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Steven Campbell *Editors*

Music Business and the Experience Economy

The Australasian Case

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 Springer

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Preface

The Australian music business has its origins in the nineteenth century when an agent of the Edison Company demonstrated the first phonograph on the Australian continent in 1879. From the outset of its music-business history, Australia has responded to and sometimes led many of the global, social, cultural, technological and economic developments that have occurred. Famous classical musicians such as Dame Nellie Melba, Percy Grainger, Dame Joan Sutherland and Sir Charles Mackerras originated from Australia. As the seventh largest recorded music market, Australia was also a fruitful ground to launch the careers of international pop stars such as Helen Reddy, John Farnham, Olivia Newton-John, Kylie Minogue, Men-At-Work, AC/DC, INXS and the brothers Gibb, better known as the Bee Gees. Besides international chart toppers, local music talent has always played an important role in the domestic live and recorded music market. Indigenous, folk, jazz, classical and pop musicians still contribute to a vivid and diverse music scene.

The Australian music sector has a significant economic impact on the Australian economy, and, therefore, one might wonder why the body of academic literature concerning music business in Australia is relatively small. Possibly the relative inattention to music and business reflects the compartmentalisation of academic disciplines which separates creative endeavours from studies of management and business. This book attempts to fill this gap by gathering academics from several disciplines to highlight Australian music business from perspectives as diverse as musicology, music pedagogy, economics, tourism and marketing research, anthropology and cultural studies. The contributions, therefore, help to understand different aspects of music in the experience economy.

This book was inspired by a delicious dinner at Gianna Moscardo's and Philip Pearce's home in Townsville, Queensland, where a gathering of academic scholars reviewed the possibilities for linking music and the experience economy. There is a close relationship between food and music as pointed out in the introductory chapter where it is suggested that, like food, music is a carefully delivered experiential product in the contemporary world.

The experience economy pathway to bring together an understanding of the appreciation of music, and the money to be made from that appreciation, is

developed in this book through considering the context in which music occurs, the meaning it holds for individuals, its role in creating value for business brands and its contribution to festivals, events and sports. The success of individual artists, record companies and new technologies is integral to the music-business relationships. It is argued throughout that music drives personal identities and fosters relationships through its rich emotional connotations. In brief, music is a core component of many life experiences and a source of interest not just to those who produce and create it but to many others who benefit from it financially and experientially.

Therefore, please enjoy the experience of reading this book on the Australian music business, which was enabled by generous financial support from James Cook University, Townsville, Australia and the University of Music and Performing Arts, Vienna, Austria.

November 30th, 2012

Peter Tschmuck
Philip L. Pearce
Steven Campbell

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From Discord to Harmony: Connecting Australian Music and Business Through the Experience Economy

Philip L. Pearce

Abstract It is argued that connecting music and business presents some challenges. There is the primary issue of the different values of people who inhabit separate worlds; the music set oriented towards expressive, identity affirming creativity and their business counterparts driven by instrumental values underpinned by personal commercial gain. By analysing the way access to music has evolved for Australian audiences, a process shaped by rising affluence and technology, it is possible to see the mutual intersecting interests which reside in creating enabling environments where audiences can enjoy diverse musical styles. This sense of co-production, a covert liaison between music entrepreneurs and the musical audiences, can be further understood by analysing the component parts of experience including an appreciation of the sensory, relationship, affective and personal capital components of listening to music. The players in the music and business sector may be different but it is possible to depict their points of harmony through an appreciation of the dimensions of the modern experience economy.

1 Introduction

At times, it is difficult to be articulate or literate about music. The very form of the phenomenon affects humans in nonverbal ways. Equally business actions and thinking can be difficult to document because the processes are not always public and often involve confidential material. Further, but not unimportantly, the kinds of people involved in the worlds of music and business may be viewed, at least in terms of initial stereotypes, as rather different: one set dominated by the desire to be

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creative and expressive, the other more focussed on the goals of making profits and earning cash. The joint consideration of music and business in an academic context might therefore be seen as a very challenging task. The present chapter offers a pathway to attack these difficulties. In particular it suggests that by linking music and business through an understanding of the experience economy, initial insights as well as guidelines for future analyses and practice may emerge.

2 An Analogy

The extended consideration of an analogy serves to illustrate the experience economy pathway for exploring the music-business relationships. Jacobsen (2008) has provided a rich analysis of the developing role of the experience economy in understanding food consumption. As this chapter uses this analogy on several occasions, some key food – music links can be suggested. The consumption of the food by patrons corresponds to the consumption of the music audience, the restaurants to the settings in which the music is appreciated, the chefs and staff to the artists and performers, and the restaurant owners to the music managers and entrepreneurs. Jacobsen's account of the rise of the experience economy as an influence on food consumption hinges on several points. By following these issues and concerns the links between music and business may also be formulated.

3 Enabling Conditions

Affluence and in particular the affluence of the last 60 years in western and emerging societies, is a key enabling condition shaping the development of food consumption as a richly varied part of contemporary life. While food has always been pivotal to human existence, Jacobsen (2008: 14) reports that:

Modern food passes through a long and complicated pathway from nature to table and food culture is constantly being created by the interplay of raw materials, tools, recipes, skills and so on and it is formed by climate, geology, history, aesthetics, morals, traditions, politics, economy, power relations, technology, knowledge, education and the rest.

The result of the interplay of these forces is that consuming food has moved from a functional activity to an expressive activity (Noe 1999). The same points can be applied to the rise of music as a contributing element to the entertainment and well-being of many individuals and communities. Examining Jacobsen's list, it is apparent that music, like food, is influenced by similar sophisticated processes in its creation, commercialisation and delivery. When societies develop in terms of their economic well being, the rising affluence creates space for some individuals to focus entirely on cultural and creative tasks. These tasks which include the production and specialisation in music have a cohesive role in creating local identities and

solidarity but they are not without stress points as traditions and interests clash (Diamond 1998). Affluence also works through the process of more and more individuals being able to purchase music and the means to reproduce that music. It is worth concentrating briefly on some of the key items identified in the listing relating to food – those of technology, power relations and education – as they all powerfully influence the music-business relationship with which this book is concerned.

Technology and changes in technology have affected the business dimensions of music production and consumption for a long time. Accessibility to music both through the changes in travel options and the affordability of ways to listen to music are keys to many Australian music – business developments. In Australia during the first half of the twentieth century it was possible to enjoy music in a number of ways. Certainly there was a tradition of live music and performances with the efforts of the state orchestras and formal music recitals in the cities being events of social and cultural significance. In the rural areas traditions of home grown country music styles emerged and country dances in town halls using local musicians were standard components of social life (Knightley 2000). Listening to music in one's home was well developed by the 1930s with the rise of radio and the playing of records with phonographs. By the time the Beatles toured Australia in 1964 the business of music was a well-developed international enterprise and its effects on local life quite profound. And yet, there were still many who could not get access to the latest music trends and whose income levels and location made them peripheral consumers in the growing experience economy.

The second half of the twentieth century corrected many of the access issues. Both musicians and audiences were able to travel with greater ease thus permitting globally prominent performers to undertake more frequent tours of the country. A cohort of music business promoters arose to both generate and create a demand for touring stars and many of these entrepreneurs became wealthy and long standing figures in the Australian music business scene. The technology of marketing music was already well developed by the 1960s and the international stars as well as some local talent were household names due to radio programs, the introduction of television to a high percentage of households, and the ready availability of the music on vinyl records. The power of the radio stations to promote certain artists was a point of controversy in the development of the music business. Initially the number of commercial radio stations in Australia was limited to a tightly clustered set of owners and the opportunities for independent and less popular forms of music were very limited. In what seems now like a very conservative and racist approach, some commercial stations refused to play American artists such as Ike and Tina Turner because the music was seen as too concerned with the (subversive) issues of black America (Mac 2005). It was indeed only in the 1990s that indigenous Australian artists began to play a significant role in Australia's musical lexicon as figures such as Jimmy Little who paved the way earned some respect, and the considerable talents of performers such as Yothu Yindi, Geoffrey Gurrumul Yunupingu and Jessica Mauboy were fully recognised. The rise of local record

labels is a large part of this Australian music story and is documented in considerable detail in a later chapter of this book.

The ABC (Australian Broadcasting Corporation) played a prominent role in the presentation of music to its listeners across the generations and for a variety of music tastes. Unlike the local commercial stations, whose range was restricted to the main cities and some country towns, the ABC had a wide net of stations which were for a long time the only reliable services available in outlying rural areas. The ABC always featured classical music as a base for its activities. Additionally, from the 1970s the ABC offered a long running nation-wide Sunday morning music show “Australia All Over” which provided a venue for country and local artists rather than for the international and domestic popular music. The rise of country and other music festivals during the 1970s and beyond as discussed in chapters in this book was one way in which certain styles of local music found a public voice and audience. By 1975 the ABC had also developed a radio station JJ, now known as Triple J, which provided an outlet for independent Australian music. Rock and varied independent music styles became the hallmark of the independent JJJ style. These contributions by the national broadcaster thus created space for a range of musical tastes which supplemented the activities of the commercial networks. The role of the ABC was complemented by a number of television programs centred on music; firstly *Bandstand* in the 1960s and then *Countdown* in the 1970s and subsequently *Rage* in the 1990s and beyond. Contemporary contest shows such as *Australian Idol* and *The X factor* have also used public television to fill airtime with positive career and business results for the successful artists. As reviewed in one of the chapters of this book the popular appeal of music was used from the late 1980s to expand the experience at the country’s main sports events both in terms of live music at the sports games and as significant contributions to the promotion of games and codes. The creation of big events to support local music such as the *Big Day Out* have developed a successful following in the last decade and also support many local artists.

In the midst of this growing interest in Australian music a rather unusual area of musical marketing- that directed at children- developed the best commercial success of all. The children’s music group *The Wiggles* emerged in the late 1990s. By 2008 the four band members were named as Australia’s top earning entertainers for the fourth year in a row; their popularity endures despite some complexities and changes of group members. Their appeal is now global and *Business Review Weekly* reported that the group earned A\$ 45 million in 2009 through album sales, television and theme park work as well as through franchising their concept of a pre-school band to other countries (Field and Truman 2012).

Beyond television and the success of events and touring, the power of the internet and the practices of file sharing and the use of YouTube as music promotion tools have all contributed to a new landscape for the Australian music business. One of the chapters in this book explores these issues in detail. As is the case for food and the rise of restaurants and public dining, the origins of music as a part of the experience economy does indeed appear to be guided by the forces of rising

affluence, the technology of communications and transport, and the power of key figures and organisations who shape taste and access.

4 The Components of the Music Experience

In common with other approaches to assessing experience at least five issues must be considered to reach an understanding of why music, like modern eating experiences, fits into the realm of the experience economy rather than simply being a service or product for consumption. The mental, physical and social worlds of the music consumer all help define an experiential encounter as opposed to a service or material object purchase. The elements to be considered include the sensory qualities of music, the emotional power of music, the personal capital needed to appreciate the performances and compositions, the social context in which music is appreciated and the activities and behaviours which have come to be associated with the form of consumption. These elements follow the writing of Schmitt (2003) who uses these five components of experience and the further dimension of the time or duration of an experience to describe in rich detail the better management of customer experiences for business profitability. There are broad generalities which can be made about all of these elements in this introductory chapter and several further details about each of these components are explored in specific chapters where, for example, the role of music in social occasions such as events and festivals is considered.

Clearly music is a sensory experience. This is not simply a matter of hearing a rich array of sounds but is associated with types of music generating strong bodily sensations built on basic rhythms. There are clear physiological responses to the ordered and sometimes loud patterning of the sounds and these processes can be detected in young babies and persist through the lifespan (Eibel-Eidesfeldt 1989). There is also abundant anthropological documentation of the widespread sensory power of music across cultures to shape out of body experiences which are pivotal to rituals and group solidarity (Meares 1973).

Music is not simply linked to the experience economy through its sensory qualities. There is a strong cognitive component to the enjoyment of music, where the term cognitive can be defined as the personal capital or knowledge base to appreciate music, or more often one particular type of music where the individual develops a keen familiarity with the genre. In a recent humorous and successful demonstration of the structure of popular music, the Australian band Axis of Awesome reveal and to some extent mock the structure of popular music with their “Four Chords” song. The humour consists of demonstrating how four chords form the basis of many different popular music items while the lyrics are simply a string of the relevant song titles. The success of the song, as documented by nearly two million YouTube hits, depends on the public understanding and memory of the items being portrayed.

The emotional power of music and the way cultures have used music for a range of purposes forms a further strong case for the inclusion of music as core to understanding the experience economy. The well defined range of music for solemn occasions such as for the funerals and for those who have died in battle is testimony to the emotional pull of key performances. It is also common for music to be used as a part of the emotional appeal which persuades so many to consume, or how to vote and ways in which to play. Lively party music is its own distinct genre while musical styles which define and enhance national, ethnic and local identity are bonding tools for communities. There is a powerful intersection here between the emotional power of a musical piece and the long term understanding and memory for that music; the emotional and cognitive processes work hand in hand to build the experience of many significant musical items.

Two more elements have been identified by Schmitt in his analysis of experience. The first- the social component of the experience -has already been briefly mentioned. Like the dining and the eating experience, music may be enjoyed in isolation and indeed many aficionados do prefer to contemplate and envelop themselves in their own deep and private musical encounters. Nevertheless the celebration of music with others is also apparent, not just in the great festivals and musical performances but also when music is integrated into and forms a core part of other entertainment including movies, ballet, opera and television programs. There is a further and global link between music and the final component of Schmitt's dimensions that of action and behaviour associated with the experience. In the case of music the behavioural component may range from the mildest form of bodily response as in humming, swaying or tapping through to orgiastic and uninhibited singing and dancing (cf. Daniel 1996).

5 The Link to Business

The business consequences of the rich and multi-faceted experiential components of music can be identified in a systematic way. For financial value to be created from the experiences of others the operators in the music businesses have to attract solid numbers of customers, and retain those individuals while periodically recruiting new and further consumers. There is a key relationship between the purchase price of the music and the numbers of people buying that involvement. Mass markets can be profitable if costs are low and hence prices low with the low unit profits compensated by the scale of the purchases. Boutique markets can be a solid financial investment if the price is higher and technology and logistics limit the extra burden of producing smaller numbers of purchased items. Importantly the use of technology, designing extended activities and experiences and the smart use of within company human resources can lower costs and add to the appeal of the accessible product.

Viewed in these ways the business dimensions of music do not immediately appear to be different to those operating in the world of manufacturing where

market size and costs incurred for producing the product are inevitably tied together. The distinguishing issues for the business figures operating in the world of the experience economy lie firstly in the design of the experience which may be viewed as a co-production process.

The essence of co-production is that the music business entrepreneur has to build opportunities and be sensitive to the nuances of the use of the music by the consumer. Music, while important to many, is not essential to life and its role as a discretionary contributor to well-being needs to be marketed and reinforced by those who wish to make money from the artists who produce it. It is valuable here to turn again to the food and dining experience analogy. Jacobsen suggests that the food host “creates the frames in which the eating takes place and the frame creating is an important part of the food experience economy” (2008: 23). The frame and setting for the music appreciation and consumption is equally significant. The celebration and enjoyment of music is augmented by the settings created within Australia for its consumption. These settings and the people who come together in these spaces to share the conviviality of common tastes are remarkably varied. They include such varied settings as the dusty savannah meeting grounds of the indigenous Laura dance festival, the outdoor arenas of the country music festival in Tamworth and the elegant chambers of the Sydney Opera house. Nightclubs and karaoke houses, pub bars and RSL (Returned Serviceman’s League) halls all serve these setting functions for particular kinds of people and for set music styles. Performances at these venues offer regular demonstrations of how the music experience is available to enthusiasts on a regular basis.

The philosopher Foucault is famous for asserting that the eye of power, the controlling presence of those who influence behaviour, becomes internalised in those who are being observed (Foucault 1980: 146–166). Drawing on this observation it is pivotal to the marketing of music that the settings and venues in which people enjoy their music create successful and valued spaces for the exchange of social information and background analysis of the music being heard. The music related businesses which provide this knowledge, create events, build sets, design and fit out performance spaces become integral to the music experience and constitute a building block in our broad consideration of the music – business relationships. This creation of venues by those with money and influence shapes the social representations of where it is fashionable to go and, following Foucault, ultimately influences the desired music for any market segment.

Music promoters are probably the best known business faces in Australian music after the performers themselves. Prominent Australians who have fostered the careers of local Australian artists as well as making money from arranging and coordinating tours by international performers include Harry M. Miller, Michael Chugg, Glenn Wheatley, and the TV presenter and commentator Ian ‘Molly’ Meldrum. These figures and many others through their promotional efforts and the management of artists provide one arm of the two act co-production process. They put in place the opportunities for the fans and music lovers to express their enthusiasm but they do not wholly create the experience. The attention, enthusiasm and exuberance of the music audiences play an equally important role in producing

what John Urry has called a collective gaze (Urry 1990). This defining gaze amounts to the celebration of people being together to appreciate what they are experiencing, since a music event with a disinterested crowd is dysfunctional whereas the audience enveloped in the moment and experiencing a sense of flow, even time distortion, is an effective catalyst to positive experiences.

Increasingly technology can provide entertainment where the participant is passive rather than present at a venue or site. Strong influences on public taste and the promotion of musical interests now derive not just from being in settings or accessing television and radio programs, though the older media forms still remain important, but through internet sources and sharing of music preference and performances. Here different kinds of music connected employment emerge. In the digital and electronic access to music as opposed to the immediate enjoyment by audiences, different kinds of businesses play a role in creating value for music lovers. In these cases it is not just the performers as well as the music entrepreneurs and stage managers who matter, but a range of technical and intermediate personnel who form companies where the music can be accessed or purchased through on line tools and apps.

Taken together the Australia Council, using Australian census data, reports that nearly 300 people work directly in the music publishing business as their main jobs (Australia Council 2012). The contrast here is with those who earn money as musicians. The Australia Council estimates 100,000 musicians are paid for their performances annually with a further 200,000 participating on an unpaid basis. It is less clear however how many musicians survive solely on their music. An analysis of the creative economy in 2011 suggests that there are nearly 100,000 registered creative businesses which focus on arts, music and performance and these businesses are classified as sole traders that are one person registered units (Creative Economy Report Card 2011). These figures hide several kinds of complexity because music teachers, a large area of employment in the music sector, may not have music teaching as their main employment or if they work in the school system they may not record their work as music related but instead self classify as education staff. No claims are being made here that Australia maintains a wealthy set of music performers and associated businesses. It is clear however that partial involvement by many performers in the commercial world is common and that much remains to be studied and analysed in the ways musicians and the business world interact and see one another. An important chapter of this book considers the practices and future directions in Australian music education and offers novel directions for those who see some part of their future livelihood as involved in the teaching of music.

