# The New Music Industry: Streaming Platforms

Nowadays, it is common to listen to music online using platform such as Spotify, Deezer, Apple Music or even YouTube Music. These streaming platforms offer the possibility to listen to unlimited music online. The streaming technology allows consumers to have an online access to watch contents or listen to music. This technology uses flux and internet, thus, when you use it your content is not downloaded directly on your computer or smartphone (Wikipedia). Therefore, today it is not necessary to have a CD or a vinyl in order to listen to it. Internet and a computer are enough to do it. Then this change impacts the music industry. All markets needed to be aware of this big change to adapt their offer; artists, labels and majors. Years after years, the streaming took the lead in the market. The number of subscribers increase (appendix 1) and this industry, which was in crisis during the first decade of the 2000's, find a golden escape because the revenue's market is increasing, thanks to streaming (appendix 2).

Thus, the literature review purpose is to identify how the streaming arrived, to discuss about its impact on both the music market and the environment.

## II. Critical literature review

The music market knew a lot of changes. Indeed, there was a lot of innovation in the way to listen to it, from vinyl to cassette tapes to CDs to streaming. But one of the most important innovation was CDs. They were a kind of "icon" of the 90s. When the music industry was selling plenty of CDs, internet and personal computer were developing and their use increased. According to Ryan Daniel (2019), there is a possible correlation between "digital and disruptive innovation". Indeed, CDs gave the possibility to put music on a computer. It was the beginning of MP3 format. Pirate Bey was the first website to notice the failure and the first (illegal) streaming platform before Spotify (Remneland Wikhamn, B. & Knights, D. 2016). It was possible to find any music or video contents on it. This deep modification pushed the global music market in decrease. When Pirate Bey was chased by all stakeholders because they did not receive money for copyrights and royalties, Spotify took the opportunity to make streaming legal. Spotify was launched in 2006 by Daniel Ek and Martin Lorentzon.

It took a decade to Spotify and stremaing to become the leader of music streaming. Indeed, all stakeholders did not notice the opportunity until they do not sell enough CDs to survive according to the SNEP (2020). From 2016, the music industry has been increasing due of the growth of streaming subscribers, the legalisation of streaming platform and the competition on the market. It is also because labels and majors changed the way of selling music. According to Emilien Moyon and Xavier Lecocq (2015), the good result of the music industry is through "the generation and exploitation of creative content (music, films, software…)".

Moreover, when streaming grows, the live music sector grows too. Indeed, the number of tickets sold and the concert revenue of Live Nation – company that sells artists' tour – are growing up at the same time as streaming grows (appendix 3).

The streaming also impacts amateur artists. Indeed, the music distribution totally changed and push them to earn money from their music by another way. In fact, putting some music online it

is not enough anymore. Especially for amateur artists, there are a lot of difficulties. So, they should do more concerts, make merchandising, increase their presence on social media. They are not just artists; they are entrepreneurs as well (Eiriza, V. & Pinto Leiteb, F., 2017). Because of streaming, the royalties for all artists, amateur and professional, decrease. In fact, streaming platform put their own rules in terms of redistribution of revenue. According to Benjamin Fly (2016) all platform that broadcast music content (both music video clip and music itself on streaming platforms) do not pay artists enough. In fact, they adjust artists' revenue by using their own method. So, for instance, according to Tristan Gaudiaut who works for Statista (appendix 4), streaming does not give enough money to artists and he explained that an artist must be listened by consumers 1,612 times on YouTube or 254 times on Spotify to earn 1€. There is a problem between artists' incomes and revenues generated by streaming (appendix 5). Even if there is some attempt to stop this unfairness (Ross J. et al., 2019), the way is still long.

Moreover, the streaming has a bad impact on the environment. In fact, 63% of internet data are from online video streaming in 2015, average 10% of the Mondial energy (Muller, D., 2020). All this energy needed by streaming technology is electricity.

Green electricity is not generalised and count just for 23%, while coal count for 39,3% and gas for 22,69% (ADEME ).

## III. The research problem

The literature search was done through internet research. A lot of keywords were used such as "streaming", "music industry", "Spotify", "data center", "artist revenue". These keywords result on a global view on the music market and show a problem between the music industry growth and the impact on artist revenue and the environment. Therefore, the purpose is to show the problem that could cause streaming if the situation does not change.

## IV. Summary

This literature review subject is to discuss about the impact of streaming on the music industry. In one hand, the music industry is pushed up by streaming, it allows consumers to get music online and change their way of consuming music. On the other hand, streaming decreases artists' revenues, streaming platforms' rules are applied. Moreover, internet consummation increased with streaming and could have a bad impact the environment on long terms.