

THE MUSIC INDUSTRY v. INTERNET SERVICE PROVIDERS

The typewriter is dead. Long live the personal computer!

The manual typewriter was replaced by the electrically driven one, and there followed the memory typewriter, which graduated into the word processor.

But, eventually, the typewriter had to give up the ghost: It became part of the sunset industries of yesteryear.

The music industry of the world is, presently, going through a major transformation and, in the fullness of time, there is no question that it will be almost unrecognisable from the industry as one sees it, today.

At the turn of the 20th Century, sales of sheet music was the thing.

Arias of famous operas and operettas, as well as popular Broadway and London's West End shows, could be purchased for pennies at the local music shop by the young and the old, the rich and the famous, the professional and the layman: Sheet music became available to the consuming public for the first time.

Music shops, in most major cities of the world, employed musicians to play the latest songs so that prospective customers could hear the latest compositions, prior to purchasing the sheet music.

Sheet music was replaced by His Master's Voice: The clockwork-driven gramophone.

It took only a few short years before the clockwork-driven gramophone was replaced by the electrically driven one.

A slew of other mechanical devices followed in quick succession, all of which could be purchased at prices that afforded most people the opportunity to hear the music of their choice at reasonable prices.

Recorded music could be heard, initially, on fragile bakelite records, operating on 78 revolutions per minute.

The plastic record followed because it could be dropped without any appreciable damage to the record; the speed of playback was reduced, first to 45 revolutions per minute, and, then, to 33 revolutions per minute.

Such records were almost unbreakable and the quality of the recordings left the old 78s far behind.

The wire recorder came next, following by thin plastic tapes of various thicknesses and widths; and, this gave birth to the floppy disc.

Today, the compact disc (CD) and the digital versatile disc (DVD) are the most common means of bringing music to the consuming public.

Taped music is, almost, dead in today's world, in the same way that the typewriter took some years to be buried for all times.

Tomorrow, however, the Internet is likely to replace, in part at least, if not in whole, sales of pre-recorded music on CDs and DVDs.

It is highly unlikely that the music industry will be able to stop the proliferation of music over the Internet.

Such transfers of music files is at little to no cost to the consumer.

According to the latest research by the music industry of Europe, sales of music in Germany, alone, have been on the decline for a number of years.

In 2004, the retail value of sales of music in Germany totalled about 1.70 billion euros.

That represented a decline of about 3.60 percent, Year-on-Year.

Year-on-Year, sales of music CDs and DVDs dropped by about 2.60 percent in 2004, down from 183.20 million units to about 178.50 million units.

Sales of music on CDs and DVDs in Europe, not just in Germany, continue to fall.

Internet downloading of musical works is becoming more and more popular and, with the advance of technology, which brought about broadband Internet connectivity, such downloads are without any appreciable loss of sound quality.

The cost to the consumer, downloading music from the Internet, is negligible, but it is taking a big bite out of the established channels of the dissemination of musical works within the established giants of the music industry.

The Decca Record Company Ltd, EMI Records Ltd, Erato Disques S.A., and Deutsche Grammophon GmbH are but 4 big names in the music industry, worldwide, whose managements are scratching their heads in order to map out future strategies to head off financial deteriorations to their respective Bottom Lines.

Some of the smaller labels in the music industry, however, are facing financial disaster.

It is obvious that some of the big names in the music industry, internationally, will fall by the wayside in the fullness of time, they, being unable to withstand the invasion of the Internet.

Warnings on pre-recorded music discs, such as '*Unauthorised Copying, Hiring, Public Performances and Broadcasting of this Recording is Strictly Prohibited*', are being almost totally ignored.

It is just too easy to download music over the Internet.

It is, also, extremely difficult to track down the perpetrators of those who would infringe copyright protection.

Internet file-swapping and file-sharing is standard around the world, today, so much so that companies have been established to accommodate the ever-growing demand.

It is obvious that this trend will continue for some time to come.

Meanwhile, the established business models of the international music industry must adapt ... or die.

The threat is very real.

The music industry has to sing along with the international choir or be drowned out by its own cacophony as the melodies of the Internet multiply.

Those international music companies, which are on their last financial legs, today, probably, deserve to be just where they are because they were too late to realise the very discernable trend, which appears to be irreversible.

The music industry has been forced to join hands with the Internet and, to this end, one sees large, multinational conglomerates, from Europe to Asia to North America, forming alliances with Internet Service Providers (ISP), specialising in Internet File-Sharing services.

This will afford economies of scale since the cost of distribution of music would be for the account of the consumer rather than the company, desirous of selling its wares.

The music download providers of the Internet reach a larger audience than ever before in the history of the world and so major players of the music industry are well advised to seek out these Internet providers as partners rather than perpetrators of civil wrongs.

At this time in the music revolution, only about 0.10 percent of all sales of music is conducted over the Internet, but such sales are growing quickly.

Online music downloading is a term, which is fast gaining popularity because (a) it is almost free and (b) it is much more convenient than searching through catalogues of music houses in order to find that one piece of music that is desired.

It is more than likely that the CD and DVD will be replaced by such devices as the turbo flash disc, also known as the memory stick.

The advantage of the memory stick is that it is even smaller than the conventional CD and DVD and its storage capacity is far greater than the DVD, one gigabyte, being as small as memory sticks may be purchased, these days.

As with the CD and the DVD, there are no movable parts in a memory stick; and, the other major advantage is that it cannot be mutilated since it is encased in a hard plastic shroud.

The dissemination of music via the Internet, even the illegal dissemination, is proving to possess amazing longevity, contrary to that which was thought possible.

Concerted efforts to thwart the trend have failed in spite of hundreds of millions of dollars, having been spent on lawyers' fees to take action in respect of the protection of intellectual property rights.

Since there is no bullet-proof legislation to stop the trend, it is clear that the international music industry must reach a compromise with the Internet Service Providers, specialising in music downloading.

And so the music industry must, eventually, come to the realisation that, if one cannot successfully fight the good fight, then, one would be wise to join the throng.

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