6 Synthesis

At the start of this chapter and in the chapter title it was suggested that there are some contrasting styles and frames of mind when the topics of music and business are analysed. The many colourful and sometimes quite public controversies between musicians and those business managers who structure their careers represent some justification for this view. The introductory chapter to this book suggests however that at least in terms of analysing the two themes some common ground is established when an experience economy perspective is adopted. In this approach the business opportunities for music lie in facilitating and designing consumption settings. It is appreciated that there is a co-production of the music experience and operators need to monitor public reaction to their offerings. One way to do this is to consider repeatedly the nature of the provided music experience in terms of the five orchestrated dimensions of experience reviewed previously. Of particular interest is the constant need for the creation of information and personal capital for the consumers so that their knowledge and appreciation of the music acts as a conduit to the emotional, social and sensory experiences in which they participate.

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Australian Copyright Regimes and Political Economy of Music

Phil Graham

Abstract In this chapter I review the history of copyright in Australia through a singular and exemplary ruling of the Australian High Court made in 2012 and then relate that to the declining fortunes of Australian recorded music professionals. The case in point is Phonographic Performance Company [PPCA] of Australia Limited v Commonwealth of Australia [2012] HCA 8 (hereafter, HCA 8 2012). The case encapsulates the history of copyright law in Australia, with the judicial decision drawing substantive parts of its rationale from the Statute of Anne (8 Anne, c. 19, 1710), as well as copyright acts that regulated the Australian markets prior to 1968. More importantly the High Court decision serves to delineate some important political economic aspects of the recorded music professional in Australia and demonstrates Attali's (1985) assertion that copyright is the mechanism through which composers are, by statute, literally excluded from capitalistic engagement as 'productive labour'.

1 Context

The aim of this chapter is to map the history of copyright law in Australia against the changing political economic fortunes of its recorded music professionals. During the development of the work, the decision on the 1 % royalty cap for Australian commercial radio was handed down by the High Court of Australia (2012). Royalty caps regulate the amount that can be claimed by collection societies for performance royalties on musical works.

The 1 % cap on the broadcast of recorded performances was first legislated as part of the *Australian Copyright Act* (1968), the Commonwealth statute that has

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since governed intellectual property rights in Australia. It limits licensing claims for the broadcast of recorded works to 1 % of a commercial radio licensee's revenue. The basis of capping arrangements (from the perspective of radio) is that the Australian royalty collection societies (APRA, AMCOS, CAL, Screenrights, and PPCA) have historically been seen as monopolies, that broadcasters fall under a compulsory licensing arrangement, and that a cap is therefore necessary to protect the commercial radio industry from extortionate claims against their revenues by publishing and recording companies (Atkinson 2007). The body that coordinated the defense for commercial radio in the High Court case is the peak industry body, Commercial Radio Australia (CRA). Its public position on the cap and role of radio is that they are champions of local musicians, invest billions in airtime to promote artists, and defenders against the profiteering of 'multinational record companies':

As usual Copyright has been an area of challenge and focus for the entire industry with the simulcast case heard in the Federal Court in October 2010 and the 1% cap copyright case that went before the High Court in May 2011. We are currently waiting for judgement to be handed down in both cases, but have argued consistently that both of these issues are about increasing the profit margins of multinational record companies at the expense of local commercial and public radio stations. The commercial radio industry pays close to \$25 million a year in copyright fees and supports Australian artists in many ways to promote and sell their product. This all adds up to billions of dollars in airtime and promotion. (CRA 2012a)

The mainstay of commercial radio revenues in Australia is, of course, advertising (CRA 2012a)). In effect, the business model of commercial radio consists of the production of audiences for sale to advertisers (Smythe 1981: 25). For most commercial radio licensees, the raw material they use to build their audiences is music (APRA 2012). Of course there are a number of other ways in which to view the same business model: from a contemporary marketing theoretical perspective, the radio stations are "selling" a specific segment of the music catalogue (music as service) to a pre-existing 'market demographic' (for example, youth, adult, family, Christian, ethnic, etc.). In this view, the audience pays for the service by listening to advertisements and revenues from advertising subsidises the audience's free 'listening' to their music of choice. However, the marketing view obscures a number of facts: (1) that commercial radio does not sell anything to audiences; rather, it sells audiences to advertisers (Smythe 1981); (2) that in the production of its audiences, music is commercial radio's primary production factor – its raw material; (3) that the music broadcast on radio is chosen by commercial radio to produce the largest and best defined audience for sale to a specific class of advertisers; and (4) that it is quite plausible to argue (as with the explosion of youth culture in the 1950s and 1960s) that contemporary demographic and psychographic categories are, in large part, a function of the way radio and mass media more generally has segmented its "markets"(audiences) over the last five decades.

Commercial radio often presents itself as 'marketing' (selling) to the audiences it actually creates:

The combination of the Group's superior listener driven programming, high profile on-air personalities and dual capital city networks has enabled Austereo to capture a market share of 54.7 per cent of the lucrative under 40 demographic. (Village Roadshow 2001)

(...) radio continues to perform well in a very competitive media marketplace. The uptake of digital as an indicator of future success has also been pleasing with listening figures continuing to grow and consistently more products available for consumers. (CRA 2012a)

In some cases the industry presents itself as a passive medium that simply connects advertisers with existing 'consumer' demographics:

With radio, advertisers have the chance to sell wherever a consumer is listening. This could be in the kitchen, bedroom, bathroom, dining room, over the work bench, in the garden, at the beach or the football, in the car, in a shop, an office or a factory. The medium keeps up with the busy lifestyles of today's consumers. Radio gives advertisers the freedom to be as creative as they like, without the huge production costs and lead times. (CRA 2012c)

Yet I argue that these are fundamental and convenient confusions because the 'market' to which commercial radio sells, and from which it draws almost all of its revenue, is clearly the advertisers it charges for access to the audiences it creates. Advertising the value of radio advertising to advertisers is a core function of Commercial Radio Australia (CRA). When speaking to its actual market, commercial radio displays no confusion about its business whatsoever:

The eighth industry wide on-air Brand Campaign 'Smart Marketers use Radio' was comprised of marketing experts discussing marketing objectives, efficiency and effectiveness. The campaign aired four to five times a day with regular creative updates to maintain a fresh appeal for the listeners.

In the second half of 2010 the campaign went on air with the key message 'Radio Advertising, Australia's Listening' and featured 'That Radio Bloke', with the key message; Commercial Radio reaches over 16 million Australians in an average week. The campaign was on air until November 2010 across all metro commercial radio stations. (CRA 2012a)

By construing audiences as "markets" rather than products, CRA obscures the basis of its members' operations: the Commonwealth grant of an "exclusive use" license to use publicly owned electromagnetic spectrum for commercial purposes. Such licenses are, in essence and effect, a lease of real estate (Graham 2006). They provide commercial radio the use of publicly owned property to generate revenues, are exclusive, and occupy a specific geotechnical space. By casting its audience in the role of "market" (albeit it one that never makes a purchase) radio can convincingly describe itself as providing a public service, promoting artists, supporting the arts, and providing a free information service to listeners (CRA 2012a).

2 Platemakers, Common Good, and the One Percent Cap

An historical view of copyright law in Australia brings us inevitably to the Statute of Anne, a mercantile era law passed in 1710 that was premised on a common good associated with the relationship between publishing and public learning. The High

Court's decision on the 1 % cap was made in the context of the 1968 Act. Here is part of the High Court's response to the challenge:

(...) speaking generally the 1911 Act, like the Statute of Anne, took into account and balanced the interests of authors, entrepreneurs and the public. The public's interest lay in the dissemination of copyright works, including dissemination on reasonable terms. Any detailed consideration of the historical context of the Statute of Anne supports this construction of its intent and its provisions. (HCA 2012)

Anne is unambiguous on the public pedagogical function of copyright law. Its title declares it to be 'An act for the encouragement of learning, by vesting the copies of printed books in the authors or purchasers of such copies (...)' (8 Anne, c 19). It is also clearly anti-monopolistic:

Whereas printers, booksellers, and other persons have of late frequently taken the liberty of printing, reprinting, and publishing, or causing to be printed, reprinted, and published, books and other writings, without the consent of the authors or proprietors of such books and writings, to their very great detriment, and too often to the ruin of them and their families: for preventing therefore such practices for the future, and for the encouragement of learned men to compose and write useful books (...) that [the statute] be enacted. (8 Anne, c 19)

The clear intention of Anne was to assert protections for authors against the market dominance of monopolies that had historically been held in Britain by the printing guilds (Ochoa and Rose 2002). Its rationale was the common good derived from the publication of new works and the public learning associated with that dissemination. An important underpinning assumption of the act is that monopolies stifle innovation (Ochoa and Rose 2002). That the High Court draws on Anne for its historical force is ironic. The bulk of copyrights in Australia (as elsewhere) are owned by an oligopoly of massive corporations. That fact is also noted by the High Court in its decision:

The second to fifth plaintiffs [Sony Music, Warner Music, EMI Music, and Universal Music PG] are the owners or exclusive licensees of copyright in numerous sound recordings, including sound recordings made prior to 1 May 1969. They collectively control (as owners or controllers) the majority of sound recordings which have been commercially released in Australia in the last 70 years. (HCA 2012)

So on one side of the 2012 decision there are massive global oligopolies in recorded music copyrights, and on the other, oligopolies in local, state, and national media properties. Australia is known for its intense level of media ownership concentration. CRA purports to represent 99 % of Australia's commercial radio businesses. Its constituency involves 260 commercial radio licensees but it notes that:

In recent times there has been a consolidation of radio station ownership. Commercial member radio stations are now owned by over 30 operators, with 80 per cent of the stations formed into 12 networks. (CRA 2012b)

The unintended irony of the High Court decision can be understood as good law only if, as Attali (1985: 98) argues, a music recording has been seen historically as a special kind of writing by lawmakers. That appears to be the case in the current

decision which reasserts the validity of separating compositional copyrights from those that subsist in recorded works. The decision refers to the Australian copyright Act of 1911 (which was replaced by the 1968 Act), noting that ‘the 1911 Act granted a copyright to record manufacturers, which was expressly conflated with the copyright of authors and composers of original musical works’ (HCA 2012). Following the Westminster Act of 1956, which ‘distinguished between copyright in works, including musical works, and copyright in subject matter other than works’ and ‘which included separate identification of the nature of copyright in sound recordings’, the 1968 act clearly distinguishes between the rights pertaining to composition and those that pertain to recording (HCA 2012). The net result of this was to give the corporate “person” making the recording a separate but similar status to that of the person who composed the work. The central analogy drawn in the decision in respect of record duplication is the notion of the “plate maker”, a technical concept that has its origins in printed media.

The High Court sidesteps impacts upon composers, performers, and individual (i.e. non-corporate) record producers that may extend from its decision. The underpinning argument associated with the identification of platemakers as authors is one based on capital outlays. It is a hidden syllogism that owes its force to liberal economic constructions. The decision cites the following passage in the 1911 Act:

Copyright shall subsist in records, perforated rolls, and other contrivances by means of which sounds may be mechanically reproduced, in like manner as if such contrivances were musical works, but the term of copyright shall be fifty years from **the making of the original plate** from which the contrivance was directly or indirectly derived, and the person who was the owner of such original plate at the time when such plate was made shall be deemed to be the author of the work. (Imperial Copyright Act, 1911, cited in HCA 2012, my emphasis)

Besides being construed as a kind of mechanical authorship, the plate maker’s right draws its special place in copyright from the common good aspect of Anne. The unspoken economic argument that underpins that part of the decision runs like this: there is significant capital investment involved in the plant and equipment required to make an original recording and its subsequent copies. It is in the common good that these services continue because they contribute to public learning. They cannot continue without statutory copyright protection that allows them to profit from their authorship and protects the property aspect of the ‘plate’. As I show below, privileging the plate maker in current circumstances ignores the dramatically lowered cost of producing and disseminating recorded musical works brought about by the widespread availability of digital production technologies and the fact that every digital recording is now the equivalent of a plate in terms of its potential to generate high fidelity copies.

3 Creative Serfdom and the Compulsory License

A major difference between the 1911 Act and the 1968 Act, and a central object of PPCA's case against the Commonwealth and its co-defendants, is the 1968 introduction of a compulsory broadcast license and an associated fee-based blanket protection against copyright infringement. While the Imperial Act of 1911 included a blanket compulsory recording license for published works, it also provided the right for any copyright controller to refuse public performance of a work, regardless of whether it was recorded or not. This resulted in a need for broadcasters to seek and negotiate individual rights for every recorded work. It was this discretionary power, held by both composers and record manufacturers that broadcasters spent the following decades trying to undo.

APRA was formed in 1926 to provide a blanket licensing system of copyrights to broadcasters and a collection services for composers. However the right still existed for any author (including a record manufacturer) to refuse or withdraw the right to broadcast any work. This right caused havoc for broadcasters in 1931 when Australian record manufacturers withdrew the right to broadcast any music whatsoever because the record companies, at the height of the Great Depression, believed that airplay had killed off record sales (Atkinson 2007, chap. 6). It was during the ensuing copyright wars that the framing of copyright collection societies as voracious monopolies became entrenched in the construction of national and international copyright legislation ever since (Atkinson 2007; cf. Attorney General 2005).

Atkinson (2007: 169) summarises the Government's views on the dispute as follows: "APRA, a virtual monopolist backed by the law, had too much negotiating power. Thus the problem [the Federal Government] tried to solve was how to ameliorate the bargaining position of the commercial users of music". But the case put forward by the record manufacturers was compelling:

Not only did the radio stations seem to satisfy popular demand for music, they also broadcast so often that listeners, so the record companies said, grew sick of hearing the same song and would not purchase records. Although the associated manufacturers ruled the field, they could point, as proof of their argument, to an 80 per cent fall in sales between 1927 and 1931. (Atkinson 2007: 172)

Negotiations between broadcasters and manufacturers followed the airplay ban and the manufacturers settled with the broadcasters on cumbersome terms:

They required the B. Class stations to discontinue request items, announce the maker of there cord and full particulars of the record, state that copyright was reserved, broadcast only records of the associated manufacturers, limit the number of times a record was broadcast, limit broadcasts of records issued prior to the ban to once a week, and pay a broadcast fee. (Atkinson 2007: 176).

Broadcasters also continued to do battle with APRA over its fees and conditions. Atkinson points to the May 26 report on APRA delivered to the Federal government by the Association for the Development of Wireless in Australia (ADWA) (Atkinson 2007, chap. 4). The government's ear was finely tuned to hearing

criticism against APRA because it had especially targeted the publicly funded A-Class licensees and had, variously,

(...) claimed up to 21 percent of the broadcasters' net revenue in license fees, withdrawn consent for the playing of popular works, prevented the broadcast of more than two numbers from an opera in a single radio program, restricted to four the number of times per week that popular items could be played, claimed twice for the same performance and claimed fees for the performance of works out of copyright. (Atkinson 2007: 132).

It is in this context of ongoing industrial warfare against APRA and the record manufacturers that the broadcasters first recommended a legislated broadcast royalty cap: "Australia should advocate, at the 1928 Rome Conference to revise the Berne Convention (...) to permit members to limit the amount of royalty payable by broadcasters" (Atkinson 2007: 134).

The development of the 1968 Act, which continues to govern copyright in Australia today, took decades. According to Atkinson (2007, chap. 11), only at rare and exceptional times during those decades did debate turn towards the effects of the legislation upon composers and other artists. Labor Party figures, Gilbert Duthie and Rex Connor, were notable in their efforts to promote the rights of artists and composers while decrying the new legislation for its almost singular concern with balancing the rights of corporate parties: publishers, broadcasters, record manufacturers, and collection agencies, with some thought being given to the library and education sectors and none to the consuming public (Atkinson 2007: 316–319).

Section 109 of the 1968 Act gives broadcasters a blanket protection against copyright infringement. That protection works in conjunction with section 152 which sets the 1 % limit for commercial broadcasters based on annual revenue or, for the national broadcaster, the ABC, one half of 1 % multiplied by the most recent population statistics as determined by the national bureau of statistics (Australian Copyright Act, 1968, sect 109).

Despite the 2012 High Court decision reaffirming and relying on the 'public learning' motive of copyright, it is clear that the development of this act is essentially corporatist in nature, with the sole emphasis being on balancing the rights of large-scale monopolies in the copyright owning, using, and collecting businesses. The Act goes some way to defining the corporate intent of its effects, referring to the rights of qualified individuals, meaning "certain individuals and 'a body corporate incorporated under a law of the Commonwealth or of a State'" (HCA 2012).

Following the passing of the 1968 Act, the broadcasters' rights included a blanket exemption against copyright infringement in return for a maximum 1 % share of broadcast revenues for recorded music and a publishing royalty payable to APRA of between 0.5 % and 3.76 % of revenues (Attorney General 2005). For composers and performers of music, the Act established the Australian Copyright Tribunal to mediate disputes and stipulated Ministerial discretion in the establishment of collecting societies, including APRA, PPCA, and AMCOS, as monopolies with the sole right of collection for, respectively, publishing royalties, performance

royalties for recorded works, and mechanical royalties. Other organisations that make up the Australian collecting societies landscape include the Australian Recording Industry Association (ARIA), which licenses its members' music videos; Screenrights Australia, which licenses "use and retransmission of TV and radio programs", including underlying musical works; and Copyright Australia Limited (CAL), which licenses reprints of musical scores (Simpson and Munro 2012: 495).

The national monopoly system of remuneration for copying and broadcasting musical works, alongside the associated compulsory license for broadcasters and their blanket exemption against infringement, places individual producers of music in an unusual political economic position, especially at a time in which recording technologies are freely available and the potential to produce infinite numbers of high-fidelity copies is commonplace.

