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Music Streaming. Antagonist or Supporter?

American copyright has been a prevalent issue since the late 1700s with the growing popularity of media and the boom of inventions that came with the industrial revolution. Copyright has then grown to encompass all types of intellectual property from physical creations to digital pieces of media. In 1998, the Digital Millennium Copyright Act was passed which “criminalizes production and dissemination of technology, devices, or services intended to circumvent measures that control access to copyrighted works” [1]. In essence, the act was passed as a solution against digital piracy that was rampant during the time with websites like Napster and Limewire that solely based their operation on music. Although this blatant violation of the DMCA was eventually taken down, new services offering free music entered the scene like Youtube and Spotify.

Spotify is a music streaming source that began in 2006 shortly after the removal of Napster and many other illegal music streaming services. In fact, Spotify was created as “a response to the growing piracy problem the music industry was facing”[2]. During the early 2000s and the 2010s, piracy was a growing issue that posed a real threat to the entertainment industry which was losing “ 71,060 jobs to the U.S. economy” and “\$12.5 billion in total output annually as a consequence of music theft.” [3]. To put into perspective how much of consumers were pirating music; “statistics on media piracy show that a little over 38% of consumers still

access their favorite music via copyright infringement” [4]. From an economic standpoint, anyone can realize the amount of damage unchecked piracy can have on certain sectors of the entertainment industry. With the hunt on illegal sites increasing over the years the influx of people looking for another source of free music led to the rise of music streaming services with the biggest and most popular being Spotify.

I believe that Spotify and other free streaming services actually benefit the music industry by giving people who aren’t willing to pay the premium or buy the music straightforwardly an alternative that supports artists. These services act as a bridge for the gap between piracy and a legal form of consumption. This freemium approach to music streaming has garnered Spotify 483 million users where 183 million have premium subscriptions. Even with a huge user base, Spotify has struggled almost every year to make any profit [5]. This lack of profit is also reflected in the criticisms Spotify has received centered around the compensation of the artists they have contracted with to put their music on Spotify. At face value, Spotify does pay less per stream compared to other services like Apple Music with an average of “\$0.01 per stream” compared to Spotify with an average of “\$0.0033 per stream” [6]. This is the root of many arguments against Spotify as many artists have come forward with statements on their situation, especially in this 11-minute video with Trevor Noah going through the situation with references to Tom Gray and Aloe Blacc [7]. But this value can be misleading if not taken into context the situations of the two services and the consumer expectation and values. Spotify technically doesn’t pay per stream but instead pays the right holders of the song like labels and distributors that put the music on Spotify [8]. This middleman further decreases the amount of money an artist can get from their songs. With this seemingly abysmal amount of money for the artist, why aren’t the majority of artists switching to different services for their songs?

Over 73 percent of consumers aren't willing to spend more than ten dollars per month for premium music streaming [9]. Also, Spotify provides a more personalized experience for discovering new music by recording the user's listening patterns with machine learning to create specifically catered playlists for every user. Spotify as a streaming service is just more convenient and accessible for a larger part of the market. Spotify will always be the number-one music streaming service for the foreseeable future with the grasp it has on the current market.

This tight grip Spotify has over the current music scene has made many people state that Spotify is disrupting the music industry and upcoming talent with its unfair pay. One of these sources comes from the Union of Musicians which claims that "artists continue to be underpaid, misled, and otherwise exploited by the company [10]". This is further backed by a more in-depth perspective on how much streams an artist needs to break even with minimum wage:

"One of Spotify's core goals is to give "a million creative artists the opportunity to live off their art." Yet, to generate a single dollar on the platform, a song needs to be streamed 263 times.

To put that in perspective, it would take 786 streams to generate enough revenue to buy an average cup of coffee. To pay the median American monthly rent (\$1,078) an artist needs to generate 283,684 recurring streams monthly. And to earn \$15/hr each month working full time, it would take 657,895 streams per band member."

Although these numbers do make becoming a full-time artist a daunting and almost impossible goal, Spotify is still a great tool for artists to connect with the service's huge user base. But what can be changed to cultivate a friendlier environment for artists?

The clearest way to improve the relationship between streaming services and artists is to have a user-orientated method of paying artists. Why have a middleman determine the percentage of the money artist gets? Instead, allow for a direct payment made by the users and a direct payment for the streams an artist receives. Even with changes to how money is to be distributed, I still believe that it won't fix the landscape artists are currently in.

The value of digital work and media in society has greatly been reduced over years with improvements in technology and communications. Does something with infinite supply really cost that much?

People aren't willing to pay for music that is readily available everywhere. For a successful change in the music industry society as a whole has to value what artists do and be willing to support them. Currently, we are taking advantage of the convenience and accessibility of music without having clear support for those who make it possible for us to do monotonous everyday tasks without dying of boredom. As a whole, we need to be willing to contribute to the success of new artists.

To conclude, I believe that streaming services do benefit artists by giving them a convenient and accessible source to spread their music and gain compensation for their work. But, the current situation surrounding the pay between service and artist needs to be changed, not through an increase in payment but the removal of the middlemen of record labels that control the split of pay. Also, the value of digital media should be increased with respect to the work and dedication put into making it by the artist.

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