

# **Music, Markets and Consumption**

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Goodfellow Publishers Ltd

**(G)** Published by Goodfellow Publishers Limited,  
Woodeaton, Oxford, OX3 9TJ  
<http://www.goodfellowpublishers.com>

*British Library Cataloguing in Publication Data:* a catalogue record for this title is available from the British Library.

*Library of Congress Catalog Card Number:* on file.

ISBN: 978-1-908999-53-5

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Design and typesetting by P.K. McBride, [www.macbride.org.uk](http://www.macbride.org.uk)

Cover design by Cylinder, [www.cylindermedia.com](http://www.cylindermedia.com)

## Dedications

For my family and friends. DOR

For all the wonderful people who have brought music into my life. GL

For Natalia. KK

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## List of abbreviations

A&R	Artists and repertoire
AIDS	Acquired immuno-deficiency syndrome
AMA	American Marketing Association
BBC	British Broadcasting Corporation
CCT	Consumer culture theory
CD	Compact disc
DAT	Digital audio tape
DJ	Disc jockey
DVD	Digital versatile disc
EP	Extended play record
FMCG	Fast-moving consumer good
IFPI	International Federation of the Phonographic Industry
LP	Long play record
MP3	Refers to a type of audio file format
R&B	Rhythm and blues
VJ	Video jockey
UNESCO	United Nations Educational Scientific and Cultural Organization
WHO	World Health Organization

# Preface

Working in marketing groups within business/management schools, sharing a common research interest in music, and being conscious that a large part of human activity around music is described as the ‘music business’ or the ‘music industry’, we had been contemplating for some time how to apply marketing theory to this area. Through reading the many excellent insights provided by scholars in music, cultural, media, sociological and anthropological studies, and being active consumers of music ourselves, we were clear that a straightforward, instrumental application of classical, or so-called ‘mainstream’, marketing management ideas to the music business would have limited usefulness. Such ideas may be valuable when thinking about some of the marketing practices of major record labels when selling music as a packaged, tangible, fast-moving consumer good (FMCG), but are perhaps less relevant for musicians working independently or in less formally structured and market-oriented institutions, or indeed for artist managers or record label executives.

Much of the marketing literature around music has to do with either the commercial expediency or utility of music as a facilitator of the sales process in advertising and promotion, or its use in elevators and supermarkets. The question of music itself as the focus of exchange relationships, rather than as a promotional aid, is to our minds a far more interesting one.

Considering the major changes in the music business environment that began during the nineties, it seems that music marketing theory needs to become a fusion project which integrates insights from a range of disciplines into something more holistic and open than classical marketing theory allows. We were unable to find any books which examined how these ideas fuse together, so we decided to write one – and this is the result.

This book, then, is intended to shed more light on the relationship between music, markets and consumption, with music as the focal point of the exchange relationship. It is concerned with the connections that people in the business and their ‘customers’ make with one another.

Rather than writing a practical book on how to market music, of which there are several very good examples already in existence, we wanted to gather together in one volume a selection of theoretical perspectives which bear in different ways on the 'exchange' of music. This project represents an attempt to broaden the range of issues which marketers need to think about when considering how to market music. It is also an effort to join and contribute constructively to a conversation, which has been ongoing for a long time amongst different groups of scholars, about the ways in which music, markets and consumption interact. The book does not formally develop a new theory of music marketing, but we trust that it lays some essential groundwork for such a project.

Daragh O'Reilly, Gretchen Larsen and Krzysztof Kubacki

May 2013



## Acknowledgements

We would like to take this opportunity to thank Sally North for her enthusiasm for this project and for her extremely patient shepherding of the book through the various stages of its writing. We also would like to thank the reviewers, who provided such helpful commentary at the mid-point of the writing, as well as on the final draft of the book. Special thanks also go to Panayiota Alevizou, Alan Bradshaw, Mark Bright, Robin Croft, Andreas Chatzidakis, Noel Dennis, Ian Fillis, Morris Holbrook, Finola Kerrigan, Rob Lawson, Dirk vom Lehn, Michael Macaulay, Geoff Nichols, Terry O'Sullivan, Ray Sylvester, Sarah Todd, Fraser Wilson, Cagri Yalkin, and Loo Yeo. Finally, many thanks also to the arts marketing community for being a wonderfully supportive, inspiring and enthusiastic group of scholars.