Under the 1968 Act, as soon as a new recording is made in Australia it becomes a limited property right for any and all Australian broadcasters. While the broadcast attracts a royalty, the payment for it is automatically collected by a national system of monopolies whose function it is to redistribute those payments to copyright owners and controllers, neither of which are copyright originators, at least where the bulk of royalty distributions are concerned (HCA 2012). The products of the composer, once rendered mechanically reproducible, become a by-product of Commonwealth legislation: "copyright does not subsist otherwise than by virtue of this Act" (Australian Copyright Act, 1968). That sentence has two functions. First, it vacates the 1911 Act. Second, it reasserts a very old position that has been in contention since the framing of Anne: that there is no such thing as common-law copyright. Ochoa and Rose (2002) report the London booksellers' long running argument against limiting the term of copyright that had the following form:

Labor, they maintained, gave authors a natural right of property in their works, a right that lasted forever just like a right in a parcel of land or a house; and this right passed undiminished to the booksellers when they purchased literary works from authors. The Statute of Anne merely provided supplemental remedies to an underlying common-law right that was perpetual (...) (Ochoa and Rose 2002: 683)

This argument was finally put to the House of Lords after three decades in *Donaldson v Beckett* (1774) and defeated (2002: 683). However, the judgement was close and "the most widely cited report of the case indicates that while seven of the eleven judges believed there was a common-law copyright that survived publication, a bare majority of six believed the common-law right had been divested by the Statute of Anne" (Ochoa and Rose 2002: 683). Nevertheless, since Anne, copyright is routinely assumed at law only to have existed by virtue of Statute and has no recognised common-law basis. The HCA 2012 decision reiterates that position:

It was settled in *Donaldson v Beckett* that copyright in published works depended upon statute, not the common law, and that the Statute of Anne limited the exclusive right of an author or owner of the copyright to multiply copies of an original published work so as to balance that right against the public interest in freedom to have access to, and to exploit,

such works. It can be noted that the American copyright tradition exemplified in *Wheaton v Peters* follows *Donaldson v Beckett*. (HCA 2012, para. 95)

Note that in this reading, the ‘public learning’ motive of copyright is replaced with “freedom to have access to, and to exploit, such works”. This is a clear discursive shift away from a ‘public learning’ view of the public good because the right to exploit is never the public’s, according to the Act; it is the right of copyright controlling businesses. Also, it is worth noting that the ‘public learning’ aspect of copyright can no longer be vested solely in the corporate sector, nor even in the record producing (‘plate-making’) sector: the means of public dissemination at the time of the 1911 Act framing involved mass production and sale of recordings and printed scores. However, with the advent of radio, the task of dissemination was most efficiently done by broadcasters. Today, with globally connected digital media, the test of most efficient means of public learning necessarily falls to that giant media complex.

As far as recompense for labour goes, the composer is in a unique position in political economy (Attali 1985: 98–101). Far from being able to participate in Capital as a worker whose labour is bought in return for wages (“a fair day’s work for a fair day’s pay” as the Unionist’s slogan goes), the composer forgoes wages in return for a share in the value of the usage of their copyrights. This share is not only limited by national legislation, the composer’s work is only recognised as being his or her own by virtue of the same statute through which the composer’s remuneration is determined. In both senses, the composer is a creature whose political economic stature is wholly determined by the state. This extends further for musicians more generally, whether as composers or performers. Regardless of where musicians perform, what they perform, or in which context their work is done, they enter into a complex web of national and international rights dominated by monopolies on all sides.

It is of note that current estimates of musicians’ average annual earnings in Australia range between \$12,000 and \$15,000, well below the national poverty line (cf. APRA 2011; Deloitte Access Economics 2011). No small part of this generally impoverished state can be slated to what can only be described as a kind of serfdom in which the composing musician is entirely beholden to State and Statute for legitimacy of their property rights and for the determination of just remuneration for usage of that property. In no other sector of the economy are returns to an originator of new products capped at a percentage of the turnover of an entire industrial sector that uses the originators’ products as a primary factor of production.

4 The International Context of Australian Copyright Law

To make sense of the way copyright law has been formulated in Australia it is necessary to understand that the country is historically, as Atkinson (2007, chap. 10) notes, a copyright *using* market. Australia's early copyright laws were written by Imperial Britain in order to protect British rights. That tradition continued into the 1968 Act with US and British companies dominating negotiations on the side of the record companies. The status of Australia as a 'net importer' of copyrights, a situation decried by the framers of the 1911 Act, was either neglected or not understood by the framers of the 1968 Act (Atkinson 2007). The 1968 Act can be seen as being made, at least in large measure, on behalf of foreign interests, namely the foreign dominated record companies who, at the time of the Act's framing, were responsible for 80 % of all recorded music broadcast in Australia (Atkinson 2007: 325).

That fact has multiple implications. First, the Act must be understood as having been developed with the interests of foreign copyright owners in mind, at least as far as production is concerned. Second, because of that, the Australian composer is placed at a disadvantage, especially if they find themselves outside the care of major recording and publishing companies. Third, among the international treaties to which Australia is a signatory is the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations (Rome Convention) which first extended copyright to the makers of records and other mechanical forms of reproduction. One of the most heated and ongoing arguments in Australian music is around the notion of Australian content in broadcasts (see, for example, Mason 2005). While there are percentages stipulated by media law for all terrestrial broadcasters, there are ongoing battles between CRA and various music lobby groups with CRA continually pushing to reduce the level of mandated Australian content (CRA 2012a). While CRA puts forward numerous reasons as to why it fights to reduce the quota, including lack of demand and lack of quality, Atkinson argues that it is a simple financial equation: the bulk of our copyright use as a country, at least as far as music goes, comes from the US. The US is not a signatory to the Rome Convention. Therefore it is simply cheaper for CRA members because they save 1 % of the costs charged to play material on air when that material is from the US (Atkinson 2007, chap. 9).

The hostility of CRA stations towards Australian music was briefly broken down in 1970 when the major labels banned supply of free airplay copies to radio. The commercial broadcasters responded by banning play of UK and Australian records made by the major labels. This had the result of giving a new crop of local artists recorded by small labels success through opportunities for airplay that they would otherwise have not had (Milesago 2012). The ban was short-lived and was over by the end of 1970.

5 Political Economy of Music and the “Unproductive” Producer

I define political economy here as the study of how values of all kinds are produced, distributed, exchanged, and consumed (the economic); how power is produced, distributed, exchanged, and exercised (the political); and, empirically, how these aspects of social relations and everyday life are organized and enacted. Political economy of music is therefore concerned with understanding how music figures in political economic formations more generally (cf. Graham and Luke 2011).

Besides Attali (1985), there have been almost no attempts to understand how the music industry operates as a political economic system. This, in part, is due to the historically marginal role music has played as an economic force (Marx 1844/1975), with Marx, for example, suggesting that in *Capital*, musicians typically performed as unproductive workers who did not and could not typically add to *Capital* through wage-based extraction of surplus value (Marx 1844/1975).

That remains the case in current circumstances, which leads to a paradox. Over the last 30 years, cheap digital technologies have facilitated an utter explosion in the number of records produced both in Australia and worldwide (Graham 2005, 2012). Throughout the 1970s and early 1980s, recording facilities were expensive and relatively rare, costing around A\$2,000 per day. The prohibitive cost was merely part of a larger complex of barriers. Throughout the early development of twentieth century broadcast political economy, commercial music threw up technical and price barriers to production, distribution, promotion, and exchange that kept most people from outside the major corporations away from the serious business of producing commercial music. At the end of the 1970s, a number of changes in the legislative, technical, and commercial fields were gathering momentum and began to impact upon the structure of commercial music in Australia. The first of these, and most apparent to professional musicians of the day, was the sudden drop in the cost of production technologies. Here we see the inverse economic logic of the music sector at work (Graham 2005): unlike other fields, production barriers were the first to fall rather than the last.

The first herald of things to come for music production was the cheap supply of multi-track recording (four-track on cassette tape) technologies aimed at consumer and semi-professional users, with Tascam introducing the Portastudio 144 in 1979. At around the same time, in 1982, the MIDI standard was established, which provided the capacity for synthesizers, drum machines, and music sequencers to be synchronised using a common communications protocol, thus paving the way for powerful home studios based on affordable synthesizers, drum machines, and midi-to-tape synchronisation devices.

Combined, these early technological developments facilitated the establishment of a large number of home music production facilities and an increasing number of skilled number of music producers, which in turn radically changed the structures of entry into the recorded music business. Suddenly, rather than having to rely on advances from publishing or record companies, the skilled musician or composer could develop ‘demo’ quality recordings at home.

By 1985 the technological push into production technologies brought the cost of broadcast quality recording to under A\$ 100,000. Developments in MIDI and its interaction with SMPTE, the entrance of Teac/Tascam half-inch 8 track recorders, Fostex's B series 16 track recorders, and the appearance of devices which could be used as cheap, high quality two track master recorders such as Hi Fi VHS decks combined to give logarithmic improvements to the quality of 'home' recording.

In 1987, sales of vinyl records were superseded by cassette tape sales of recorded music. For the first time since the earliest days of recording technologies, the dominant medium of dissemination was recordable in the home. It had taken recorded cassette tape sales 24 years to reach their brief zenith, along with a familiar and related set of 'piracy' concerns emanating from the majors that resulted in a copying levy being applied to the retail price of recordable cassettes. Audio quality would have one more brief triumph in the marketplace with the sudden rise of compact discs (CDs) as the most popular medium in about 1990. Around the same time, sampling technologies also dramatically dropped in price. Digital sampling opened the entire recorded catalogue to 'remix', sparking new definitions of copyright and revealing many issues in the ownership and authorship of past recorded works that had gone largely unconsidered by legislation (O'Brien and Fitzgerald 2006).

Alongside these changes in the technical landscape, the developed world led a charge into free-market ideology, beginning in 1979 with Thatcher and followed closely by Reagan in 1981. In Australia this move had its fullest effects for commercial music with the *Australian Broadcasting Act* of 1992. Like other former British colonies such as Canada, Australia had in place until 1992 a cultural protection system that specified the re-recording of foreign-produced advertisement soundtracks to replace soundtracks with locally performed music and voiceovers. These and other laws changed in favour of free trade and anti-protectionist policy, greatly affecting the structure of the Australian music industry. Simultaneously, the 'gentrification' of inner cities and the rise of public insurance costs led to fire and noise regulations that had the effect of closing innumerable music venues (Johnson and Homan 2003).

Combined with legislation allowing poker machines into hotels and clubs throughout the country, these large and small policy movements had the effect of making an already difficult existence practically unlivable, and many formerly full-time musicians had to find alternative employment (Johnson and Homan 2003). Overall, the effects on music industry and business in Australian capital cities were devastating. Just as the means to produce broadcast quality music came within reach of almost every professional musician, large parts of the profession disappeared (ABS 1997, 2009, 2011; Johnson and Homan 2003). The decline of broadcast political economy can be characterised as one of a diminishing full-time workforce, reduced budgets for soundtracks in film and television, increased use of 'stock' library music in advertising, increasing competition and price pressure from new entrants using cheaper technologies, closure of venues, and the consequent general implausibility of professional musicianship in the prior patterns of broadcast political economy.

Here are some key statistics according to the Australian Bureau of Statistics (ABS) that demonstrate a simultaneous decline in employment in the Australian recorded music industries and a rise in productive activities since 1995:

In 2001, over 17,000 people in Australia had a music occupation as their main job. Of these, almost half (48%) were music teachers, 38% were instrumental musicians ($n = 6,460$ PG) and 8% were singers ($n = 1,360$ PG). Over three-fifths (62%) of these people had an annual income of less than \$30,000 a year. (Australian Bureau of Statistics 2007)

In 2006, the national census lists 29 musicians and 11 composers being employed full time in the recorded music industry (ABS 2010). In 1995, there were:

(...) about 500 organisations in Australia involved mainly in recorded music in 1995–96, with 54% ($n = 270$ PG) being sound recording studios, 28% record companies and distributors, and 13% being music publishers. These organisations employed almost 4,000 people and generated income of around \$1,000 million. (ABS 2007)

By 2006, according to the latest available figures from ABS, there were 855 recording studios, 561 of which were non-employing and 294 that employed people:

Music royalties paid by Australians to individuals and organisations in overseas countries totalled over \$200 million in 2005–06—by comparison, music royalties paid to Australians from overseas countries were only about a quarter of this amount. (ABS 2007)

These figures indicate an almost threefold increase in the number of commercially active production facilities (recording studios) alongside a similarly large drop in the value of national output and an almost total decimation of full time employment in recorded music. This is not, of course, solely the function of copyright law. On the live music front, fire, poker machine, noise, anti-smoking, and drink driving regulations have all played a part in the decline of opportunities for musicians (Johnson and Homan 2003). The Australian Broadcasting Services Act put great pressure on the Australian commercial music business with the almost instant effect of put great pressure on Australian commercial music with the almost instant effect of reducing demand for recorded music in advertising and other commercial activities that were formerly associated with cultural imports. The proliferation of new and cheap recording technologies not only drove down the value of recorded music, it required musicians to take on a whole new range of skills.

6 The 2012 Decision and Some Conclusions

PPCA challenged the 1 % cap on the grounds that it was unconstitutional. It claimed that the 1968 Act exceeded the grasp of the Australian Constitution by acquiring new property rights without “just terms” (HCA 2012). However, just terms were never addressed in the decision because of that part of the 1968 Act which extinguished the Imperial Act of 1911: “copyright does not subsist otherwise than

by virtue of this Act". Having decided that all copyrights prior to 1968 had been extinguished, the question of just terms never arose (HCA 2012).

The High Court followed the key assumptions of Anne to the letter, just as the 1968 Act did and the 1911 Act before it. The irony of doing so eluded the Court which reasserted Anne as the basis of copyright in Australia 300 years after the legislation had been passed, along with the idea that originators of new copyright have no common law right to the fruits of their own labour. The Statute of Anne was drafted to protect authors from the power of the printing and publishing monopolies that had developed over centuries in Britain. That aim was lost in the final drafting of the 1968 Act. The rationale for copyright in Anne was the common good of public learning that was assumed to flow from the availability of new books and for authors to draw revenues from publishing. For music, the introduction of the recorded medium put distributive power in the hands of the record manufacturer. Radio quickly supplanted the record manufacturer as the most efficient distributor of new musical content, thus shifting the emphasis on 'public learning' away from record manufacturers and towards the broadcaster. The legislative upshot is that broadcasters were seen to require protection as the assumed custodians of public dissemination. In Australia, as elsewhere in the developed world, both recorded music and broadcast media became the subject of vast monopolies during the course of the mid twentieth – early twenty-first centuries, with concentrations of ownership increasing yearly.

Paradoxically, despite adverse legislative conditions for recorded music professionals almost everywhere, production of music has increased exponentially, with an estimated 97 million songs listed in the Gracenote data base by 2011 (Resnikoff 2011). Public access to these has also increased logarithmically through the proliferation of internet technologies and social media. These two facts not only challenge the idea that copyright is necessary to promote the production and dissemination of new ideas and sources of cultural expression; combined with rapidly declining incomes, they entirely challenge the notion that copyright has the effect of protecting composers against the might of industrial monopolies (see also, Atkinson 2007, chap. 1). In other words, the aims of the Statute of Anne, which is an enduring basis of contemporary Australian copyright law, are no longer met in current conditions. Instead, the livelihood of composers seems steadily to be disappearing, at least according to official statistics, while monopoly is supported by copyright at every level.

All of these points to a radical rethink of how copyrights can be framed to support Australian composers and Australian cultural production more generally. Given the continuing power of broadcast media and the mass proliferation of new works, national collecting societies are utterly essential to the future of composition in Australia. Whether or not the question of 'just terms' where the various Australian royalty caps are concerned will be addressed any time soon remains to be seen. Though a more important question is likely to be how such revenues are distributed in the support of local music composition and production.

The question of a common law right to own and exploit one's own creations may yet again be addressed, but perhaps next time it will not be publishers leading the

charge. The legislative recognition of a common law copyright would fundamentally change the nature of composers' negotiations with broadcasters, ISPs, publishers, recording companies, and film makers, especially where remuneration and copyright periods are concerned. The idea that anything other than a blanket license could function in mass societies is nearly impossible to justify or even imagine. However the terms on which such licenses are given are quite possibly open to a challenge on the basis of restraint of trade, just terms, and price-fixing issues.

The future of Australian recorded music professionals is unclear and there seems no clear or easy path to creating a legislative environment in which that class of professionals can thrive in any great numbers. Of course, legislation is by no means the only answer to the problems faced by Australian music producers. Education, properly organised publicity, and a widespread refusal to work for nothing would be a healthy start on the part of music professionals.

The various paradoxes and ironies of the HCA 2012 decision that I have highlighted here suggest that the current Australian copyright regime has a very limited life. Australian music producers are protected to the extent that they are a) part of one or more of the monopolies involved in the history of Australian copyright; and b) close enough to the centre of the recording industries that they can acquire a steady flow of paid work. This is not to suggest throwing the baby out with the bathwater. It is, however, essential for the cultural and economic health of the nation to increase the ability to Australian musicians to earn a living, and to the extent that copyright legislation is responsible, it must inevitably be changed.

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New Music Production Modes and Indigenous Music in North Queensland and the Torres Strait

David Salisbury

Abstract This chapter explores the evolution of Indigenous music and musicians in North Queensland and the Torres Strait. In the current climate the production modes have changed dramatically from an industry based and controlled production system to a more independent and Internet based distribution and economy. Drawing on Dunbar-Hall and Gibson's 2004 study as well as researchers including Hayward (*Tide lines: Music, tourism & cultural transition in the Whitsunday islands (and adjacent coast)*. Lismore: Southern Cross University, 2001); Neuenfeldt (*The World Of Music*, 49, 7–21, 2007), and Castles (Tjungaringanyi: Aboriginal rock (1971–91). In P. Hayward (Ed.), *Sound alliances: Indigenous peoples, cultural politics, and popular music in the Pacific* (pp. 11–25). New York/London: Cassell, 1998), a brief overview of Indigenous music and musicians is presented, along with an examination of current practices. Case studies of Indigenous artists, such as David Hudson and Seaman Dan, are used as a means of highlighting current practices.

1 Introduction

This chapter starts by defining new music production modes and how Indigenous music and musicians in North Queensland and the Torres Strait are using these new production modes. This is followed by an overview of past Indigenous music and musicians to show how these artists were influenced and were also influencing the contemporary music industry. An examination of current practices of Indigenous musicians is outlined as an opportunity to delve into the transition from previous to

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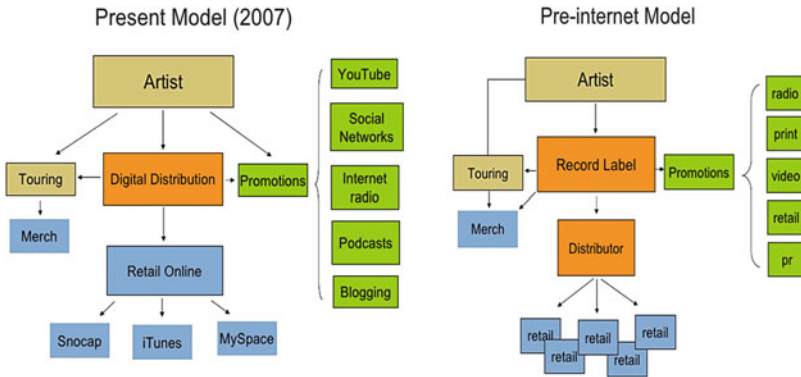


Fig. 1 The music industry business model. These figures reflect the shift away from the ‘traditional’ business model where sales and marketing strategies were driven by record labels, to today’s digital environment where artists have a variety of channels for self-promotion (Source: Cudahy (2007))

current modes of production. Four case studies are then presented as a means of discussing current practices and how Indigenous music and musicians of North Queensland and the Torres Strait are adapting to new modes of production.

