

## Company of the Month: The Music Industry - Part Two

Last month we looked at the early years of the music industry. This month we bring the story up to date.

### Elvis and the Beatles

In 1954 a band leader called Bill Hailey recorded a song called “Rock Around the Clock”. The song was developed into a popular film and rock and roll had arrived. From the southern states of the USA the dramatic singing voice of Elvis Presley arrived.

In England , a young group of four musicians from Liverpool called the Beatles signed a contract with EMI in London . Their first record Love Me Do was an immediate success. The combination of the recording genius of record producer George Martin and the song writing partnership of John Lennon and Paul McCartney made the Beatles into the biggest success in the history of the music industry.

In America , the Beach Boys and in Britain , the Beatles explored the possibilities of recording on magnetic tape in the studio before delivering their music on LPs and singles.

1967 was the summer of love. The Beatles released an LP called Sergeant Pepper’s Lonely Hearts Club Band. The summer was warm and people were happy.

- 1. How does the success of the Bill Hailey, Elvis and the Beatles suggest changes in the profile of the typical record buyer? (older or younger?)**
- 2. What was happening in your country in 1967 during the summer of love? Did you see similar socio-economic changes?**

### The Magnetic Menace

The same magnetic tape which was being used in recording studios became available in a plastic cassette. For the first time, people were able to copy and ‘share’ their records. In Japan , the Sony corporation developed the Walkman, a small battery powered cassette player which could be carried around while the user listened to high quality stereo sound on headphones.

The invention of the cassette was the beginning of another crisis for the music industry. People could record songs from records, the radio or television and sales of records which had been very high in the 1960s and 70s began to decline.

- **The Walkman was the first of many popular technological developments from Japan . A later one was the Sony Betamax video system. Do you know or remember why it failed even though it was technically superior to the successful VHS system?**

## **Digital sound – another technology**

The music industry always welcomes a new format. New formats are a chance to sell new music players. New formats are an opportunity to re-issue old recordings from the library in the new format.

Up to this time all recording systems had been analogue. This means they had tried to copy the vibrations made by sounds on to the grooves of a cylinder or disc, or record them as magnetic pulses on a recording tape.

The new format converted sounds into a series of numbers so it was called ‘digital’. The first popular digital format was the CD.

The CD was developed by Phillips in Europe working with the Sony Corporation in Japan . The CD was a small plastic disc which was ‘read’ by a laser light and converted into sound. The CD produced ‘pure sound’. There were no crackles from imperfections in the record. There was no hiss from the tape.

For a few years, the music industry was happy. People bought millions of CDs of new music and also bought millions of CDs to replace their old LPs – their vinyl library.

Another reason for the music industry to be happy was that the public could not record on to the CD discs. They were forced to buy CDs produced by the music industry.

- 3. What was the first CD you bought? Tell your friends about it.**

## **Recordable CDs, the Internet and a new crisis**

CDs were also useful in the computer industry because they could be used for delivering enormous amounts of data in a convenient format. The CD player became an important addition to many home and office computers.

With the invention of the recordable CD computer users were quick to realise that they could not only use these to record computer data, they could also be used to copy published CDs of music.



At the same time, the development of high speed internet connections made it possible to 'send' music in a digital format to all your friends.

## **Sharing music**

When you buy a record of music, you purchase the right to listen to that music as many times as you like. But you do not have the right to copy that music on to a tape recorder, cassette, CD or computer hard disk. The music industry is protected by copyright and as we have seen, musicians have fought for the protection of the copyright laws which allow them to earn royalties from their recordings.

When you copy a CD, you are stealing money from the performers, composers, engineers and the record company which produced the CD.

Many people believe that they have the legal right to convert recorded music from one format to another. This started when people started copying their LPs on to cassettes. Later many people copied their music collection from CDs on to the hard disk memories of their computers.

Using the internet, people could connect their computer to another person's computer. Soon 'music sharing groups started. Sandra tells the group she has the new CD by Robbie Williams which she has copied on to her hard disk. Another member of the group, Peter wants this music. He connects his computer to Sandra's computer and copies the recording. If there are 5,000 members of the group, Robbie Williams, his musicians, engineers and his record company lose 5,000 possible sales of his new CD.

One of the groups, Napster claimed to have 28 million registered users.

The music industry attacked these music sharing groups with major court cases. The courts decided in favour of the music industry and said the music sharing groups were breaking the law.

## **Licensed music sharing**

Now Napster and many other groups have become 'licensed' music distributors. Users pay a nominal fee of about 99 cents ( US ) for each song they record from the group.

The music industry have now started their own websites where people can download music for a small fee.

## **Has the record finished?**

It is too early to say whether the record (cylinder, 78 disc, LP, single or CD) has finished. Millions of people work in the music industry as engineers, composers, song writers, producers, musicians, designers, manufacturers, publicists, distributors, or shop assistants in record stores.

The music industry is changing while you are reading this article. Who knows what form it will have in ten years from now?

- **What are your predictions for changes in the music industry?**
- **Some people have suggested that the music industry's court case against Napster and other sharing groups was an attempt to stop the natural development of the market through normal market forces? Do you think the music industry was trying to retain old-fashioned ways of doing business or were they correct?**