where does this mostly occur? * 
   □ at home (home studio) 
   □ rehearsal studio 
   □ professional studio 

21. When you create music how do you usually work? (Choose most relevant) * 
   Markera alla som gäller: 
   □ On my own 
   □ On my own and engage musicians for recording 
   □ On my own and engage musicians for live performances 
   □ With my band members in a studio 
   □ With my band members on distance (sending files to each other) 
   □ I work as musician with different artists 

22. When you create music do you usually release singles, EPs or albums? * 
   Markera alla som gäller: 
   □ mostly albums 
   □ mostly EPs 
   □ mostly singles 
   □ mostly albums and singles that are part an album 

Digitization and the music industry 

23. In your opinion has the music industry changed since the arrival of on demand music streaming services such as Spotify? * 
   Markera endast en siffra:  
   1 2 3 4 5  
   not at all  ○ ○ ○ ○ ○ very much 

24. Which statements are true for you personally? Since the arrival of streaming services ... (Choose as many as you want) I agree that... 
   Markera alla som gäller: 
   □ It has become easier to reach a global audience 
   □ It has become more difficult to reach a new audience 
   □ It has become easier to produce music 
   □ Income from sales of physical records has decreased 
   □ Income from sales of digital records (such as iTunes) has decreased 
   □ Income from FM (for radio, TV, movies) has increased 
   □ Income from streaming services has become an important income source 
   □ Income from live performances has become a more important income source 
   □ Record labels have lost the power they used to have 
   □ Increasingly distribute music without the help of a record label 
   □ The music industry has become more democratic 
   □ Single songs have become more important than albums 
   □ More music of high artistic quality is on the market 
   □ Average artistic quality on the market has become lower 

25. Since the arrival of streaming services digitization has implied most benefits for (Choose as many as you want) 
   Markera alla som gäller: 
   □ major labels 
   □ independent labels 
   □ artists 
   □ consumers 
   □ streaming services
26. Since the arrival of streaming services digitization has implied most drawbacks for (Choose as many as you want). *
   - major labels
   - independent labels
   - artists
   - consumers
   - streaming services

27. Since the arrival of streaming services marketing and promotion have for you as an artist become... *
   Mark one end of oval
   
   Much less important 1 2 3 4 5 Much more important

28. Since the arrival of streaming services being signed at a record label has for you as an artist become... *
   Mark one end of oval
   
   Much less important 1 2 3 4 5 Much more important

You and your music

29. On which channels is your music published? *
   Mark one end of oval per row.
   
   all of my music  most  some  none of my music
   Spotify
   Itunes
   Apple Music
   Sound Cloud
   Youtube

30. Are you satisfied with the way your music and information about you as an artist is presented on streaming services? *
   Mark one end of oval per row.
   
   yes  both yes and no  no  not used
   Spotify
   Itunes
   Apple Music
   Sound Cloud
   Youtube

31. Are there any features/services that you think should exist or would appreciate if they existed? Which ones?

32. Are you satisfied with the payment shares you receive from streaming services? *
   Mark one end of oval.
   
   1 2 3 4 5
   Very satisfied  Not at all satisfied

33. Do you perceive music streaming services being enough transparent regarding... *
   Mark one end of oval per row.
   
   yes  no
   Distribution of royalties
   How to get featured on front displays or playlists
   Your audience (information number of listeners, geographical information)
34. To which degree do the following parts contribute to your income? *

<table>
<thead>
<tr>
<th>Part</th>
<th>not relevant</th>
<th>little relevant</th>
<th>relevant</th>
<th>very relevant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of physical records / CDs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales of physical records / LPs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital sales (paid downloads)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments from streaming services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments from YouTube</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royalties from radio, TV, film</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Music placements in advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Music placements in data games and movies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Live shows and festivals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

35. If payments from streaming services would decrease, would you remove your music from those services? *

☐ yes
☐ no

36. Has your income from music changed since the arrival of streaming services? *

Markere endast en oval.

