Chapter 24

The Three Cs of Key Music Sector Trends Today:
Commodification, Concentration and Convergence

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ABSTRACT

Drawing upon a recent examination of contemporary trends in the music industry, this chapter explores the evolving relationships between new digital media technologies, socio-economic factors and media cultures as we enter the second decade of the twenty-first century. We examine the implications of these trends with regard to three fundamental concepts in the analysis of culture, namely commodification, concentration and convergence. We draw upon these concepts to guide our study of a music industry that is widely perceived as a leading site for new media developments. In this study we question the extent to which the music industry is experiencing transformations or significant disruptions resulting from technological innovations, or whether it is actually much more a case of 'business as usual' in the commercial music industry. Thus, this chapter interrogates and challenges the dominant framing of current debates around the notion of 'crisis' in the music industry. Furthermore, it considers how the concepts of commodification, concentration and convergence remain crucial to an informed and thorough understanding of current trends in the media and cultural industries.

INTRODUCTION

In this chapter we will explore the complex relationships unfolding between technology, socio-economic factors and media cultures in the early twenty-first century by examining some key recent trends in the music sector and their implications for three key, if long-established, concepts in the analysis of culture: concentration, commodification and convergence. In doing this we will avoid the transformative rhetorics of the 'technological sublime', and opt instead for a social shaping perspective to enable us to interrogate the forms

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and extent of the crisis and restructuring processes unfolding in the recorded music industry over the past decade or more. Such an approach, as we will illustrate, challenges and undermines the dominant framing of current debates around the notion of 'crisis' in the music industry and ultimately suggests that the current situation and longer term outlook for the established music companies is much more positive than many current and recent commentaries and analyses imply.

In this chapter, we first consider the changing role and scope of the music sectors, its increasingly dense and complex relations with other media sectors. It will also outline why and how the music sector provides a suitable site for exploring the evolving meanings and relevance of the concepts of concentration, commodification and convergence. It will also indicate how the music industry comprises, in many respects, the leading edge sector in terms of the opportunities and challenges posed by radical technological change for the media and cultural industries more broadly. We then proceed to introduce and outline these three key concepts, their meanings and uses, and how they may be usefully applied as conceptual frames when it comes to understanding the nature and scope of major changes unfolding in the music sector and key cultural and social stakes involved in those developments.

This chapter then moves to a more detailed, empirical level investigation that focuses on recent trends in the music sector. Here, we are primarily concerned with investigating whether or how new digital technologies may have induced a certain 'crisis' for the prevailing models and practices of the recorded music industry. Our study notes and explores how these have also prompted key actors in this sector to mobilize their considerable resources to promote institutional, policy, regulatory and other kinds of innovations to meet these challenges. In essence, we explore how the interplay of technological, managerial, institutional and policy/regulatory innovations have provided new opportunities for restructuring, if not expansion, of the music industry's scope, practices and operations over the past decade. We also apply the concepts of commodification, concentration and convergence, indicating how they help us locate and map recent restructuring processes in this particular media sector.

Ultimately we consider how our chosen three (long-established, etc) concepts in the analysis of culture are still relevant to grounded analyses of the key trends unfolding in the music sector over the past decade and for understanding the scope and meaning of these changes.

MUSIC: NO LONGER CINDERELLA AT THE MEDIA INDUSTRIES BALL

Here, let us first clarify what we mean by the term 'music industry'. This is essentially an umbrella term covering four core industrial sub-sectors: the record industry; the music publishing industry; the live music industry; the music merchandise industry. While the live music industry and merchandise industry have increased in economic significance considerably over recent years [e.g. US concert industry revenues more than doubled between 2002 and 2008 to a value of US$ 4.2 billion (*Pollstar, 2009*)], it is the record and music publishing sub-sectors that are the primary focus of our attention in this chapter. Internationally, these sub-sectors are dominated by just four 'major' music companies: Universal, Warner's, Sony and EMI. In the record industry, the music industry's largest sub-sector, these companies accounted for 74% of the global record sales market in 2007 (IFPI, 2008).

While concentration has increased in the record industry, so too did corporate profits until 1999 when global sales revenues peaked at US$ 38.7 billion (IFPI, 2008). It is now a decade since compact disc sales reached saturation point in the majority of advanced capitalist societies. Since then, the recorded music industry appears to have experienced a significant and continuing decline,