Initially it is important to define “New Music Production Modes” and their relevance to Indigenous music in North Queensland and the Torres Strait. Figure 1 is a graphic model, as described by Huntington Cudahy, of the pre-Internet model and the current model. It reflects the shift away from the ‘traditional’ business model where sales and marketing strategies were driven by record labels, to today’s digital environment where artists have a variety of channels for self-promotion (Cudahy 2007).

Although there are some similarities between these two models the obvious divergence begins with the distribution and promotional cycles where, in the past, the primary distribution outlets were retail stores and the main promotional outlets were radio, print, video etc. In the current model, online distribution plays a bigger role with social networks and other Internet based marketing strategies taking prominence. As pointed out by a Joint Research Centre Scientific and Technical Report:

Myspace’s initiative to enable a pay-per-download system through which unsigned bands registered on its site can sell MP3’s directly to users, lowers the costs of reaching an audience, creates new channels for interaction between content creators and consumers, threatening the position of large music publishers. (Mateos-Garcia et al. 2008: 29)

Mateos-Garcia et al. go on to describe the context in which musicians currently negotiate by confirming the openness of technological platforms for music reproduction and the competitive nature of that part of the industry. They confirm the traditional two-tier market of major and independent publishers that have dominated the sector in the past and the “highly digitisable nature of music content goods, and their relatively small storage requirements (compared to for example, video content) which make the reproduction and distribution through ICT networks

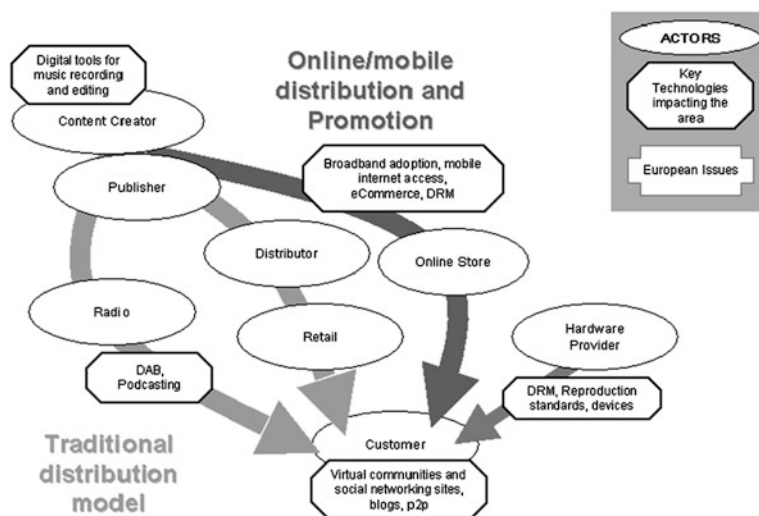


Fig. 2 Actors and key technological areas in the music sub-sector (Source: Mateos-Garcia et al. (2008: 26))

extremely easy” (Mateos-Garcia et al. 2008: 86). Figure 2 demonstrates their model of the music sub-sector:

Finally Mateos-Garcia et al. confirm the advances in technology which allow creative content artists the ability to produce high quality content with cheap accessible technology:

The growing availability of computer-based recording and editing technologies such as GarageBand or Ableton Live has decreased the costs of producing high quality recordings, and thus lowered barriers to entry in the market by smaller players (Mateos-Garcia et al. 2008: 28).

The availability of music software and technology has created an underground industry where musicians and their fans freely exchange musical content as a way of keeping in touch, bonding, sharing likes and dislikes and disseminating their creativity outside of ‘traditional’ means.

It is important to note the power of social media, including Facebook, Twitter and MySpace to the contemporary music industry. As an example, Lady Gaga reached a milestone of 25 million followers on “Twitter”, already having 50 million on Facebook. This makes Lady Gaga third place, with Eminem and Rihanna first and second with 56 million and 55 million, respectively. As Kaya et al. point out “word of mouth, or simple information spread about an innovation amongst individuals, is crucial for the spread of music” (Kaya et al. 2010: 3). The viral or contagion aspect of social media, and sites such as YouTube are testament to the power of the online community. One good example is Justin Bieber’s success with YouTube videos posted by his mother such as “Cry Me a River” (performed in his

living room when he was around the age of 13). This particular video received over six million viewings, and it has been accredited to his current fame and popularity.

Some of the trends in the new music industry include:

- Peer-to-peer (P2P) downloading pioneered by Napster (operating between June 1999 and July 2000)
- A-la-carte (Download Store) which allows users to buy individual songs instead of whole albums
- Subscription service which offers consumers unlimited downloads for a monthly fee
- Advertisement-based services that offer music free of charge due to advertising revenue (Wikipedia, 2012, Digital Business Models).

For a comprehensive discussion of these trends see Philipp Peltz's chapter in this book.

Linking these trends with Indigenous music and musicians in North Queensland and the Torres Strait, Dunbar-Hall and Gibson describe the release of the album "Proud to be Aborigine" by the Tjapuai Dancers (1994) as significant for two reasons; Firstly, this was due to the need to revitalise the Djabugay language (sections of the album were sung in language) and secondly, due to the album's position in a post-bicentenary period as declaration that "Indigenous cultures would not accept a back seat when it came to avowing their place in the Australian social and political landscape" (Dunbar-Hall and Gibson 2004).

The mode of production here is representative of the beginnings of current practices, that is, a self produced album distributed outside of the traditional retail outlets, mostly through sales at the Tjapuai Dancers' tourist site in Kuranda, North Queensland, and currently distributed through several digital download sites such as iTunes. Although there have been many benefits from the 'digital revolution', there have also been some drawbacks, with issues of copyright theft and appropriation. One example of the pitfalls of the 'digital revolution' is demonstrated in the following case study:

In 1992 the album *Deep Forest* [by the band of the same name] was released. The album fused digital samples of Indigenous music from Ghana, the Solomon Islands and African Pygmies with techno-dance rhythms. . . music was appropriated without consent or attribution, and potential claims to copyright were ignored (Janke 1997: 47–48).

In summary, 'new modes' of production focus heavily on Internet based marketing through personal and professional websites, social networks and links to digital outlets or online music distributors (OMDs). These routes mean that independent artists have a wider range of promotional outlets and can bypass 'traditional modes' of production.

In order to make a definitive connection between Indigenous music and musicians and the 'digital' context, a brief overview of past practices and how Indigenous musicians have embraced contemporary music as a creative outlet will be discussed.

2 Overview of Past Indigenous Music and Musicians

Dunbar-Hall and Gibson (2004) point out that anthropologists and musicologists such as AP Elkin and Alice Moyle undertook many of the earliest recordings of Aboriginal performance in the mid twentieth century and after the Second World War. Dunbar-Hall and Gibson state that Elkin and Moyle were primarily concerned with “traditional” music and most likely did not take into consideration any contemporary music form from the various groups they recorded. They acknowledge that as early as the 1890s “the bush ballad developed in Australia” and that Aboriginal communities around Australia would have absorbed musical concepts and instrumentation “such as banjos, fiddles, tin whistles, accordions, spoons and harmonica” (Dunbar-Hall and Gibson 2004: 38).

So, as early as the turn of the last century, Aboriginal performers were appropriating contemporary musical forms to make their own connections with people, identity and place. It is this connection with contemporary music that makes it a tradition, in this case more than a century old. Dunbar-Hall and Gibson (2004) pose the question of what is ‘contemporary’ Aboriginal music? They make the point that:

Despite choices of musical style and technological mediation, which for some listeners might constitute criteria for differentiation between ‘traditional’ and ‘contemporary’ music, there are consistencies in the themes and aesthetic stances of Aboriginal music across this binary. (Dunbar-Hall and Gibson 2004: 16)

Here Dunbar-Hall & Gibson are establishing that the concerns of people, identity and place for Aboriginal culture remain the same regardless of the style of music or the type of technology involved. They point to the debate of what is ‘traditional’ music as there is a long history of contemporary music, in particular Country & Western music, being incorporated into Aboriginal music and culture.

The distinctions between ‘traditional’ and ‘contemporary’ remain unclear when looked at in the context of the tourism industry:

(...) music and dance are considered parts of the same expression, such as when Aboriginal performers working in the tourism industry mobilise contemporary themes within what otherwise appears to be ‘traditional’ music and dance. (Dunbar-Hall and Gibson 2004: 17)

People, identity and place are central concerns in Aboriginal communities throughout Australia and the Torres Strait. They are concerned with where they were born, to what group they belong and with the places that have meaning in their cosmology:

singing about these places affirms their existence and the connections between them and their owners. (Dunbar-Hall and Gibson 2004: 70)

Dunbar-Hall and Gibson also note that the adoption of Country and Western or “imported music” from the United States has relevance to Aboriginal audiences:

Aboriginal minstrels changed lyrics to refer to local places, rivers and people, making this imported music relevant to local audiences and their experiences, yet still somewhat contradictorily reinforcing colonial relations. (Dunbar-Hall and Gibson 2004: 40)

In a previous article (Salisbury 2009) I examined songs produced by Torres Strait workers employed as fettlers on the railways of North Queensland and recorded on an album titled ‘Eastern Torres Strait Islander Railway Songs’. The Torres Strait community of Townsville produced this project as an “important initiative in the continuing process of educating and maintaining the language of the Eastern Torres Strait Islands (Meriam Mir)” (E. Tapim, personal communication, 12 November 2007). The focal point of this study was on how these songs are a reflection of the people’s identity as a community in Diaspora and as Eastern Torres Strait Islanders. This is exemplified by the practice of writing songs, such as ‘266 Miles’, which center on specific geographical, place and location markers as a reflection of their lives working far from their home in the Torres Strait. In that study the case was made for the connection of rhythmic patterns and lyric phrasing used in traditional music of the Torres Strait and also present in the songs written while working on the railway lines of Western Queensland (Salisbury 2009).

3 Aboriginal Country Music

In the film documentary “Buried Country” (2000), one of the first scenes features Jimmy Little singing a country song in a movie. The narrator states that Aboriginal musicians have been telling their stories through Country and Western music for nearly a century, only most of the time most of white Australia wasn’t listening (Walker and Nehl 2000). In their monograph “Deadly sounds, deadly places: Contemporary Aboriginal music in Australia”, Dunbar-Hall and Gibson state that:

Study of the extent and uses of country music style by Aboriginal musicians, however, reveals a wide-ranging musical aesthetic, particularly in various representations of Aboriginality and the expression of opinion on issues relevant to Aboriginal listeners and pertinent to understanding current Aboriginal strategies for recognition. (Dunbar-Hall and Gibson 2004: 103)

Both of these sources establish a connection between Aboriginality and country music as a traditional music in a contemporary setting. John Castles emphasizes the relationship of Country and Western music in Aboriginal culture stating:

In the cities and big country towns a tradition of family-orientated C & W outfits stretches back to Harry and Wilga Williams and the Country Outcasts, who began playing around Fitzroy in Melbourne in the 1960s. (Castles 1998: 14)

He further points out that:

(. . .) the prevailing sound, even in the song sung in Aboriginal languages, is Gospel-tinged C & W. Often the ‘lost lover’ strand of C & W is adapted and made to speak of a stretch of country instead of a person. (Castles 1998: 14)

The quotes from Castles demonstrate a 30–40 year history, usage and adaptation of Country and Western music by Aboriginal performers to identify with location and geography. When a survey was conducted in 1990 it was revealed that out of a

total of 913 recordings by Aboriginal artists, 310 of these recordings were country or country influenced songs (Dunbar-Hall 1994). Of the many reasons for the popularity of country music in Aboriginal communities the following quote by Richard Wally, Jo Geia and Ernie Dingo sums it up well:

Koori men, they said, feel closer to cowboys than they do to city people. Yet tragedy is inherent in this music, for it is rooted in hardship and racial conflict (...) country-style music nevertheless is what they can best identify with, in all its levels of meaning and expressiveness. (Kartomi 1988: 21)

In reviewing this section, connections have been made with Aboriginal music and musicians and the contemporary music style, Country and Western. This has been taking place since at least the turn of the last century and at this point constitutes a blurring between the lines of 'traditional' and 'contemporary' music, as for many Aboriginal communities, contemporary music is as much a medium of cultural transmission as what would have been designated 'traditional' music in the past. This connection with contemporary music styles directly relates to 'modes' of production as the music industry is rapidly changing due to digital and Internet based commerce and distribution. A look at trends in contemporary music, particularly in North Queensland and the Torres Strait, will help identify some of the current practices.

4 North Queensland and Torres Strait Contemporary Music

In the 'the world of music' journal publication of 2007, Karl Neuenfeldt gives an excellent overview of music in the Torres Strait, starting with the 1898 Haddon expedition during which a wax cylinder phonogram recorder was employed for audio recording purposes. In the late 1950s Jeremy Beckett recorded both 'traditional' and 'modern' styles of music in the Torres Strait. In the 1960s Laade and Lawrie produced some commercial recordings that had a limited circulation (Neuenfeldt 2007).

Neuenfeldt points to the active support of radio station 4 MW on Thursday Island as a chief outlet for Torres Strait music through both recording and broadcasting. He identifies several past Torres Strait artists as notable in bringing Torres Strait music to the general public including the Mills Sisters, Cessa Nakata and Ina Titasey (1950s) as well as more current artists such as Christine Anu.

Neuenfeldt has a more direct involvement with Torres Strait music through his involvement with Henry (Seaman) Dan, for whom he has produced several albums for commercial distribution (Neuenfeldt 2007). More important to this chapter are his observations concerning technological developments in the recording of Torres Strait music:

Since 2000, community CDs have been produced in the Torres Strait region, including secular and sacred recording (...) Overall, they were mostly recorded on-location using

basic digital multi-track equipment and then mixed in a fully equipped studio on the mainland. (Neuenfeldt 2007: 11)

In this description Neuenfeldt also points to the difficulties in recording music in the Torres Strait and the lack of quality technology to complete a commercial product that makes it necessary to go to the ‘mainland’ for post-production work.

Eddie Koiki Mabo (2005) makes the observation that there was an explosion of contemporary music in the Torres Strait during the 1950s. He believes that the impact of the singing of hymns ‘sung in language accompanied by traditional island drums’, was one attributing factor for the take up of contemporary music by Torres Strait Islanders. He states:

Torres Strait Island music developed in the 1950s when different types of songs were composed by men like the late Solkos Tabo, Weser, Whaleboat, Sonny Kiddy, and George Passim. These songs were similar to African-American songs and eventually replaced European music in the dance halls at Thursday Island. (Mabo 2005: 49)

Mabo establishes a continued connection of Torres Strait music output to contemporary music styles and songs. In their study of Aboriginal music in North Queensland Dunbar-Hall and Gibson list some of the rock bands and musicians and dancers of the Cairns area or the Djabugay region, such as Tjapukai Dancers, Gudju Gudju, Mantaka Band, Lance Riley and David Hudson, as contributing to the revival of Djabugay tradition and culture (Dunbar-Hall and Gibson 2004: 157).

Hayward (2001: 30) describes the beginnings of cultural tourism in the Torres Strait with an account of Islander performances in 1930 that were given to visitors cruising on a boat owned by charter boat captain Bruce Jamieson. “The Islanders performed a variety of songs in circulation in the Torres Strait”. The Pitt sisters who performed under the title “The Harmony Sisters” were regularly on the radio in the 1930s and early 1940s and performed a song T.I (Thursday Island) that was recently re-recorded by Seaman Dan in 2000 (Hayward 2001). This establishes that Aboriginal performers of both traditional and contemporary music have been a part of the musical scene in North Queensland for over 70 years. I personally have had the pleasure of seeing the Warumpi Band, and Yothu Yindi perform live and have attended The Deadly awards, an annual celebration of Australian Aboriginal and Torres Strait Islander achievement in music, sport, entertainment and community. The vitality and creativity of these groups and musicians is a testament to the ongoing strength and importance of contemporary music in Aboriginal life.

5 Current Practices of Indigenous Music and Musicians

Dunbar-Hall and Gibson (2004) also delve into the area of media globalisation and introduce the concept of “transnational spaces” and “international mediascapes” where Aboriginal Australians interact and contribute creatively with artists from around the world. One of the outcomes of this interaction is the identification of Aboriginal artists with African American culture:

Aboriginal people around the country have appropriated elements of foreign cultural expressions, and in particular those of black American culture including sports (basketball), music (hip-hop, R&B) and fashion (baseball caps, sports clothing brands). (Dunbar-Hall and Gibson 2004: 120)

Young Aboriginal artists have related to hip-hop with the adoption of ‘breakdancing’, ‘tagging’, ‘breakbeats’, ‘beat-boxing’ and the ideology of ‘solidarity and loyalty’ (Dunbar-Hall and Gibson 2004). Dunbar-Hall and Gibson are making the case that Aboriginal artists have already tapped into the globalisation and transnational trends of today’s new modes of production, as these activities are representative of the independent, do-it-yourself culture of modern music production.

This represents the real divergence from a more ‘traditional’ form of musical expression and dissemination to the current model. The thrust of this chapter is that in the past there was a more hierarchical system with artists looking to the record industry as a means of disseminating their music. In the current model many artists are bypassing record companies in favour of online distribution, giving them more control over their music. Katelyn Barney’s (2007) study of four Indigenous female recording artists discusses how the artists have “all used the Internet as a tool to have their recorded music heard by including MP3s on their websites and other websites” (Barney 2007: 113).

To summarise, this section has shown that Indigenous musicians are using new modes of production to get their music out to a wider audience. The following section uses case studies to compare how four artists have navigated the use of past and present modes of music production.

6 Case Studies of Indigenous Music and Musicians

The four case studies presented in this section of the chapter include Ronald ‘Tonky’ Logan, Henry Gibson (Seaman) Dan, David Hudson and Christine Anu, all from North Queensland and the Torres Strait.

6.1 *Ronald ‘Tonky’ Logan*

Ronald ‘Tonky’ Logan (1952–2008) was born in Hughenden but grew up on the Woorabinda mission outside of Rockhampton. His language group in the Hughenden region is Jirandali with alternate names of Yerrundulli, Yerrunthully, Irendely, Dalebura, Dal-leyburra, and Pooroga. His uncle showed him a few chords on the guitar and that was the beginning of his musical adventure. Tonky earned ‘The Golden Swaggie Award’ in 2000 for Best Aboriginal Performance. He has performed on stage with such notables as Jimmy Little, Roger Knox, Troy Casser Daley, Gus Williams and Col Hardy (Salisbury 2006).