A Growing Digital Music Market. The music industry went to great lengths at the beginning of the century to put a stop to online piracy; however, they were not equally ambitious and innovative in developing new models for legal online distribution. Certainly, there were a few feeble attempts from the major record labels at the time, but the most important criterion in the development of these services seemed to be that they should not in any way threaten the existing revenue streams but should only add additional revenue to the companies. It is interesting to note the kind of structures and behaviors that emerge as music consumption shifts from ownership to access and from the collection to the now playing. Amaral et al. The IFPI Global Music Report tells the story of recorded music's ongoing journey. Today, artists are reaching music fans in ways I never could have imagined when I began my own career. Music is global and increasingly digital. This transformation has been fundamental and rapid and offers great opportunities. But we can never forget that music does not just happen. Consumption of physical formats declined in the majority of markets, but physical revenue still accounted for 30% of the global market and a higher percentage of market share in countries such as Japan (72%) and Germany (43%). Globally, revenues from vinyl sales grew by 22.3% and made up 3.7% of the total recorded music market in 2017. Performance rights revenue. 2.3%.

Image caption Music streaming generated £829m for the UK music industry last year. Spotify, Apple and Amazon Music have revived the fortunes of the music industry, but fans aren't getting enough choice, a new report claims. A total of 91 billion songs were played on Spotify, Apple Music and their competitors last year - the equivalent of 1,300 songs per person in the UK - and streaming now accounts for nearly two thirds (63.6%) of all music consumption in the UK. The ERA's research was commissioned amid concerns that the surge in subscriptions could stagnate. The report found that, left to its own devices, the UK streaming market would continue to expand by 5-7% every year, reaching £1.1bn in 2023.

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Osborne, R. 2014. "I am a one in ten", paper presented at *Studying Music: An International Conference in Honour of Simon Frith*, Edinburgh. Contents. Section. 0 1 music consumption in 2018. Pg. 04. Based on research conducted by IFPI in 2018, this report provides a snapshot of how consumers across 18 of the world's leading music markets are engaging with recorded music. Base: All participants (n=19,000) from the 18 countries surveyed (Argentina, Australia, Brazil, Canada, France, Germany, Italy, Japan, Mexico, Netherlands, Poland, Russia, South Africa, South Korea, Spain, Sweden, UK, US).

Music, Markets and Consum has been added to your Cart. Add to Cart. Buy Now.Â Music, Markets and Consumption Hardcover â€“ 31 Mar 2013. by Daragh O'Reilly (Author), Gretchen Larsen (Author), Krzysztof Kubacki (Author) & 0 more. See all 2 formats and editions Hide other formats and editions. Amazon Price. New from. Music, Markets and Consumption. View all articles. Journal Information.Â Published: 1 May 2013. by Goodfellow Publishers, Ltd. in Music, Markets and Consumption. Music, Markets and Consumption; doi:10.23912/978-1-908999-52-8-2253. Show/hide abstract. The publisher has not yet granted permission to display this abstract. Publisher Website. Google Scholar. Music Consumption. Daragh Oâ€™Reilly, Gretchen Larsen, Krzysztof Kubacki. Published: 1 May 2013. by Goodfellow Publishers, Ltd. in Music, Markets and Consumption. Music, Markets and Consumption; doi:10.23912/978-1-908999-52-8-2250. Show/hide abstract. The publisher has not yet granted permission to display this abstr Music, Markets and Consumption offers an up-to-date business-theoretical reading of the music business which complements viewpoints from other disciplines. It will be a much needed new perspective for students and scholars in music studies, cultural studies, marketing and consumer studies who wish to gain further insight into commercial aspects of music.Â Under these conditions, despite the rhetoric of sovereignty and individual autonomous choice, the representation of the music consumer takes the form of the masses. O'Reilly, Larsen and Kubacki (2013) argue that it is only under these conditions, where