

Researcher shows music industry building walls to limit data

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David Arditi, an assistant professor of Interdisciplinary Studies.

Major record labels have capitalized on iTunes to maintain the same advantages that they held previously through physical media distribution networks, a recently published paper by a UT Arlington assistant professor says.

David Arditi, assistant professor of Interdisciplinary Studies in the

School of Urban and Public Affairs, argues major record labels are as powerful as ever and appear to generate as much money as when albums, [music](#) stores and other historic distribution channels were part of the industry landscape.

"Music executives made it sound like this new technology on the Internet was allowing people to steal from them," Arditi said. "The truth is they use iTunes and other formats to control music purchases."

In 2001, the companies represented by the Recording Industry Association of America claimed to be in turmoil because of the widespread use of peer-to-peer file-sharing software, such as Napster. Independents, on the other hand, hailed the technology as a means to distribute their music outside the national distribution system.

But in his paper, "[iTunes: Breaking Barriers and Building Walls](#)," Arditi says that those fears were quickly proven wrong as iTunes emerged as the dominant gatekeeper for the [recording industry](#). The research was published by the journal *Popular Music and Society*.

Arditi noted that iTunes gives independent musicians more opportunity to distribute music than before online distribution became possible. But the centralized distribution system lends itself to once again concentrating power with the major record labels.

Rather than gaining market share, independent labels have lost [market share](#) – 20.3 percent of U.S. market in 1996 compared with 9.85 percent in 2010.

Arditi argues that [music industry](#) leaders used the advent of music file sharing via the Internet to gain stronger copyright laws, build more extensive political capital and protect the music industry for dominant distributors. Yet measuring the financial impact of iTunes on the

industry is difficult because modern music [industry](#) revenues come from many sources and because companies do not release sales figures publicly, he said.

As an example, Arditi said pointed to the recent release of the video game, Grand Theft Auto V, which generated \$1 billion in sales within days of release.

"What consumers might not realize is that there are more than 240 songs on the game and each song has its own synchronization license," Arditi said. "In other words, record labels are making a lot of money from this game, but they don't regularly report that data."

Provided by University of Texas at Arlington

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