

An excerpt from www.awfullygoodmusic.com/learn Awfully Good Music | London, UK

This blog looks at the history of the music industry, where the business of music started, how the three main parts of the industry evolved, and how we have got to the industry we know today.

Hopefully, by the end of the blog you will know the differences between the live, publishing and recording industries as well as how they came to be.

Part 1: The Live Music Industry

So, firstly, the Live Music industry has always existed so long as there have been gatherings of people to watch musicians perform in exchange for money or value. Being a musician and delivering music to listeners, for hundreds of years have been one and the same.

Part 2: The Music Publishing Industry

Since the 1600s when Gutenberg (gootenberg) invented the basic printing press for use by the Church, liturgical chant has been reproduced in paper form. But it was only in the 1800's that the industrial revolution paved the way for a more structured delivery of music to a wider audience.

It was at this time that the publishing industries – Book making, news reporting, print media – were developing economies of scale enabling them to deliver products to a much wider audience, and the production of print music (or sheet music) was no exception.

With venues of the time, including stately homes, theatres and concert halls demanding the latest compositions to give to their in-house orchestras for their audience to enjoy, Classical music, from Baroque to the late 1800s romantic, took the lead with the delivery of sheet music; mainly because there was money behind this style which was enjoyed by aristocracy, leaving folk music trailing behind and being delivered more by word-of-mouth. Religious music had always propagated through Monks and Priests educated enough to transcribe their music and hymns, but this was not a commercial industry as developed in the industrial revolution.

When many different orchestras were able to play the compositions of few composers as a result of sheet music distributed to them, the music publishing industry was created. By the late 1800s, composers could write works that would be sold on paper to hundreds of localised orchestras and the printing industry was thriving.

Part 3: The Recorded Music Industry

In 1857 Leon Scott made his first audio analysis tool that could record on a piece of paper the audio input it received. This led to Thomas Edison, in 1877 to go one step further; a machine called a phonograph that could both record and play back audio instantly using a thin metal cylinder.

Through the 1880s to 1900s a format war was had involving cylinders of tin, wax, celluloid, and disks of 4 inches, 5 inches, 7 ½ inches 10 inches and by 1903 the 12 inch record, made from shellac, a resin from the female lac bug of India. By this stage the 78 revolutions per minute shellac disks were able to take around 4 ½ minutes of music recorded through ribbon microphones.

The ability to record a particular band performing a particular composition using the sheet music for it, created the recorded music industry.

This recorded music industry put much more focus on the musicians themselves, and away from the composers. The process by which musicians were being recorded became more sophisticated, until Les Paul, in 1948, recorded the first sound-on-sound overdubbed, or multi-track recording, with a track called 'Lover (When You're Near Me)'. This example showed that recordings no longer needed to be taken live (where all musicians were in the same room playing together) and this opened up further opportunities in artistic license through records including Paul's tape delay, phaser and delay effects. Record labels, who brought together the composers from the publishing industry and the musicians from the live industry and created a vinyl for the recording industry, would employ people to find the upcoming talent: to put the right musician with the right song in the right studio with the right producer or sound engineer and to release the record at the right time. These people became known as Artist & Repertoire Representatives (or A&R reps). Who went on to pick and choose the successful artists we see today.

Part 4: The Music Industry forming, 1960

The second world war had vastly improved communication technology and shown many people that the world was smaller than they thought, with the first suggestion of a global community.

Improvements from morse code where a sound synthesiser was needed to produce the tone were adapted by musicians to create the first polyphonic synthesisers attached to a keyboard to create surreal and out of this world sounds on the multi-track recordings while Les Paul, already credited with inventing multi-track recording, had been frustrated with the lack of sound coming from his guitar while playing live, invented the single-coil solid body guitar, the first commercial electric guitar. All of these industry advancements fell into place through the 1960s when Elvis Presley, his UK counterpart Cliff Richard and then The Beatles all capitalised on them. Elvis was the epitome of musician-focused international audience delivered through record sales and promoted through live performance. Cliff Richard developed a similar trait in the UK market and The Beatles brought together their own songwriting, with their performances, massive international record sales and expansive promotional live performance touring. The Beatles marked the first mega-band to write and perform their own songs, showing it was a viable business model:

Having caught the attention of some wealthy people who noticed the record sale levels, the recording industry began to receive much larger investments, enabling elaborate stage shows for promotion, manufacture of large volumes of records that were distributed worldwide and lucrative recording contracts with talented artists.

