

The future of the music industry

Saturday, 11 November 2006

After Ged Doherty's fascinating and revealing interview with Richard Griffiths at In The City, and with the wisdom gained by my observations and personal experiences over the past 18 months, I reckon we are looking at a radically different music industry from 2007 onwards.

Yes, downloading is completely taking over from physical purchase as the dominant method of obtaining music. It's not the entire picture but it is the majority. However, the income from that is miniature compared with past profits. This is for two reasons. The low prices charged online; and the massive piracy ranging from stealing through file sharing to the older accepted methods but not forgetting deliberate or accidental theft by established companies (iTunes, YouTube, MySpace etc...).

Especially with the smaller earners, royalties are simply going missing.

But even the huge stars are provoking tiny profits when looked at side by side with the income from as little as months ago.

So...

The majors are dead. They simply cannot carry the overheads. And that stands for big Publishers and Management and Promotion - all the companies relying on old formats to structure the work force, the office space, the studio and production costs...

As for the future - we are looking at TINY companies which concentrate on collecting and protecting ALL royalties.

And which combine many functions - management, agency, publisher, promotion, production...

I strongly suggest, for example, that Sale Or Return is abandoned.

Retail needs to wake up and provide services not available online.

Ditto manufacture.

Ditto radio, TV, press and the ways of alerting the potential clients and customers to the available music.

We are looking at an earthquake. Not just mild alterations; total restructuring.

Only then can the music industry remain healthy and profitable as well as being creative and efficient.

LEAN AND MEAN, guys, LEAN AND MEAN!