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# The dark side of Web 2.0

## From self-marketing to self-destruction of music artists

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Web 2.0 and social media have triggered radical changes in the very fundament of music business [1]. In times before the Internet era, the music business was characterized by a standardized process including the creation, selection, distribution, and consumption of music. The roles of the involved market players (e.g. composer, lyricist, performer, producer, etc.) were clear-cut. Yet, in the early days of music business, in some market segments within that business (particularly in the recording industry) only few large-scale companies dominated the market; in other words, the market was a highly concentrated market. These few powerful and profit-oriented enterprises were dominating the market, pre-selecting and determining which musical works should hit the market. However, with the evolution of Web 2.0 and its new possibilities for home recording available at relatively low-cost and easy to handle, a myriad of music items have been released on the Web [2].

The main consequences of that development are the following: (1) the overall amount of music items available increased drastically, as there are now tens of millions of music items available at a consumer's fingertip [3]; and (2) the ratio between (professional) high-quality music and low-quality music shifted towards an overall deterioration.

This, in turn, has an impact on every market player involved in the music business:

**Impacts from the viewpoint of the consumer:** The supply of music items is perceived as overwhelmingly large. Novel recommender systems and interaction techniques for music consumption may seem to support navigating the wide choice of music items [3]. Still, recommender systems based on music meta-data cannot satisfyingly handle the diluted offer of high and low-quality music. In other words, for consumers it is more difficult and complex to find the "good" music in the ocean of the diluted supply with high-quality and a relatively large amount of low-quality music items.

Furthermore, the spread of broadband Internet in the beginning of this millennium allowed consumers to share music over the Internet. As no (or few) commercial online music platforms were available at that time, soon file-sharing platforms such as Napster evolved. Together with the lack of

understanding that piracy is unlawful, the main message conveyed was: "music is available for free", which is a slogan based on misconception that seems to have invaded consumers' attitude towards digital goods, and particularly towards music [2].

**Impacts from the viewpoint of the industry:** A consequence of the high availability of free music on the Internet led to losses on the music market. On the one hand, file sharing and an overall increased amount of music items (either cheap or for free) on the Internet led to severe losses in terms of revenues. On the other hand, although the total number of consumed music item had increased (increased turnover), overall revenues decreased; in other words, music has become cheap(er).

Furthermore, new players have entered the music market such as those who make their music (i) directly available on the Internet or (ii) through aggregators (which, in turn, are also new players in the music business). The new players initiated a power shift by circumventing the few big players from the "old" music business (e.g., EMI was taken over by Universal Music) [1, 4]. As a result of this development, the "old" players have to invest more resources in holding their market position, and therefore there is less money available to be invested in newcomer artists (new acts).

**Impacts from the viewpoint of the "average" artist:** Web 2.0 and social media have highly influenced artistic activities [5] and the way how music is presented and made available. Current and future artists have to adopt such activities for living and/or making a career out of their work [5]. This also affects education programs, as artists have to be prepared for these activities including the development of appropriate management and technological skills, cf. [5, 6].

Although a relatively small number of artists earn enormous amounts of money [7, 8], the income of the "average" artist is much lower than in the income comparable professions [7, 9-11]. In other words, the music market is a 'winner take all' market [7, 10] or also referred to as the 'superstar phenomenon' [9, 10]. On average, artists in the music business are threatened by "precarity" (in German: 'Prekariat', a novel term in sociology describing those groups

of individuals that have to face living conditions with a lack of job security, including underemployment or undertaking extensive low or unremunerated activities that are essential if they are to retain access to jobs and to decent earnings [12, 13]). This phenomenon is particularly severe for professional artists with music education that have to make a living from music and do not earn their living from non-artistic activities. While precarity was already a fact for music artists before the Internet era, this phenomenon has become more widespread due to the massive appearance of new amateur “artists” on the market, and partly to the devaluation of music with the involvement of Web 2.0 and social media.

The (initial) intention of platforms (e.g., YouTube, SoundCloud, MySpace, etc.) is to offer music (with video) for free to draw (new) audience. For example, if an unknown artist publishes a very good music video clip on YouTube, he or she (most likely) hopes to be “discovered” to get a (label) contract or more gigs. Still, this behavior results in a consumers’ expectation that music is free of charge, especially as many (amateur) productions are available. Hence, precarity is also stimulated implicitly, but to a major degree, by the online behavior of artists themselves. Their behavior makes the platform owner the only “winner” in such settings. The platform owner does not even contribute to the value of any music/art; he generates enormous profit through advertising revenues, which in turn are a result of the high number of content, the high number of platform users and the high number of their clicks.

Concluding, artists seem to “dig their own grave” by making free online products available. Free online music makes it impossible to get fair pay for music items. What seems to be a good possibility and marketing activity for an individual artist in the short run, turns out to be an irresponsible act of self-destruction for the entire community of music artists in the long run.

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