Merchandising prospered through live events as an alternative income stream and for many years this continued as a successful strategy. More artists, more labels, better deals, better distribution.

Part 5: Technological Improvements

Various new recorded music formats were introduced; compact tape cassettes in the mid 1970s, a transitional medium from vinyl long-playing (LP) records through to compact disks in the 1990s and while this was happening, the technological industries were advancing digital microcomputers enabling personal computers to become widely available to the public.

A new concept known as the internet, designed as a Cold-War failsafe for national government communication became publicly available in 1990 when Tim Berners-Lee invented the WorldWideWeb web browser. Commercial use was not allowed until 1995 when Amazon and eBay were established. As the internet had been restricted commercially for 5 years, many had discovered the internet's potential as an information and file sharing network and public perception began to accept a shift to digital storage of information not just on local area networks seen through 1980's corporations but on a personal level.

This marked the removal of geographical restriction on distribution of recorded music: you did not need to go to your local store to collect your favourite record any more but online stores were simply inadequate – having been restricted 5 years.

John Fanning, Shaun Fanning and Sean Parker released Napster in 1999. It focused on organising all the music (mainly in .mp3 format) into one portal where the public could search for the track they wanted and list the tracks they had. This is the point at which intellectual property ownership became the most valuable asset of the recorded music industry and where the lines between publishing and recording industries were further blurred as there was no longer a tangible product to distinguish the two.

Now there was an unregulated collection of recorded music which rendered the sales of physical recordings useless for those that just wanted the recording and not a physical product they could keep. 'Why should I pay for an overpriced album where most of the money does not go to the artist when I can just go online, type its track name in and get it for free?' Was the mindset.

Part 6: The reformation of the music industry

In 2001 CD album sales peaked in line with the .com bubble bursting; they have not stopped declining. The recorded music industry has been in panic, trying to hold onto the pre-internet strategy of album sales through their controlled stock.

The internet does not have the intellectual property right laws – in particular international legislation – for them to be able to control the market any more. This has led to attempts by recording companies to improve intellectual property laws through case law precedents by taking individuals to court in high profile cases.

This had a knock-on effect on the publishing industry who provided the songs to a now ever-decreasing value market, and to the live industry, who no longer received such lavish budgets for touring due to a lack of return on investment.

Part 7: The Future

These industries are sorting themselves out. The music industry as a whole is the largest it has ever been. It is just changing its route to market and income streams.

Before the money was in recorded music sales which propped up live performance and publishing. Currently, the money is still in recorded music sales, but it is declining rapidly, and future-conscious industry professionals are seeing a need to move to live performance and publishing/synchronisation and endorsements taking the lead with recorded music sales yet to reach their market equilibrium – but which is lower than it currently is. It is reasonable to see recorded music sales transferring online, but the eCommerce is not matured enough yet to provide a viable easy-to-use store. iTunes by Apple is leading the way for online media eCommerce and that market equilibrium for recorded music sales will be proportional to the technology improvements for years to come.

Food for thought

One market that does not have the history of the strong recorded music industry, but does have the internet piracy is the Chinese market. Lessons can be learnt from studying how they have adapted the music industry (or rather, converged heavily with other media industries) so that there is some sustainable income. The most common method is through product endorsements, but other methods might provide insight into the direction the western markets could take.

Review

In summary there are 3 main parts to the music industry: Live, Publishing and Recorded. They have changed dramatically over their 150 year life and most of that change has happened in the last 15 years.