6.2 *Henry Gibson Dan, Also Known as ‘Seaman’ Dan*

Seaman Dan was born on Thursday Island 24 August 1929. His heritage includes ancestors from Jamaica, Niue and New Caledonia. He grew up on Thursday Island until 1938 then spent almost a decade on Cape York and in the Cairns' area. He returned to the Torres Strait in the late 1940s, working in maritime industries on trochus and pearling luggers along Queensland's east coast. In the early 1950s he relocated to Darwin and Broome and continued to work in maritime industries in the Gulf of Carpentaria and the Arafura and Timor Seas before returning to the Torres Strait in the late 1950s. There he worked both as a deep-water diver and boat skipper and when he left the maritime industries in the late 1960s he also worked as a mineral prospector in Queensland and Papua New Guinea (PNG) and for a time even drove a taxi on Thursday Island.

It was not until he was retired that he got his chance to record. When he was 70 years old, he met music researcher/producer Karl Neuenfeldt and producer/audio engineer Nigel Pegrum. With them he recorded his first CD in 1999 and to date has released six CDs of mostly original music that is a blend of blues, hula, slow jazz and traditional Torres Strait Islander songs. His musical skills have been recognised nationally, including winning two ARIA Awards for World Music, a Jimmy Little Lifetime Achievement Award, the National Film and Sound Archive's Folk Recording of the Year and the Australia Council's Red Ochre Award.

6.3 *David Hudson*

The warm tropical atmosphere of Cairns, North Queensland is home to David Hudson, who was born in 1962. Early in his life Hudson felt compelled to learn the lore of his people. He spent many years playing the didgeridoo and learning dances from his elders. He completed his formal education, which was capped by an associate diploma of recreation from Nedlands College of Advanced Education, Perth.

Hudson was enticed back to Cairns to participate in a major North Queensland theatrical production. His part in the production ultimately led to the formation of the Tjapukai dance theatre; of which he was choreographer and co-producer. This was born in 1987 and so began 5 years of hard work and dedication to develop what is recognized today as a major tourist attraction, not only for Cairns and the region but also for Australia. His achievements have been extensive and include tours of Europe, Asia and U.S.A. (Retrieved from <http://www.davidhudson.com.au/html/about-david.html>, accessed June 2012)

6.4 Christine Anu

Born in 1970 in Cairns, Queensland, Australia, Anu is the daughter of Torres Strait Islanders. Anu lived on the islands for part of her childhood, and her father taught her the island songs that continue to influence her work. Anu draws deeply on her Aboriginal roots to inspire her music, seamlessly incorporating traditional Indigenous rhythms with modern dance beats, reflecting her own experience as a Torres Strait Islander in twenty-first century Australia.

As early as 1993, though, Anu had turned to singing. She spent some time as a backup singer for the band Rainmakers, and her first recorded release was a collaboration with prominent Australian songwriter Paul Kelly on a dance mix titled “Last Train.” Anu professed a deep respect for Kelly, telling Kathy McCabe of the *Sunday Telegraph*, “I’m in reverence just being in the presence of this man, knowing so many songs that have touched my heart have come from him.” Anu would collaborate with Kelly again on both of her full-length albums.

Anu signed with the Mushroom label and had her first real hit with her version of “My Island Home,” a song borrowed from the Warumpi Band, an Aboriginal group. The song appeared on Anu’s 1995 debut album, *Stylin’ Up*. Anu worked with Kelly on many of the songs, and she also collaborated with David Bridie of the band Not Drowning Waving (Anu, C. (2012). Christine Anu. Retrieved from <http://christineanu.com.au/>, access June 2012).

7 A Comparison of Case Studies

‘Tonky Logan and Seaman Dan are two artists that represent the old production modes in that they both recorded albums and performed live at festivals and other venues. They had little or no involvement with the Internet or online distribution of their music. They are both primarily acoustic musicians and rooted in their respective traditions. ‘Tonky’s’ tradition is Country and Western music and Seaman Dan’s is Island music, which is an eclectic combination of traditional and popular music forms.

‘Tonky’ had a loyal local following in the Townsville region due to his radio show on 4K1G, a community radio station in Townsville producing ‘Tonky’s Country Country’ music show for listeners throughout North Queensland and the Torres Strait Islands (R. Logan, personal communication, 26 May 2006).

Ronald ‘Tonky’ Logan established himself as a contributor to the Aboriginal tradition of Country and Western music in North Queensland both as a performer and advocate. His radio show had a broad listening audience and he was able to promote Aboriginal country music within the North Queensland region. He is part of a 50 year history of Aboriginal Country and Western musicians who have established Country and Western music as a traditional music of Aboriginal culture

and identity and had a lifelong connection to North Queensland Aboriginal history and land.

Seaman Dan has achieved a higher degree of success due to the efforts of Karl Neuenfeldt who has managed him for the last several years and produced his recordings as well. Semi-retired at 83 years old, he continues to perform weekly in the Torres Strait and also does occasional concerts and community events. His most recent CD is 'Sunnyside' (2012), a collection of his favourite Nat King Cole songs (K. Neuenfeldt, personal communication, 31 June 2012).

Although Seaman Dan has received a great deal of exposure and accolades it has been for the most part achieved through more 'traditional' production modes i.e. CD releases, touring and performances, especially at festivals. There is a Seaman Dan appreciation group on Facebook (<http://www.facebook.com/SeamanDan>).

David Hudson does take advantage of the Internet and new 'production modes'. His website is comprehensive, easy to navigate and shows his personality (<http://www.davidhudson.com.au/index.html>). His site gives the user the opportunity to buy CDs, Didgeridoos, Artworks and to contact management for touring, workshops and motivational talks. David Hudson's music can be found through online music distributors (OMDs) such as iTunes (26 albums), Amazon MP3 (5 albums) and CD Universe (49 albums).

He has done many solo performances over the years and has no trouble captivating an audience with a one-man show. Acting, music and painting have become Hudson's life. He has recorded 26 of his own albums and participated on many other albums and recordings for other artists and film scores, and is renowned as an accomplished musician (Hudson 2012).

Christine Anu definitely accesses and uses 'new modes of production' with a very professional website and CD albums on iTunes (six albums), Amazon MP3 (three albums), CD Universe (eight albums) as well as an online presence through online resources such as the All Music Guide (<http://www.allmusic.com>) and Mushroom Records (<http://www.mushroom.com.au>).

Anu is not indicative of the independent self-produced artist due to record label support. She has a Twitter Page and has appeared in films, stage productions and at the Sydney Olympics in 2000. Anu does represent the modern artist through her use of 'new modes of production' as well as 'traditional' modes of production.

In the four case studies above David Hudson may represent the model of the independent artist that utilizes 'new modes of production' as a means of competing in the current marketplace. His use of the Internet highlights the current trends. It is not obvious whether Hudson uses 'social networks and media' as much as artists such as Lady Gaga and Justin Bieber, however there is a clear sense of his awareness of current trends. Ronald 'Tonky' Logan definitely demonstrates trends of the past and is a potential link back to the days of more 'traditional' modes of production.

Seaman Dan seems to have a presence in both the 'traditional' and some of the 'new modes' of production, with some Internet presence and his music available through OMDs. Christine Anu is firmly involved with current trends and is able to promote her career through a strong Internet presence. Like Seaman Dan she has a

mixed profile with record label support tying her to the ‘traditional’ modes of production and an Internet presence through her website, OMDs and other online sources emphasizing ‘new modes’ of production.

8 Conclusion

In conclusion this chapter has made connections with North Queensland and Torres Strait music and musicians with past music history in particular with the contemporary side of music production and performance. In the context of ‘traditional modes’ of production, many past artists and performers were at the mercy of the “Gate Keepers” of the industry i.e. the record companies, music publishers and touring managers. A case has been made that in the current climate the ‘new modes’ of production have allowed Aboriginal and Torres Strait artists to take control over their own careers and to promote themselves more directly to the consumer. It has been demonstrated through case studies that there are varying degrees of this approach in the industry today and that social media and networking are growing as a force in the business of promoting music. Emerging trends have been identified as the Internet and mobile technology applications continue to grow in demand and popularity, and although the CD is becoming less desirable, the concept of the album remains popular.

Further study of the evolution of the ‘Information Age’ based economy is warranted. This chapter has looked at four case studies but is limited to North Queensland and the Torres Strait. There would be some differences in Central Desert and Alice Springs based artists as there would be for Aboriginal artists based in capital cities around Australia. Internet based commerce, whilst an established factor in ‘new modes’ of production, does not represent the totality of opportunities for music and musicians of the twenty-first century. As mobile technologies grow in popularity and digital transmission carriers continue to develop, the evolution of ‘new modes’ of production will continue.

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Australian Independent Music and the Experience Economy

Steven Campbell

Abstract Australian independent music has, from the 1970s, shifted from a commodity-based economy with a focus on the sale of recordings, into the experience economy, particularly with a greater contemporary focus on live performance. Performance however is only one aspect of only one dimension of the overall experience of independent music within the experience economy. Explored here are numerous further aspects within four dimensions; musical, sociological, sensorial and digital, that each interconnect and overlap with one another to form the contemporary experience of Australian independent music.

Keywords Australian independent music • Experience economy • Dimensions of independent music

1 A Shifting Focus

In a brief interview for The Australian newspaper's Weekend Australian magazine, Australian music entrepreneur and founder of the major independent label Mushroom Records, Michael Gudinski, states that: 'artists make much more money now from touring. In the old days artists toured to promote their records; now they're recording to promote their tours' (Callaghan 2011). Similarly, and in relation to the Australian recording industry Walker et al. state:

Since the new growth area has become, ironically, live performance – perhaps not so surprising given our increasingly virtual world – record companies are now trying to buy into a piece of that action. But artists, now tasting life free of the servitude to record companies on which rock grew, are unlikely to want to go backwards (Walker et al. 2012: 130).

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According to Homan, live performance has:

(...) clearly re-emerged as a crucial revenue source as the recording industry confronts various threats to its revenue and copyright structures, with internet “radio” and digital file sharing predominant among technological shifts away from traditional sales mechanisms (Homan 2011: 98).

The shift in focus by Australian artists to providing the consumer with the experience of their live performance, whether for example, on tour, playing house concerts or performing in music festivals, all as opposed to merely selling the commodity of a recording, is indicative of a gradual move of Australian music, and in particular Australian independent (indie) music into the experience economy. Arguably, all singular encounters with music, be these from a live performance, a recording, on radio, television or the internet, can be understood as providing the consumer with an experience at some fundamental level. However, for music to provide an experience within the “experience economy” a wider range of factors come into play that contribute to the consumer’s overall experience of an artist’s product. These factors importantly include, but are not limited to; the style and originality of the artist’s music, the image presented by the artist, the artist’s on-line presence, merchandise available from and/or associated with the artist, and how the artist is perceived within particular social settings.

2 The Experience Economy and Australian Indie Music

Prior to the late 1990s, literature concerning the experience economy hints at its emergence; Alvin Toffler’s (1970) prediction that consumers ‘would begin to collect experiences as consciously and as passionately as they once collected things’ (Toffler 1970: 226), and Holbrook and Hirschman’s (1982) observations that consumers would indulge in ‘a steady flow of fantasies, feelings, and fun encompassed by what [they called] the “experiential view”’ (1982: 132). These precede Pine and Gilmore’s (1999) more focused study of the experience economy in which the authors posit the fundamental definition of experiences quite simply as ‘events that engage individuals in a personal way’ (1999: 12). In accord with Holbrook and Hirschman’s observations, Pine and Gilmore expand their definition in stating that:

(...) as the Experience Economy gears up, people will look in new and different directions for more unusual experiences. At the same time, few of these experiences will exclude at least some momentary entertainment by making people smile, laugh, or otherwise enjoy themselves (Pine and Gilmore 1999: 31).

Pine and Gilmore trace the rise of the experience economy through an examination of economies over time; the commodity-based or agrarian economy, the goods-based or industrial economy, the services-based service economy and, lastly, the experience-based experience economy (1999: 6–12). The authors summarise in stating that while ‘commodities are fungible, goods tangible, and services intangible, experiences are memorable’ (1999: 11–12) and that reasons for the fundamental shift from an agrarian economy through to an experience economy include

technological development, increasing competitive intensity and rising affluence (1999: 5). This shift is echoed in more recent research by Sundbo and Darma:

In earlier stages of the economic development, the production of products was more or less related to needs. The consumers wanted commodities, goods and services to satisfy their need for survival, later for materialism, knowledge and solving problems (which the service sector provided). Now they want to have an interesting life, be entertained and learn in an enjoyable way. Customers are now looking for more than the mere product or service. Experiences fulfill this need (Sundbo and Darmer 2008: 3).

According to Sundbo and Darmer (2008: 1), it ‘is not the product, but the supplements of it which provide the consumer with the experience’. As discussed above, contemporary Australian independent music is now focused on live performance, and it is not only the recorded commodity but the live performance, and more, that consumers seek to experience. “Supplements” to the live performance include not only the directly related tangible items such as recordings and merchandise but also the less tangible, such as the social culture to which a particular artist appeals, how fashionable the artist’s music is, and a number of further social aspects relative to independent music culture as associated with the artist, and that appeal to the consumer’s aesthetic sensibilities.

3 Four Dimensions of Independent Music Within the Experience Economy

The broad topic of Australian indie music in the experience economy is eclectic and requires a somewhat broad methodology to examine. Such a methodology takes into account not only the music itself, but the numerous ways the consumer associates with the music: its perceived meaning/s in sociological settings; the direct physical ways the consumer experiences or senses the music, such as in simply listening to the radio or a CD through to more complex live performance settings wherein multiple senses are affected; the various ways the consumer can experience the indie product in the digital environment.

A broad overview of the contemporary experience of independent music within the experience economy is shown in Fig. 1, presenting four dimensions of the indie music experience and numerous aspects of the experience within each dimension. As applicable to individual indie artists or bands, in some cases the range of aspects of the indie music experience presented will be overly complex and unnecessary, whilst in other cases the presented aspects will be insufficient. As a starting point however, and in delineating four primary dimensions concerned with independent music production and consumption, this overview here serves as a convenient structure in which to examine Australian independent music.

Herein, the four primary dimensions and elements shown in Fig. 1 are discussed in turn, along with a number of overlaps that occur, influence and impact upon elements between the dimensions. In alignment with the eclecticism that characterizes indie music in general, explorations of the four dimensions include brief discussions from musical, historical, academic and sociological perspectives on

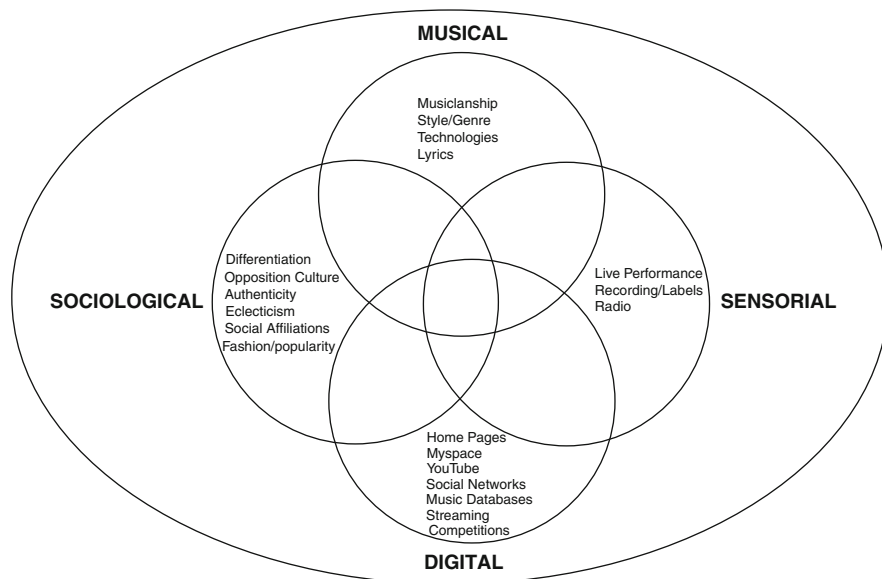


Fig. 1 Four dimensions of independent music within the experience economy

the aspects shown in each dimension to provide a broad picture of the developments in, and current state of, Australian indie music.

3.1 The Musical Dimension

3.1.1 Musicianship

The musical dimension is at the core of the indie music experience, its innermost driver being the artist's desire to create and perform original music that articulates the artist's ideologies and/or life experiences. How well an indie artist articulates individual ideologies is not measurable from the point of view of the artist's musicality; a song with a single chord, or even a simple bass line, may well be as successful as a song that incorporates considerable musical virtuosity. Similarly, the level of musical training undertaken by an artist does not necessarily equate to the success of an artist's work.

Whilst it is not within the scope of this research to examine indie music in any analytical depth, two basic examinations of successful indie works suffice to illustrate the eclectic nature of indie music with regard to ideologies, musical complexity and musical training. Missy Higgins, with her classical music training provides the song "Secret" (released in 2005) that is musically very simple with a bass line of three notes played on guitar. This simplicity allows Higgins to focus on her vocal delivery of lyrics concerning her relationship with a woman, a relationship that her then partner wanted to be kept clandestine (Bendix 2008). Conversely, the primarily self-taught John Butler has an instrumental guitar piece titled "Ocean", released in 1998.

At around 12 min in length, the song is a complex display of the artist's virtuosity, with a wide range of performance techniques utilized and considerable musical variation occurring throughout. According to Butler the work, as an instrumental, 'conveys all things I can't put into words. Life, loss, love, spirit' (Butler 2012a).

3.1.2 Style and Genre

Rogers, on the development of indie music, states that in the late 1980s and early 1990s the term indie 'came to describe a collection of music typified by amateurism and 'jangly' guitars', however since that time it has 'subsided into a type of eclecticism that has seen much of indie's 'other' – commercial pop, heavy metal, dance music and gangster rap – embraced with varying degrees of irony and revision' (2008: 640). Indeed, indie music globally has incorporated and integrated a wide range of styles, one New York Times reporter stating:

Ten or 20 years ago it was relatively easy to define the term "indie-rock" as a handful of related styles and a collective audience slightly on the fringe of the mainstream. But by the end of the decade it has become an ever-expanding, incomprehensibly cluttered taxonomy of subgenres (Sisaro 2009).

Discussing indie rock in the 1980s, the AllMusic website relates that 'among the styles classified as alternative [were] roots rock, alternative dance, jangle-pop, post-hardcore punk, funk-metal, punk-pop, and experimental rock' (Rovi Corp. 2012a). Incorporating the 1990s as well, the site lists a total of 59 subgenres of indie rock. The range of musical styles available to indie artists then is both extensive and expansive with Australian indie artists adopting and adapting either particular or varied subgenres according to a complexity of musical taste or preference, musical capability/training and ideologies. Some examples include the music of the Townsville band The Middle East (2005–2011) classified as indie folk, post-rock and ambient, Sydney artist Sarah Blasko's music as indie rock, indie pop and anti-folk, Western Australian John Butler's music as alternative rock, bluegrass, blues rock, funk rock, jam band and roots rock, and the Western Australian band The Waifs as folk rock.

