

# Big money goes around the world

April 24 2019, by David Bradley

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Music is big business. It has been since the advent of the sheet music industry in the 19th Century and the ensuing piracy scandals, right through the invention of radio, recorded music, and the usurping of the family piano for devices that could replicate the songs we loved without anyone having to be able to sight-read, play or sing. Into the 21st Century, the industry is still playing catchup with the pirates who found technological ways in which to replicate and share the music they love without spending a penny of their own money.

Writing in the International Journal of Electronic Business, Teresa Fernandes and João Guerra of the Faculty of Economics, at the University of Porto, in Porto, Portugal discuss the advent of [music streaming services](#). Streaming services emerged as an alternative business model to the failing CD-buying model in the wake of file sharing and the mp3. It was obvious to the technology, as opposed to the record companies, that a new model was needed if money was to be made and an industry soaked in the copyright and [intellectual property laws](#) founded in the 19th Century if not before was to survive in some form into the 21st Century.

The problem remains, however, whereas video streaming services are adding millions of users each month as on-demand alternatives to cable and satellite TV, music lovers are not adopting music streaming at quite the rate its purveyors would like to reach a solid bottom line in their [business model](#). Whereas ten dollars a month for almost unlimited TV show and movie streaming on-demand seems like a bargain, the same fee for music does not compute when it is so easy for listeners to quickly

download the latest hits and even the golden oldies without it costing them anything even at the risk of legal action being taken against them under copyright laws.

The team's analysis suggests that there is no simple solution, no magic button that the music (streaming) industry might press to persuade people to sign up for its offerings. They must instead now consider how to generate revenue through balancing free and premium components as well as adjusting their strategies for different market segments based on age, gender, for instance. There may well always be consumers willing to pay as long as they are targeted correctly, but one might suggest that the billion-dollar music industry of the 20th Century is probably long gone and a new paradigm is needed. Perhaps we could all go back to making our own music...

**More information:** Teresa Fernandes et al. Drivers and deterrents of music streaming services purchase intention, *International Journal of Electronic Business* (2019). [DOI: 10.1504/IJEB.2019.099061](https://doi.org/10.1504/IJEB.2019.099061)

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