☐ 1 2 3 4 5
To the worse ☐ ☐ ☐ ☐ ☐ To the better

37. Which of following channels do you use to promote your music and yourself as an artist? *

Markere endast en oval per rad.

don't have never sometimes often
Facebook page ☐ ☐ ☐ ☐
Twitter account ☐ ☐ ☐ ☐
Instagram account ☐ ☐ ☐ ☐
Personal website ☐ ☐ ☐ ☐
own blog ☐ ☐ ☐ ☐
Youtube account ☐ ☐ ☐ ☐
Facebook Ads ☐ ☐ ☐ ☐
Google Ads ☐ ☐ ☐ ☐

38. How often do you update your profile (as music professional) on social media channels? *

Markere endast en oval.

☐ once a week
☐ once every two weeks
☐ once a month
☐ only when releasing new record or touring
☐ never
☐ Other:

39. Where can people find background information about your music and you as an artist? (work list, bibliography, discography, images,..) *

Markere alla som gäller.

☐ Facebook
☐ Twitter
☐ Instagram
☐ Personal website
☐ Blog
☐ Wikipedia
☐ Record labels website
☐ Spiffy
☐ AllMusic
☐ Other:
40. Is the presented information about your music and you as an artist correct? *
Mark one answer:

<table>
<thead>
<tr>
<th>correct</th>
<th>incorrect</th>
<th>none</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spotify</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wikipedia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Record labels website</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AflMusic</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

41. How do you find new music? (Choose most relevant) *
Mark one answer:

- Playlists of others
- Spotify’s services such as “Discover weekly”, “Similar Artists”
- Music blogs
- Recommendations by friends
- Youtube
- Soundcloud
- Others

42. How do you most of the time consume/listen to music? (Choose most relevant) *
Mark one answer:

- CDs
- LPs
- Digital downloads
- Spotify
- Apple Music
- Soundcloud
- Youtube

43. Do you mostly listen to a mix of single songs of different artists or to entire albums? *
Mark one answer:

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
</table>
| single songs only | | | | | all songs on album

44. What are the biggest challenges for you as a music professional in today's music industry?


45. Any other thoughts you want to share?


46. Do you want to receive the report? *
Mark one answer:

- yes, via e-mail
- no, thank you

THANK YOU!
Appendix 5 - Survey questions for record labels

Study on artists’ and record labels’ perception on the effects of digitization on music industry

Hej

Mitt namn är Christina Primschitz och studerar Mediedproduktion och processdesign på Malmö Högskola. Jag skriver just nu mitt examensarbete som handlar om artisternas och skivbolagens syn på den pågående digitaliseringen av musikbranschen.

Syftet med denna studie är att undersöka hur den pågående digitaliseringen, speciellt sedan uppkomsten av streamingtjänsterna, uppfattas av artister och skivbolagen och vilka effekter digitaliseringen har på musikskapande och distribution.

Denna undersökning är viktig då den kommer att komplettera tidigare forskning som oftast bortser från artisternas och skivbolagens syn.

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I fall du några frågor kan du kontakta mig, Christina Primschitz, via chrina@wondering.se eller 0736-168040. I fall du har frågor till min handledare Daniel Spikol, vid Malmö högskola, Institution Teknik och Samhälle, kan du kontakta honom via david.spikol@mah.se. Genom att delta i undersökningen, sampler du med att dina svar ingår i studien.

Tack för att du medverkar i denna studie!

*Obligatorisk

Survey / record label

ARTISTS & RECORD LABELS

MAKE YOUR VOICE HEARD!

DONATE 5-10 MINUTES OF YOUR TIME = CONTRIBUTE TO SCIENCE
Personal information

Please fill in the following information even if you want to be anonymous. You can choose in the next step which information you want to provide. Name and e-mail are only needed to make sure you are a real person and that you don’t participate more than one time. The information will be treated confidentially.