3.1.3 Music Technologies

Particularly for the solo indie singer-songwriter, music technologies provide a wide range of enhancements for the delivery of a song in both recordings and live performance. The simple use of reverb and delay effects on either or both voice and instrument can provide depth and excitement to a performance, while the use of electronic pads or pedals to provide percussion add further dimension and impact. Technologies may be further integrated into songs to become a feature, especially using devices for looping. Depending on the song, indie artists can of course opt to use as much or as little technology as desired, this though often in line with the level of intimacy inherent in the song and its lyrics; the Missy Higgins song "Secret" as described above, given its lyrics and thematic content is in little or no need of any technological enhancement.

An example, on the other hand, of the use of an extensive array of music technologies to enhance a song is with John Butler's "Revolution" as performed on his 2012 Tin Shed Tales tour. Beginning with a simple acoustic guitar part Butler uses looping to layer percussive parts using body percussion and vocal sounds, before humming and looping three sombre melodic parts. Dropping the acoustic part, he delivers the first verse of the song, and re-introduces the acoustic instrument with the first chorus. After the chorus, the acoustic instrument is transformed via effects to provide a solo part with a sound more akin to an electric guitar. Similar textures are maintained until close to the end of the song at which point further upper register vocal parts are added and looped, along with looped lyric parts to effectively form a densely layered climax to the song.

The lyrics of the song impart negative imagery over the course of the first two verses with keywords such as "scum", "rat-race", "losers", "trespassing", "screaming" and "wars". The sombre loops and sparse acoustic parts of the opening are well suited to the negative imagery provided. The third verse turns to a more positive outlook "my destiny I take", while the final upper register loops and densely textured music layers are well suited to the climatic part of the song that, in line with its title, implores to "take back".

3.1.4 Lyrics

As stated above, the innermost driver of the musical dimension is the artist's desire to create and perform original music that articulates the artist's ideologies and/or life experiences. As indicated in the musical examples discussed, the ideologies an indie artist seeks to relate through song manifest in the lyrics and also influence decisions regarding a song's musical complexity and the technologies used to deliver the song. As indie song lyrics articulate artist's ideologies, they represent an overlap between the musical and sociological dimensions shown in Fig. 1, and are further discussed below.

3.2 *The Sociological Dimension*

3.2.1 Opposition, Differentiation and Authenticity

In 1992, British musicologist Simon Frith questioned the need for popular music artists to be performers: 'What pushes people into wanting to be performers or wanting to create? This can't be answered in terms of their wanting to make money, it involves too a desired social experience' (Frith 1992: 184). At the core of this experience, as far as independent music is concerned, is a somewhat mythical idealization among artists, labels and fans that the music is non-commercial, an alternative to the mainstream music released by the major record labels (Cummings 2008: 675). As Hibbett points out though, this is the 'simplest, most benign definition of indie rock' (2005: 58).

In an examination of academic literature on indie music, Rogers states that indie ‘is typically defined as an oppositional taste culture encompassing a mixed bag of practical, historical and aesthetic ideologies’ (2008: 639), while Newman writes that this oppositional ‘culture has sought to portray mainstream culture as a force of mindless conformity that contaminates its audience’ (2009: 19). Hesmondhalgh, earlier noting the purported elevation of indie music above the mainstream, states that ‘indie proclaimed itself to be superior to other genres’ (1999: 35) and Hibbett remarks that indie music ‘satisfies among audiences a desire for social differentiation and supplies music providers with a tool for exploiting that desire’ (2005: 56). Newman (2009) supports Hibbett’s notion of social differentiation:

In asserting itself as more legitimate than commercial pop, indie gives its fans a space in which to exist apart from the mainstream. It is a source of cultural capital, a form of knowledge that elites use in differentiating themselves from masses and perpetuating their own privilege (Newman 2009: 23).

Newman (2009) also points out that social differentiation is primarily achieved by artists maintaining autonomy through retaining control over the creative process, and, by not giving over creative control under a major label agreement this autonomy leads to the consumer’s perception that the indie music they experience has a greater degree of authenticity than music of the mainstream. Citing Baym and Burnett (2009: 437), and in discussing independent artists entering into major label agreements, Brown states that signing such an agreement can ‘cost musicians the “cult” esteem of their fans as integrity and authenticity are “anchoring values in the Indie tradition”’ (2012: 14).

In exploring independent musicians as a group, Brown also puts forward two views of what it means to be independent:

First, from the creators’ side, “Indie” concerns production, distribution, and promotion on the artists’ own terms, free from the interference of other interests—particularly those of traditional record labels. Second, from the music consumers’ side comes a view of “independent” music reflecting anti-establishment views in the tradition of the founders of rock and roll. This is based entirely on the perception of the audience, which may ignore or be unaware of the complex reality of relationships between artists and major record companies as long as the music reflects appropriate sentiments and does not sound manufactured. (Brown 2012: 6–7)

In summary, artists and consumers of independent music socially differentiate themselves by partaking in a culture in opposition to mainstream or popular music values and production. As perceived by consumers, artist’s who maintain creative autonomy and don’t sign with a major record label gain esteem. This in turn leads to the consumer’s perception of the artist and the artist’s music as having authenticity.

3.2.2 Eclecticism, Social Affiliations and Fashion

The current musical eclecticism in indie music, as represented by the range of sub-genres associated with it and discussed previously, is reflected in an equally eclectic range of social affiliations indie artists make, for example, by making

donations of recording sales to charities representing health or environmental concerns, or by performing in benefit concerts for victims of disease, poverty or natural disasters. The links between consumers and artists herein are tenuous and indeed require further research to verify and substantiate, yet the social affiliations artists make are obviously important to the artists themselves and subsequently of importance to their fans. Of course social affiliations are not limited to the realm of indie music; mainstream artists such as Olivia Newton-John and Delta Goodrem are prime examples; both are noted for raising funds for cancer charities.

In discussing the esteem of independent musicians Brown (2012: 2) states that esteem ‘may attach (...) to “non-musical” values such as political activism, professionalism, or fashion sense’. In the Australian indie context, the aforementioned artists John Butler and Missy Higgins are again used here as prime examples, both maintaining various social affiliations. As reported in Melbourne’s ‘The Age’ newspaper, Butler ‘has supported charities such as The Wilderness Society and the Save the Ningaloo Reef campaign in Western Australia and ‘is well known for his strong political views through his popular lyrics’ (AAP 2004). He is a strong supporter of the “Protect the Kimberley” campaign concerned with the pristine Kimberley region in Western Australia that is currently under threat by an industrial gas complex. Butler’s song “Kimberley” (released in 2012) is a clear example of the overlap between the *sociological* and *musical* dimensions of indie music with ‘Kimberley’ cast as a woman in the song’s lyrics. The following stanza illustrates Butler’s strong views on his social affiliation with this cause:

You see Kimberley was special, a rare and wild soul
 Nearly every man who met her, their hearts she always stole
 But there are always those exceptions of the cold and callous kind
 That wanted just her body and leave the mess for us behind (Butler 2012b).

Missy Higgins’ lyrics are more concerned with her expressions of her life experiences and relationships as indicated above, however her social affiliations are evident in her support of various causes and charities including One in Five, ‘an events based organization that raises funds for medical research into mental illness’ (One in Five 2011). In 2005 Higgins donated all proceeds (\$35,000) from a small Sydney show put on specifically for the purpose of raising funds for this charity (One in Five 2011) and in the same year performed alongside numerous artists including The Waifs and John Butler in “WaveAid”, a concert that raised money for victims of the 2004 Boxing Day Tsunami. In 2009 Higgins released an EP titled “More than This”, the proceeds going to the aforementioned “Protect the Kimberley” campaign.

Both Butler and Higgins also contribute to the Australian initiative Tunes for Change, an organization established in 2004 that has ‘raised 150k for charities in need’ (Tunes for Change 2012). Artists donate tracks to the organization that then releases a compilation for download at a price selected by the consumer. Currently, proceeds support OzHarvest, a food rescue organization that distributes excess food to those in need: Australia-wide Oz Harvest delivers 333,000 meals per month (Tunes for Change 2012). Further indie artists supporting this initiative include Architecture in Helsinki, The Waifs, The Jezabels, and Sarah Blasko.

As indicated in Fig. 1, fashion manifests in the sociological dimension of indie music as relative to the popularity of elements such as musical style or social affiliations within the broader subculture. As examples, the early indie ‘jangly guitar’ sound that Rogers (2008: 640) refers to can be understood as a fashionable reaction against the thrashing and distorted sound of punk, while fashionable social affiliations can manifest in the *sensorial* dimension in the manner that Brown (2012: 2) indicates, as relative to dress sense and the artist’s image through an artist simply wearing a T-shirt emblazoned with a logo or emblem associated with a particular social cause or charity.

3.3 *The Sensorial Dimension*

The following discussion relates to the various ways the consumer directly experiences indie music. This can be through sound alone, as perceived via recordings or radio, or through multiple senses; sight, sound and further sensory perceptions as relative to the environment live music performances are perceived in. Breda McCarthy (this book) discusses Lacher’s (1989) review of psychology and music education literature, stating that music arouses various types of response in the listener, one of which is a sensorial response that induces the listener to some manner of physical movement such as tapping the toes or dancing. Following this I have labeled this dimension of the indie music experience in Fig. 1 as the sensorial dimension.

3.3.1 Live Performance and Australian Music Venues

Since the 1960s live performance has been at the core of the Australian music experience, with venues in the late 1960s and early 1970s such as Sydney’s Whiskey à Go Go and Chequers Nightclub, Melbourne’s Village Green and Whitehorse Hotel (Engleheart 2010: 41–44) helping to establish hard-rock blues bands such as Billy Thorpe and the Aztecs and Chain that ‘laid a blueprint for local pub rock to follow’ (Walker et al. 2012: 116). The 1970s and early 1980s saw what has been referred to as ‘the golden age of what came to be known as Australia’s national sound’ the ‘hard rock sound of the public bars that Cold Chisel and other bands like them would come to personify’ (Walker et al. 2012: 120). Supporting the pub rock scene was a proliferation of venues, particularly in Sydney and Melbourne in the late 1970s and 1980s that provided opportunities for pub rock to develop; in Sydney for example there were ‘lounge bars in purpose-built auditoriums’ (Homan 2000: 37), such as the suburban Royal Antler Hotel at Narrabeen (home to Midnight Oil), Selina’s at the Coogee Bay Hotel, and numerous smaller venues such as the iconic Bondi Lifesaver.

For Australian indie music of the time, this proliferation of venues did however fail to make an impact: ‘The problem for independents was breaking the agency

stranglehold on suburban gigs' (Walker et al. 2012: 123). Speaking specifically about Melbourne, Langdon states:

(...) from the late 1970s to the early 1980s, independent music would be contained to the inner city. As in the other major centres of Australia, there was something of a rift between the inner and outer suburban (...) the outer suburban tastes were indicative of the more commercial pop and "Pub Rock" sounds' (2009: 1182).

Not surprisingly, given the limited performance opportunities available, there was an exodus of independent bands overseas in this period including the Saints, the Go-Betweens, the Birthday Party, the Scientists, the Laughing Clowns and the Triffids. Alternatively, indie bands such as the Church, the Hoodoo Gurus, the Models and Hunters and Collectors crossed over to mainstream success (Walker et al. 2012: 123).

The proliferation of venues in the late 1970s and 1980s was short-lived and is contrasted with a subsequent decline from the mid-1980s. This was as a result of numerous factors that varied from city to city, (see Homan 2000, 2011; Burke and Schmidt 2009 for further detail) though some common causes were the gentrification of city suburbs as the middle-class and professionals moved into these areas, and subsequent stricter noise laws that 'empowered residents to challenge the extent and frequency of hotel noise' (Homan 2011: 98). Faced with costly refurbishments to address these laws, many venue operators turned to alternative forms of entertainment such as poker (slot) machines, betting and jukeboxes (Homan 2011). The decline in live music venues continues to the present, for example with the close in 2009 of the small but iconic Hopetoun Hotel in Sydney's inner city Surry Hills, a venue that had long supported independent artists:

(...) musicians including Sarah Blasko, Darren Hanlon and Jack Ladder voiced support for the venue that gave them a foothold in the city. Blasko said she had played to fewer than 20 people at one of her first Sydney shows at the tiny venue. "It was one of the only places you could get a gig when you first started playing" (Tovey 2009).

Whilst there remain a small number of venues in major Australian cities that support indie music, for current indie artists the availability of performance venues is limited and not surprising given the non-mainstream nature of the music and the smaller audiences it attracts. Even following a healthy growth and government support of live music venues in Brisbane since 2004, Rogers (2008: 643) points out that 'in recent years, indie acts have often resorted to organizing their own shows in unlicensed venue spaces' and that 'there is a revived interest in performing in residential spaces'. This demonstrates that with limited licensed venue performance opportunities indie artists actively seek alternative performance outlets. As one indie band blogger states: 'We've played in warehouses, art galleries, record shops, book shops, anarchist libraries, car parks and nondescript halls' (Polaroids of Androids 2009).

Rogers' (2008: 643) above reference to live performance in residential spaces in Brisbane is relative to house concerts, a further performance outlet for indie musicians. As described by the host of the House Concerts Australia website:

House Concerts are one of the most important trends in independent music today – and they're popping up all over the world! A house concert is a chance to experience music in a warm and intimate environment. It's when someone opens up their home and invites you into their living room to share in a performance by one of their favourite musicians (Aston 2012).

As shown on Aston's web site there is an extensive network of house concert hosts in cities and regional centres throughout the country, facilitating the provision of venues for independent artists. One example of an artist utilizing such is singer-songwriter Matt Corby. From a list of cities and towns provided on his web page, fans are able to apply for a ticket online and if successful, a personal invitation and details of the performance emailed to the applicant. As detailed on Corby's web site (Corby 2012), his house concerts, labeled "Secret Garden Shows", in 2011 alone numbered over 40 and in relation to the sociological dimension herein, all profits made from this tour were donated to a local charity of each host's choice.

3.3.2 Live Performance and the Music Festival Experience

In contrast to the more intimate live performance options available to indie artists is the reach to a larger audience via Australia's music festivals. Festivals have proliferated throughout the country over the past four decades, the first arguably being the Pilgrimage for Pop festival at Ourimbah, near Sydney in 1970 (Gibson 2007: 68), and gaining momentum from the 1970s with the subsequent and famed series of Sunbury festivals held from 1972 to 1975. A recent listing of music festivals held throughout the country that incorporates a comprehensive array of musical styles and genres has a total of 350 annual or biannual festivals (Triana 2012: 40–44). Festivals on this list that cater more specifically for indie artists and fans are many and varied and include localised single day festivals, major 3-day camping festivals, and touring festivals.

Examples of localised festivals include Melbourne's Push Over Festival that presents emerging 'indie rock, hardcore and hip hop acts' (The Push 2012) and Sydney's Homebake festival that features predominantly Australian artists. Major 3-day camping festivals include Splendour in the Grass, held on the North Coast of New South Wales, and the Falls festival held simultaneously in Victoria and Tasmania. Touring festivals include St Jerome's Laneway Festival held in five Australian cities along with Singapore and Auckland, and The Big Day Out, 'the most successful alternative festival in Australian history' (Cumplings 2008: 677), held in five Australian cities and in Auckland. Breda McCarthy's chapter in this book provides a more in-depth profile of Australian music festivals.

The current popularity and proliferation of festivals is a clear indicator of the shift of indie music into the experience economy wherein festivals provide a 'personalized and memorable experience' and in which music is 'only one ingredient, a part of the whole' (Packer and Ballantyne 2011: 168). In their research

Packer and Ballantyne found that for festival attendees ‘the shared experience of seeing music performed live added an extra dimension, which could not be obtained from simply listening to recorded music or attending a concert’ (Packer and Ballantyne 2011: 168).

3.3.3 Recording and Australian Indie Labels

Harvey (2007), on the Australian Government’s web site “About Australia” writes that ‘Indie music is said to have resulted from the punk movement which began in the 1970s’, and that ‘one of the pioneering bands for indie music in Australia was a Brisbane-based punk rock band, The Saints’. As discussed by Walker (1996), the mainstream music industry had no interest in the musical style of The Saints, even though the release of the similarly (music) styled debut album of New York band The Ramones occurred in the same year:

The Saints booked themselves into the studio in June 1976, a couple of months before the Ramones’ album hit, with the objective of putting out a single. This was almost unprecedented. It became standard practice a year or so later, after the British punk movement elevated the do-it-yourself ethic to scripture. But in Brisbane in 1976 – or anywhere for that matter – so few others had done it, it was charting unknown territory. (Walker 1996: 20)

Writing in the *Encyclopedia of Australian Rock and Pop*, Ian McFarlane rightly contests the notion that independent labels in Australia only appeared in the wake of the punk movement:

(...) country artists have been issuing and distributing their own records for decades. With the dawning of the rock’n’roll era in the late 1950s, the major record companies lacked an understanding of the emergent form, and were ill-equipped initially to deal with the youth culture phenomenon. Since that time, independent labels have continued to spring up as a viable alternative to the major record companies. (McFarlane 1999: 316)

The Saints, along with another similarly styled Sydney band, Radio Birdman, were part of the ‘punk/new wave explosion of 1976 [that] has been described as the “big bang” of the independent universe. Almost overnight, bands began issuing and distributing their own limited edition singles’ (McFarlane 1999: 317). The Saints single, titled “(I’m) Stranded”, was released by the band on their own label, Fatal Records, and distributed by the band members themselves to local record shops and copies mailed to magazines and record companies round the world (Walker 1996: 22). In England, the single received rave reviews and was released by the Power Exchange label, bringing the band to the attention of EMI. ‘Under EMI, The Saints recorded the “Stranded” LP, which was released in February 1977, just in time to cash in on the worldwide punk explosion’ (Cockington 2001: 216).

This do-it-yourself approach to recording and distribution has continued through to the present, particularly with the initial and early releases of indie artists. John Butler’s initial release, for example, was a self-recorded cassette of

instrumental pieces in 1996 (Rovi Corp. 2012b), while Gotye in 2003 recorded his initial tracks in his bedroom (De Backer 2012).

From the late 1970s independent labels proliferated, often 'set up and driven by enthusiasts who knew the value of the music that the major labels rejected' (McFarlane 1999: 317). Examples of labels, and some of the notable artists that have signed to them include Phantom with Hoodoo Gurus, Missing Link with the Birthday Party and the Go-Betweens, Waterfront with Ratcat, rooArt with You Am I, Eleven with Missy Higgins and Gotye, and Jarrah formed by John Butler and the Waifs to release their own music.

3.3.4 Radio

In the mid-1970s and with the establishment of 12 public radio licences by the then Australian government for the purposes of creating diversity in the media, numerous new radio stations emerged including Sydney's 2JJ (later 2JJJ), Melbourne's 3RRR and Brisbane's 4ZZZ. As described by Homan (2000: 37) these stations 'constructed an ethos of localized parochialism combined with a desire to air alternative local musics' and 'catered to bands and listeners ignored by commercial radio'.

While newer and later established stations in capital cities other than Sydney have remained localized, 2JJJ (known as Triple J), as part of the government funded and commercial-free Australian Broadcasting Commission network, has from 1989 expanded from its Sydney origins to become a nationally broadcast station. While the number of localized stations supporting indie music has increased since the mid-1970s (two examples are Melbourne's 3PBR, broadcasting since 1979, and Sydney's FBI, broadcasting since 2003), it is Triple J as a nationally broadcast station that has had the most significant impact nationally for indie music through its 'ongoing commitment to develop new Australian acts' (Triple 2012a).

In addition to supporting Australian indie music through broadcast, Triple J has launched and maintained a number of initiatives that have supported the 'unearthing' and promotion of new indie music. A regular program since the inception of Triple J is Live at the Wireless with which the station supports live Australian music by recording and broadcasting performances at various locations including festivals, pub venues, and within the station's studios (Triple 2012b). In addition to airing the live recordings on the program, audio and video streams of the recordings are made available on the station's web site.

The station's Unearthed initiative, launched in 1995, is a music competition that, as the station's website states, 'enables musicians to establish an audience in the highly competitive world of contemporary music. Through reviews, ratings, streams, downloads and airplay, (...) artists can find word about their music spreading very quickly' and the competition 'has successfully established careers for thousands of musicians nationwide and internationally' (Triple 2012a). Notable winners of the competition include Grinspoon in 1995, Killig Heidi in 1996, Missy Higgins in 2001, Sophie Koe in 2003, and The Jezabels in 2010 (Triple 2012c).

Available since 2009, digital radio is relatively new to Australia, though the service is limited, currently only on offer in capital cities. Online or internet radio on the other hand is and has been for many years ubiquitous. Previously mentioned stations such as FBi and Triple J are representative of stations broadcasting indie music both digitally and online. Triple J has offered *Unearthed* as an online radio station since 2006, and in 2011 established *Unearthed* as a digital radio station available in five capital cities.

3.4 *The Digital Dimension*

Triple J's *Unearthed* competition represents an overlap between the sensorial and digital dimensions of indie music; competition entries are accessed via the digital dimension yet are perceived aurally in the sensorial dimension either through online or digital radio listening. Extending to the visual, these two dimensions also overlap with the live streaming of performances. The John Butler Trio is again an example, the group using streaming to reach fans worldwide when they performed a show in California in 2010, and more recently in October 2012 when the group performed and live streamed from Melbourne a benefit concert "Concert for the Kimberley", effectively bringing together the sociological, sensorial and digital dimensions of indie music. Should we consider Butler's performance of his song "Kimberley" here, with the lyrics associated with the musical and sociological dimensions as discussed above, then this is an example of all four dimensions at play.

The digital dimension also overlaps with the musical dimension, for example, with the online availability of song lyrics, lead sheets and sheet music, and the digital overlaps with the sociological with artists supplementing the experiences of performances and recordings they provide with digital offerings made via the internet, these offerings often presenting artists' views and opinions regarding their social affiliations.

The use of digital technologies by indie artists for the promotion and dissemination of indie music is a global phenomenon and there is little in the digital dimension that is intrinsic to Australia. As Brown (2012: 4) points out; 'recent attention has been paid to musicians' efforts to circumvent the "major label" hegemony and market directly to a potential audience using new media'. Standard digital or new media offerings include individual artist homepages, Myspace and YouTube pages, a presence on social networking sites including the somewhat mandatory sites of Facebook and Twitter, and a presence on music database sites such as Last.fm, ReverbNation and AllMusic.

For the artist, the digital dimension provides a means of music distribution, and importantly a means of building a fan base. Further, the internet can be used to get feedback and support from fans. An example of the latter is the Melbourne artist Dallas Frasca. Having toured the country to raise funds for a recording, the money was stolen at the last minute at Melbourne airport. Fans subsequently rallied via the internet to raise \$4,500, enabling the recording to go ahead (Frasca 2012).

A further related method to gain support is crowdfunding as discussed by Philipp Peltz (this book). An example is the Papua New Guinea born indie artist Ngaiire who has used the Australian crowdfunding site Pozible to raise funds for her debut album. At the time of writing, her target of \$4,000 had been exceeded by \$651, with a further 6 weeks remaining before the project closing date. Rewards for pledges include signed copies of the album, tickets to shows and a house concert performance by the artist anywhere in Australia.

For the contemporary indie music consumer then, internet offerings not only provide ways to engage with the music itself, but allow consumers to supplement the musical experience in the digital dimension in the numerous ways discussed above.

4 Conclusion

As discussed at the start of this chapter, the focus of Australian music has shifted from a commodity-based enterprise to an experience-based enterprise centered on live performance. While mainstream musicians have had access to a range of performance venues, particularly with the thriving pub rock scene of the 1970s and 1980s, indie musicians have more relied either on intimate performance settings such as house concerts, or, to reach a wider audience, on festival performances.

The live performance alone, though important, does not however bring indie music fully into the experience economy. Rather, it is the wide range of aspects within (and that overlap between) the musical, sociological, sensorial and digital dimensions discussed herein that provide the indie music consumer with the types of experiences typical of the experience economy, experiences that, as Sundbo and Darma (2008: 3) indicate, allow the consumer to ‘have an interesting life, be entertained and learn in an enjoyable way’.

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Recorded Music Sales and Music Licencing in Australia, 2000–2011

Peter Tschmuck

Abstract The article highlights in the first part the Australian recorded music market, which has lost 55 % of its volume (adjusted for inflation) since 2001. The main reason for the overall decline lies in the shrinking CD market segment, whereas the booming market for digital music cannot compensate for the loss in the physical market segment. This development was not mainly caused by music file sharing practices, but by a change from an album-based to a track-based music consumption behaviour. In the second part of the article the economic performance of the three Australian music collecting societies – APRA, AMCOS and PPCA – is highlighted. The analysis shows that the mechanical rights society – AMCOS – suffers from the digital paradigm shift in the music industry, whereas APRA and PPCA profit from increasing revenue from broadcasting, public performance and digital/online licensing fees.

1 Introduction

The Australian recorded music market (physical and digital) was the seventh largest worldwide in 2011 according to the recent IFPI-report (2012: 20). The market valuation is thus higher than that of the Italian, Spanish and Brazilian market, although Australia has a much smaller population (22 million inhabitants) than these countries.

The Australian Recording Industry Association (ARIA), whose member labels cover almost 95 % of the market, reported wholesale sales of sound recordings and

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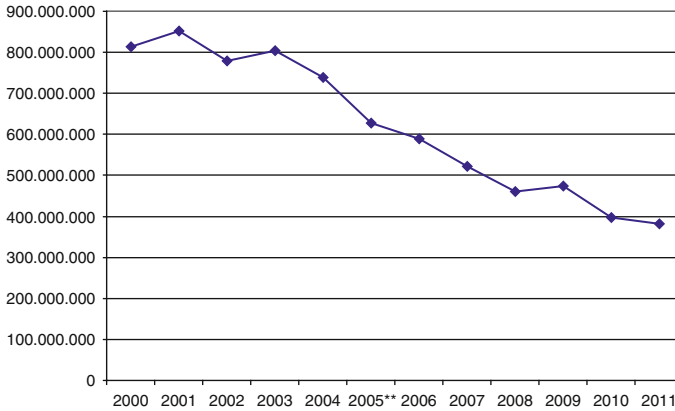


Fig. 1 The market for recorded music sales in Australia 2000–2011 (Source: ARIA (<http://www.aria.com.au/pages/statistics.htm>))

music videos for the full year 2011 of AUD 382.7 m (EUR 300.7 m).¹ This is a loss in revenue of about 40.9 % compared to 2001, when sales peaked at AUD 647.6 m. However, the revenue even decreased by 55.0 % if we adjust for inflation (basis: 2011). In the following the characteristics of the Australian recorded music market will be highlighted within selected figures.

2 The Australian Market for Physical and Digital Music Sales

From an overall perspective, the Australian recorded music market was also affected by a recession as were almost all other national markets (Fig. 1). However, sales did not substantially decline until 2003. After a sales decrease of about 8.5 % from 2001 to 2002, the revenue (adjusted for inflation) nearly peaked on a historical high in 2003. Since 2004, however, the annual sales decrease accelerated from 2004 to 2008: 2003/2004: –8.1 %; 2004/2005: –15.1 %; 2005/2006: –6.3 %; 2006/2007: –11.4 %; 2007/2008: –11.8 %. The market shrank again but modestly by –3.1 % from 2008 to 2009. In 2010, however, the overall sales tremendously dropped by 16.2 %. In 2011, the decline slowed down and the recorded music sales decreased only by 3.6 %. In 2011, the nominal value of recorded music sales were only three-fifth compared to 2001. If we consider inflation too, the revenue from music products in Australia has been more than halved compared to the historic high in 2001.

However, the sales figures before and after 2005 are not directly comparable since value figures have been calculated after the application of any volume or other rebates since 2005. Thus, statistical analysis is only valid for the last 5 years.

¹ The conversion in Euros was carried out by the historic exchange rate of December 31, 2011.

Table 1 CD sales in Australia 2000–2011

Year	Wholesale value in AUD ^a		Unit sales	
	CD-single	CD-album	CD-single	CD-album
2000	61,037,756	728,509,055	11,099,000	43,917,000
2001	61,330,923	757,759,394	12,367,000	49,670,000
2002	47,890,737	675,534,258	11,343,000	46,954,000
2003	35,506,534	672,056,029	9,464,000	50,640,000
2004	32,496,062	621,174,339	9,286,000	48,234,000
2005 ^b	24,188,523	528,538,180	7,394,000	46,174,000
2006	13,795,699	485,000,082	4,331,000	49,818,000
2007	7,552,895	408,607,002	2,498,000	44,045,000
2008	3,857,207	349,849,710	1,315,000	38,659,000
2009	1,396,059	340,940,205	513,000	39,529,000
2010	164,702	261,341,041	37,000	33,114,000
2011	151,000	222,698,000	46,000	30,223,000

Source: After ARIA (<http://www.aria.com.au/pages/statistics.htm>)

^aAll values adjusted for inflation and in Australian dollars

^bFrom 2005 onwards, value figures have been calculated after the application of any volume or other rebates

However, in this period the wholesale value of recorded music sales decreased by about 39.0 % adjusted for inflation.

2.1 The Sales Slump of CD Sales

The main reason for the overall decline of recorded music sales unsurprisingly lies in the CD market segment. Though CD sales accounted for 58.2 % of the overall revenue from recorded music in 2001, CD sales on a value as well as unit basis have dramatically decreased in the last 5 years (Table 1).

After CD singles as well as album sales had peaked in 2001, the singles sales slumped by 47.0 % until 2004, whereas the album sales decreased by a lesser amount of 18.0 % in the same period. The massive decline from 2004 to 2005 (singles: –25.6 %; albums: –15.0 %) can partly be explained by the adjustment in sales statistics. However, the statistical effect cannot be calculated with any precession since exact data is not available. However, from 2005 onwards CD sales dramatically slipped into economic irrelevance (–99.4 % to AUD 151,000 in 2011). The wholesale value of CD album sales also declined, but compared to the singles sales ‘only’ by 57.9 %. Compared to the historic peak in 2001, the CD single market virtually disappeared in 2011 and the CD album market was less than a third of the market volume of 2001 (–70.6 %).

2.2 *Can Music File Sharing Be Blamed for the Sales Slump?*

The Australian music industry association ARIA (2012) explained the downturn by the unauthorised copying and communication of music by CD burning and music file sharing. In 2003, ARIA commissioned Quantum Market Research (2003) with a representative study (based on 1,001 telephone interviews) entitled “Understanding CD Burning and Internet File Sharing and its Impact on the Australian Music Industry”. According to this study 21 % of the general Australian population have used file sharing services at least once; 11 % have used these services in the last month. Among the subgroup of file sharers a net decrease of 12 % in the CD purchasing behavior as a direct consequence of the file sharing use was reported. This decrease in sales is greatest in the under 18 age group.²

However, these findings cannot be confirmed by ARIA’s unit sales statistics. In contrast to Quantum results, the unit sales of CD singles increased by about 11.4 % and CD albums by about 13.1 % between 2000 and 2001. In 2002, the unit sales of CD singles increased by 8.3 % and of CD albums by 5.5 %. In 2003, however, the CD album unit sales increased once again by 7.9 %. Unlike CD albums the unit sales of CD singles continued to decline by 16.1 % in 2003.

In the following years CD album unit sales stabilised on a high level. From 2003 to 2004 the sales modestly decreased by 4.8 % and a further 4.3 % in the next year. In 2006, however, the unit sales of CD albums even increased by 7.9 % (+ 3.6 m units). In this year more CD albums were sold than in 2001. The dramatic slump in unit sales in the album segment occurred not until 2007. From 2006 to 2007 the sales figures showed a decrease of 11.6 % and a further drop of 12.2 % for 2008. In 2009, more CD albums were purchased than in the previous year (+2.3 %). It is striking that the most serious decline in CD album sales was measured in 2010. Within a year the market volume decreased by 6.4 m units (–16.2 %) – the highest loss ever. Again in 2011 the market shrank by a further 2.9 m units and by 8.7 %.

The CD singles segment developed totally differently. After a slight fall between 2003 and 2004 of 1.9 %, the CD singles market (on a unit basis) was literally demolished: –20.4 % (2005); –41.4 % (2006); –42.3 % (2007); –47.4 % (2008); –61.0 % (2009); and –92.8 % (2010). Whereas in 2001 more than 12.4 m copies were sold, in 2011 the CD singles segment was more or less non-existent with 46,000 copies sold.

These figures indicate that file sharing is not the (main) cause for the recession in the recorded music market. If this were true, the CD album sales would have had to decline earlier than 2006. Napster boomed also in Australia in 2001 and it is evident that the followers – KaZaa, Limewire and others – had been heavily used before 2006. However, the unit sales of CD albums show a relatively stable development

² The respondents were asked: “Would you say the amount of music CDs you buy has increased or decreased as a direct result of your downloading music files via file sharing services, or has it stayed the same?” The respondents, thus, had to assess if they have bought less CDs (in units) because of P2P file sharing. The question did not differentiate between single and album formats.

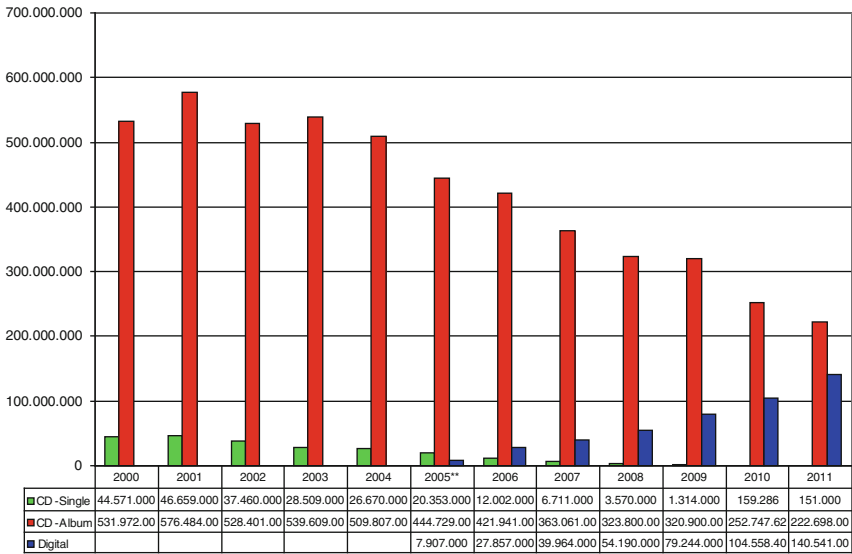


Fig. 2 The Australian physical and digital wholesale sales 2000–2011 (value in AUD) (Source: After ARIA (<http://www.aria.com.au/pages/statistics.htm>))

until 2006. Actually in 2006 more CD albums were sold than in 2001. The unit sales dramatically dropped since then.

If we compare unit sales and revenue figures it becomes evident that the wholesale price of a CD album decreased by 33.9 % on average from 2000 to 2009. In the same period the nominal revenue from CD album sales declined by 39.7 %. Thus, price cuts accounted for the bigger part of the sales decline in the album market. Only 5–6 % of the decline cannot be explained by price reductions. In the following years the transformation from a physical to a digital market proceeded and, thus, the drop in CD album sales accelerated. It is, therefore, just a question of time, when the digital sales outperform the physical ones (see Figs. 2 and 3)

The dramatic slump in CD singles sales cannot be supported by the ‘file sharing hypothesis’ either. The annihilation of the CD single started not earlier than 2005 and accelerated afterwards. File sharing systems had by then long been introduced.

Instead another hypothesis should be taken into consideration. As I pointed out in my article “The recession in the music industry” (Tschmuck 2009) we are faced with a change from an album-based to a track-based music consumption behaviour. The development of the Australian market of recorded music therefore is a good example. Whereas the physical album sales showed a downward trend in the last 5 years and the digital album sales only grew moderately, the single track download numbers have been exploding since 2005, when they were published for the first time by ARIA (Fig. 4). However, the boom of the digital music market, which is

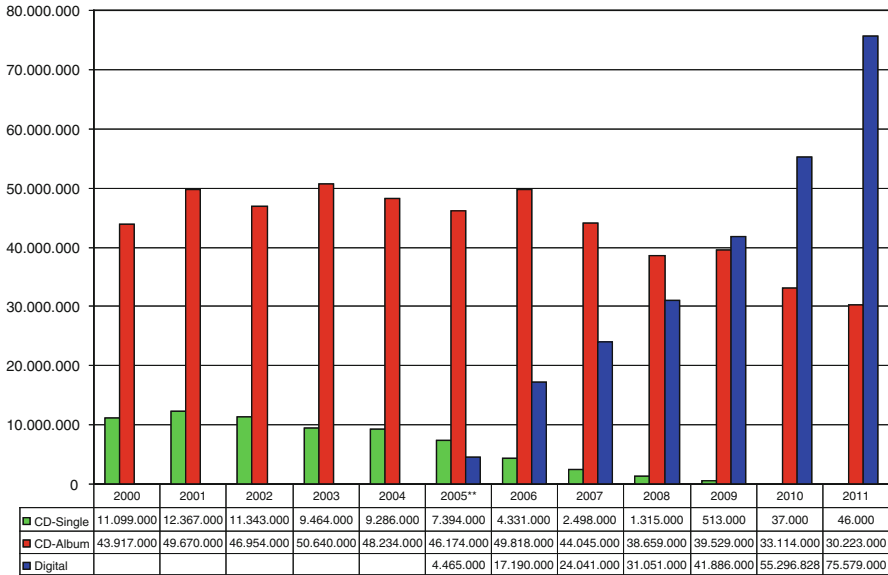


Fig. 3 The Australian physical and digital wholesale sales 2000–2011 (units) (Source: After ARIA (<http://www.aria.com.au/pages/statistics.htm>))

mainly driven by the sales of single tracks, cannot compensate for the loss in the physical market segment (Fig. 5).