1. First and last name (confidential)

2. Name of record label (confidential) *

3. Your position at the record label (confidential) *

4. Age (confidential)
   Markera endast en oval:
   - <20
   - 20-24
   - 25-29
   - 30-39
   - 40-50
   - >50

5. E-mail (confidential) *

6. Record label is based (confidential) *
   Markera endast en oval:
   - In Sweden
   - In Sweden and has also offices in other countries
   - Outside Sweden

7. I allow you to name following information in the report
   Markera alla som gäller:
   - First and last name
   - Record label’s name

8. When was the record label founded? *

9. How many years have you personally been active in the music business? *
   Markera endast en oval:
   - 1-5
   - 6-10
   - 11-15
   - 16-20
   - 20+

10. How many employees does the record label have? *

11. The record label is... *
   Markera alla som gäller:
   - a major record label
   - an independent record label
   - a digital record label only (not providing any physical records)
   - Övrigt: 
12. Which services does the record label provide? *

Markera alla som gäller:
- distribution of physical records
- distribution of digital records
- promotion
- management
- accounting
- booking
- synchronization
- Övrigt: __________________________

13. How many artists do you have signed? Swedish artists only or international? *

______________________________

14. Is the record label specialized on specific music genres? *

Markera alla som gäller:
- Pop
- Rock
- EDM/Dance
- Indie/Alternative
- Folk
- Soul
- Country
- Metal
- Hip hop
- R & B
- Punk
- Övrigt: __________________________

15. When you release music do you usually release singles, EPs or albums? *

Markera alla som gäller:
- mostly albums
- mostly EPs
- mostly singles
- mostly albums and singles that are part of an album

Digitization and the music industry

16. In your opinion has the music industry changed since the arrival of on demand music streaming services such as Spotify? *

Markera enstaka siffror:

1  2  3  4  5
not at all  ○  ○  ○  ○  ○  very much

17. Which statements are true for you as a record label? Since the arrival of streaming services... (Choose as many as you want) I agree that... *

Markera alla som gäller:
- it has become easier to reach a global audience
- it has become more difficult to reach a new audience
- it has become easier to produce music
- income from sales of physical records has decreased
- income from sales of digital records (such as iTunes) has decreased
- income from film (for radio, TV, movies) has increased
- income from streaming services has become an important income source
- record labels have lost the power they used to have
- artists increasingly distribute music without the help of record labels
- the music industry has become more democratic
- single songs have become more important than albums
- more music of high artistic quality is on the market
- average artistic quality on the market has become lower
18. Have you changed your business model during the recent years in order to adapt to the changing market? *
   Markera alla som gäller:
   □ no
   □ yes

19. If yes, how have you adapted? Did you start to offer any new services? Have you given up any services during the recent years? Which ones?
   ___________________________________________________________
   ___________________________________________________________
   ___________________________________________________________

20. Does your label offer management as a separate service? *
    Markera endast en oval.
    □ yes
    □ no

21. Regarding record deal contracts with artists...
    Markera endast en oval.
    □ we sign contracts for a single album at a time
    □ we sign contracts for several albums at a time
    □ Övrigt: ___________________________________________________

22. Since the arrival of streaming services digitization has implied most benefits for (Choose as many as you want) *
    Markera alla som gäller.
    □ major labels
    □ independent labels
    □ artists
    □ consumers
    □ streaming services

23. Since the arrival of streaming services digitization has implied most drawbacks for (Choose as many as you want) *
    Markera alla som gäller.
    □ major labels
    □ independent labels
    □ artists
    □ consumers
    □ streaming services

24. Since the arrival of streaming services marketing and promotion have become...
    Markera endast en oval.
    1  2  3  4  5
    Much less important □ □ □ □ □ Much more important

Music distribution

25. On which digital distribution channels does your record label publish music? *
    Markera endast en oval per rad.
    all of our music  most  some  none of our music
    Spotify
    Itunes
    Apple Music
    SoundCloud
    Youtube
    Deezer
    Tidal
26. On any other channels than mentioned?

27. Do have direct agreements with streaming services or do you use digital distribution services to publish your music on streaming services?
   Markera endast en oval:
   - we have direct agreements streaming services
   - we use digital distribution services that publish our music on streaming services

28. Are you satisfied with the way your music and artists and you as record label are presented on streaming services? *
   Markera endast en oval per rad:
   - yes
   - both yes and no
   - no
   - not used
   Spotify
   iTunes
   Apple Music
   Deezer
   Tidal

29. Are there any features/services that you think should exist or would appreciate if they existed? Which ones?

30. Are you satisfied with the payment shares you receive from streaming services? *
   Markera endast en oval:
   1 2 3 4 5
   Very satisfied
   Not at all satisfied

31. Do you perceive music streaming services being enough transparent regarding...
   Markera endast en oval per rad:
   - yes
   - no
   - Distribution of royalties
   - How to get featured on front displays or playlists
   - Your audience information (number of listeners, geographical information)

32. To which degree do following parts contribute to the income of your record label? *
   Markera endast en oval per rad:
   - not relevant
   - little relevant
   - relevant
   - very relevant
   Sales of physical records, CDs
   Sales of physical records, LPs
   Digital sales (paid downloads)
   Payments from streaming services
   Payments from YouTube
   Royalties from radio, TV, film
   Music placements in advertising
   Music placements in data games and movies
   Live shows and festivals

33. Do you perceive that your artists' economical situation has changed since the arrival of streaming services?
   Markera endast en oval:
   1 2 3 4 5
   to the worse
   to the better
34. Which channels do you use to promote your artists and music catalog? (Choose as many as you like) 

Markera alla som gäller:
- Facebook
- Twitter
- Instagram
- Personal website
- Blog
- Youtube
- Spotify
- Magazines and newspapers
- Posters
- Övrigt

35. When promoting your artists and music catalog do you use following? *

Markera endast en oval per rad.

<table>
<thead>
<tr>
<th>never</th>
<th>sometimes</th>
<th>often</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaborations with journalists</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spotify playlists</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spotify campaigns</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facebook Ads</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Google Ads</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ads in Magazines and newspapers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion with posters</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

36. Do you update your artists’ profiles on social media channels? *

Markera endast en oval.
- no, that’s the artists’ responsibility
- yes, that’s part of our responsibility
- for some artists we, for some we don’t
- Övrigt

37. Where can people find background information about your artists and music? (work list, bibliography, discography, credits, images,...) *

Markera alla som gäller:
- Facebook
- Twitter
- Instagram
- Artists website
- Artists Blog
- Wikipedia
- Record labels website
- Spotify
- AIMusic
- Övrigt

38. Is the presented information about your artists and music correct? *

Markera endast en oval per rad.

<table>
<thead>
<tr>
<th>correct</th>
<th>incorrect</th>
<th>the</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spotify</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wikipedia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Record labels website</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AIMusic</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

39. How does the record label find new artists to sign? *

Markera alla som gäller:
- We actively search
- Recommendations by personal network
- Incoming demos
- Music blogs
- Youtube
- Soundcloud
- Övrigt
40. How do you personally consume/listen to music? (Choose most relevant)*
Markera alla som gäller.
- [ ] CDs
- [ ] LPs
- [ ] Digital downloads
- [ ] Spotify
- [ ] Apple Music
- [ ] Soundcloud
- [ ] YouTube

41. Do you mostly listen to a mix of single songs of different artists or to entire albums? *
Markera endast en oval.

1 2 3 4 5

- [ ] single songs only
- [ ] all songs on album

42. What are the biggest challenges for you as a record label in today's music industry?

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

43. Any other thoughts you want to share?

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

44. Do you want to receive the report?* Markera endast en oval.

- [ ] yes, via e-mail
- [ ] no, thank you

Thank you!