Price cuts and changing consumer behaviour are most likely responsible for the sales slump in the Australian recorded music market. This hypothesis is also supported by a music file sharing study conducted by Jordie McKenzie (2009) that is also published in this book. The economist from the University of Sydney highlights for the period from November 2007 to February 2008 that there was no statistically significant impact of music file sharing over Limewire on physical and digital single track sales (using chart success as an instrument variable) in Australia. However, he identified two different groups of mobile and online music users. Whereas one group consists of younger, computer savvy music consumers with a low disposable income, the other group is represented by the older traditional type of music consumer with a relatively high income. This might also be a good explanation for the relatively stable development of the albums market, which strongly relies on the traditional music consumer type in contrast to the singles market, which is driven by the younger generation. However, since the consumption behaviour of the older generation is changing too and since a younger generation of music lovers starts to dominate the music market, the traditional record business will become less important and the CD will be a relic of a former era.

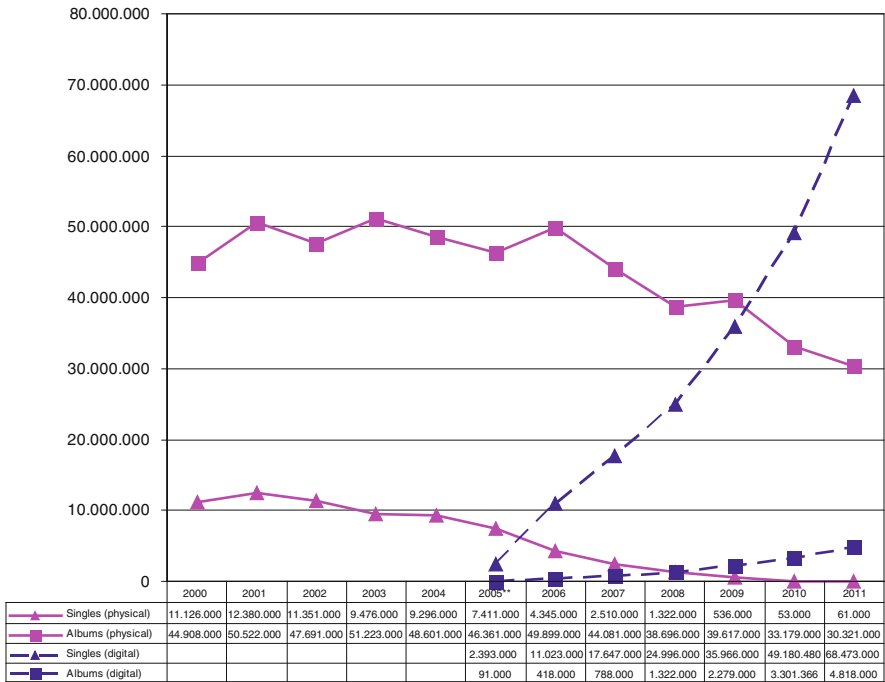


Fig. 4 The unit sales of physical and digital music formats in Australia 2000–2011 (Source: After ARIA (<http://www.aria.com.au/pages/statistics.htm>))

2.3 The Digital Music Market in Australia

In order to get a better insight into the changes in the Australian recorded music market, the development of the digital music market is further investigated. Since 2005, when ARIA reported digital music sales for the first time, the digital segment has not only grown rapidly but has changed structurally. In total, digital music sales increased nearly 15 times from AUD 9.4 to AUD 140.5 m (adjusted for inflation) from 2005 to 2011. Digital music sales accounted for 36.7 % of the total revenue in 2011 – with an upward trend (Fig. 6).

The digital formats, however, show a very different development. Whereas ringtones dominated the digital music market with a share of 47 % in 2005, their economic relevance has diminished until 2011. After an increase of 176 % the ringtones market was saturated and the revenue peaked at AUD 10.3 m in 2006. In the following 5 years the ringtones revenue decreased by 90.0 % to AUD 3.7 m in 2011. In 2011, the market share of ringtones in the digital segment was just 3 %.

In contrast, the wholesale value of single track downloads has increased from AUD 2.9 m in 2005 (adjusted for inflation) to AUD 79.6 m in 2011. However, we can observe falling growth rates already from 2007 on. The single track downloads still dominate the digital market with a market share of 56 %. Digital album sales

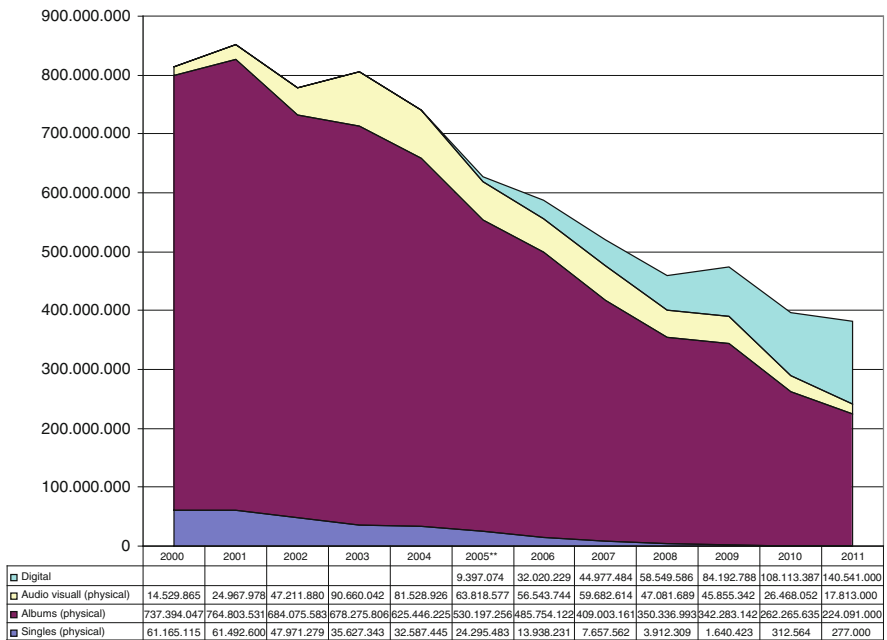


Fig. 5 The revenue from recorded music sales (adjusted for inflation) by formats 2000–2011 (Source: After ARIA (<http://www.aria.com.au/pages/statistics.htm>))

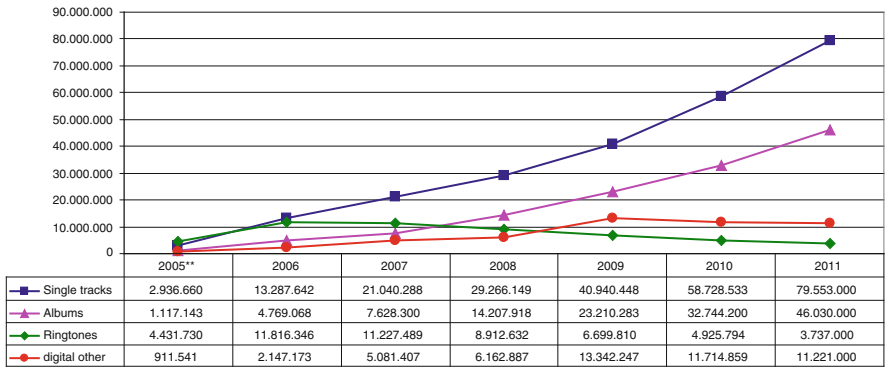


Fig. 6 The revenue from digital music sales (adjusted for inflation) by formats 2005–2011 (Source: After ARIA (<http://www.aria.com.au/pages/statistics.htm>))

also gained relevance. Whereas they accounted for only 12 % of the revenues from digital sales in 2005, their market share increased to 33 % in 2011. The growth rates of digital album sales are even more impressive (Table 2). However, in the last 2 years the growth in digital album sales slowed down, whereas the growth rates for single track sales remained more or less stable.

Table 2 The growth rates of digital album and track sales 2006/2007–2010/2011

Growth rates	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Digital album sales ^a (%)	60.0	86.3	63.4	41.4	40.6
Digital single-track downloads (%)	58.3	39.1	39.9	43.4	35.5

Source: After ARIA (<http://www.aria.com.au/pages/statistics.htm>)

^aThe high growth rates of digital album sales seem to contradict the hypothesis of a changing music consumption behaviour. However, it could also be true that the older generation of music lovers has discovered online music services and buy now digital albums rather than CDs. However, more research should be conducted to clarify this question

However, the category ‘digital other’ is full of surprises too. This category includes sales of digital music video, mobile ringback tunes, music streams, ad-supported income, unearned advances and one-off payments. It is remarkable that this undifferentiated category has grown 12 times (adjusted for inflation) from AUD 912,000 to AUD 11.2 m in 2005 to 2011. Since no detailed data is available for this category, we have to speculate on the causes for such a dramatic growth. In fact, the growth rate of 116.5 % between 2008 and 2009 was impressingly high, but in 2010 the revenue decreased by 12.2 % and a further 4.2 % in the next year. If we consider these figures, it is very plausible that the increase in revenue was mainly driven by music streaming. If this is true, we can observe a trend away from music downloading to streaming – with serious economic implications. Whereas the average price for a single track download was stable – thanks to iTunes – of about AUD 1.00, and for a digital album of about AUD 10.00, the unit value in the category ‘digital other’ dramatically declined from AUD 1.53 (due to ringback tunes) in 2005 to just AUD 0.05 in 2011.³ If this (assumed) trend to music streaming is sustainable, we will observe further sales declines for the Australian recorded music market in the next few years.

3 The Market for Music Licencing by Collecting Societies in Australia

Three collecting societies licence music on behalf of their members in Australia. The Australasian Performing Rights Association Ltd. (APRA) was established in 1926 by Australian music publishers to collect fees to perform, broadcast and communicate music. In 1979, the Australasian Mechanical Copyright Owners’ Society Ltd. (AMCOS) was formed to licence music literary or dramatic works for mechanical reproduction, e.g. on physical carriers such as CDs or in digital formats. Last but not least, the Phonographic Performance Company of Australia

³ Since ARIA did not report any unit figures for 2010 and 2011 it is impossible to assess the unit price for the category “digital other” for these 2 years.

Ltd. (PPCA) was established in 1969 to represent the interests in the so called neighbouring rights of recording artists and labels.

In total, the three Australian music collecting societies collected licencing fees of AUD 244.1 m (EUR 179.7 m) in 2011.⁴ This is about nearly two-third of the recorded music sales in Australia in the same year. In the following the revenue stream of licencing fees over the years is analysed and the specifics of Australia's collecting societies system are highlighted.

APRA and AMCOS are separate not-for-profit organisations. Each has their own Board of Directors elected from and by their membership. Since 1997 the operations of AMCOS has been managed by APRA with the aim of achieving cost savings and efficiencies. Australian and New Zealand citizens and residents, who have released at least one musical work for sale to the public, can become members of APRA and AMCOS. Since the membership is exclusive, a member of one collecting society is not allowed to become a permanent member of another society. Music publishers based in Australia and New Zealand can apply for membership in both societies if they have published at least one musical work.

3.1 The Revenue Streams for APRA/AMCOS, 2000–2011

The consolidated revenue (adjusted for inflation) for both collecting societies shows an increase of 58.7 % to AUD 240.1 m from 2000 to 2011 (Fig. 7). In 2011, APRA accounted for AUD 183.0 m (76.3 %) and AMCOS for AUD 57.1 m (23.7 %).

3.2 The Australasian Performing Rights Association Ltd. (APRA)

In 2011, APRA earned AUD 159.6 m (87.2 %) from domestic licencees in Australia and New Zealand and AUD 20.2 m (11.1 %) from foreign collecting societies. Further, APRA earned AUD 3.2 m (1.7 %) apart from its core business. APRA's main domestic revenue source is broadcasting of licenced music by radio and TV stations. In 2011, AUD 91.8 m fees were collected, which accounted for more than a half of APRA's total income. However, in a 5-year perspective the relevance of broadcasting fees decreased – despite a modest increase of 2.9 % in the period. In 2007, the broadcasting fees accounted for 56.2 % of the total revenue compared to 50.2 % in 2011. The revenue of AUD 37.4 m from public performances of recorded music was the second most important income source in 2011. Thus, the performance of recorded music was much more important than the performance of live music in concerts and in public events. Concerts and live music contributed AUD 16.1 m to the total income. However, live and recorded music performances have

⁴The conversion in Euros was carried out by the historic exchange rate of June 30, 2011.

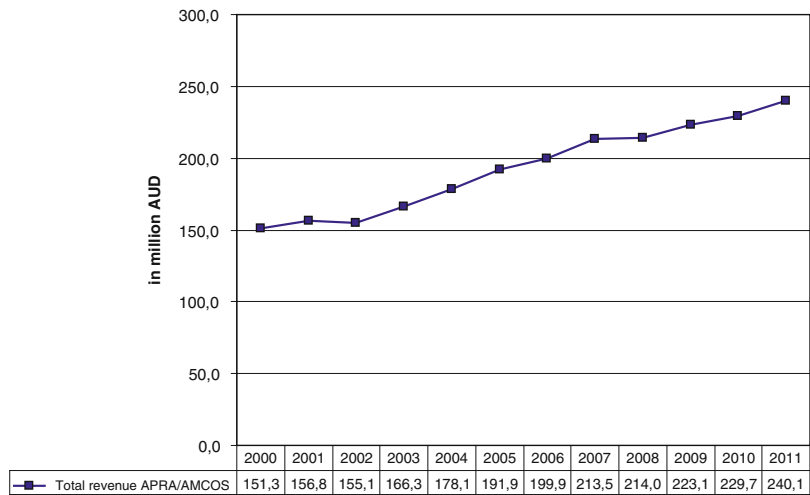


Fig. 7 Total revenue of APRA/AMCOS 2000–2011 (adjusted for inflation) (Source: After annual reports by APRA 2008 to 2011 and AMCOS 2008 to 2011)

become more relevant in the last 5 years. Whereas live music and concerts accounted for 6.7 % and recorded music for 16.7 % of the total revenue in 2007, the shares increased to 8.8 % and 20.4 % respectively in 2011. Although the revenue from digital and online use of music has increased more than three times to AUD 8.7 m since 2007, it accounts ‘only’ for 4.8 % of APRA’s revenue. In comparison, the use of licenced music in cinemas (not in movies, which is covered by synchronisation rights) cost licencees an amount of AUD 5.6 m in 2011, which resulted in a share of 3.1 % in the total revenue (Table 3).

To sum up, APRA benefited from the increase in the collection of public performance fees, but also by higher payments from broadcasters. Nevertheless the revenue from download and streaming services has grown tremendously in the past 5 years. Although the growth of digital revenue will decrease in the next few years, there is still potential for further growth.

3.3 The Australasian Mechanical Copyright Owners’ Society Ltd. (AMCOS)

The revenue from mechanical fees mainly originates in Australia and New Zealand. In 2011, AMCOS earned AUD 55.1 m in mechanical fees, which were paid for “(…) the manufacture of CDs, music videos and DVDs, the sale of mobile phone ringtones and digital downloads, the use of production music and the making of audiovisual and broadcast material” (AMCOS 2011a: 2). Despite the massive decline of revenue from the manufacture of physical products of 47.6 % since

Table 3 APRA's domestic income by licence type (adjusted for inflation)

Licence type	In million AUD 2011	In % of total income	Change from 2007 to 2011, million AUD	Change from 2007 to 2011 in percent
Broadcasting fees	91.8	50.2 %	2.6	2.9 %
Public performance fees – recorded	37.4	20.4 %	11.0	41.1 %
Public performance fees – concerts and live music	16.1	8.8 %	5.4	50.6 %
Digital and online fees	8.7	4.8 %	6.1	236.1 %
Cinema fees	5.6	3.1 %	2.2	2.2 %
Total domestic licencing income	159.6	87.2 %	26.3	19.8 %
Total international licencing income	20.2	11.1 %	–1.6	–7.5 %
Other income	3.2	1.7 %	–0.4	–11.1 %
Total income of APRA	183.0	100 %	24.3	15.3 %

Source: After annual reports by APRA 2008 to 2011 and AMCOS 2008 to 2011

2007, the overall income from mechanical fees has increased by 3.9 % and AUD 1 m (adjusted for inflation) until 2011. The main reason for this increase is the increase of revenue from licencing music for download shops. The digital and online fees have nearly doubled to AUD 21.5 m since 2007. Although AMCOS did not report separate figures for downloading, streaming/webcasting and ringtones for 2011, we can conclude from the previous year's data that the download fees were the main drivers of the increase. In 2010, the revenue from download sales totalled AUD 12.1 m compared to AUD 3.0 m (adjusted for inflation) in 2007, whereas the revenue from ringtones accounted for only AUD 2.4 m and from streaming/webcasting for AUD 0.7. The growth rates for the different types of digital and online fees show a clear trend: The revenue from download sales exhibit a sharp decrease, whereas ringtone fees dropped significantly. The growth rate of streaming and webcasting fees has significantly slowed in recent years (Fig. 8).

In addition to increasing digital and online fees, the broadcasting mechanicals also showed a steep increase of 97.2 % to AUD 9.1 m from 2007 to 2011, with a remarkable jump of more than 50 % from 2009 to 2010 due to an agreement with the commercial radio industry in Australia.⁵ Whereas the collections from educational licencing have remained stable since 2007, the income from business-to-business licencing has significantly decreased by 25.6 % in real figures over the past 5 years. Whereas the non-retail business remained more or less stable, the synchronisation business⁶ substantially declined by 83.7 % from 2009 to 2010.

⁵ In return for an increase in rates over the next 2 years, the new scheme grants digital broadcast and online rights under a single agreement (APRA/AMCOS 2010: 11).

⁶ Synchronisation is putting music with visual images or other effects – such as in films, television programs, commercials, DVD and online. However, AMCOS does not usually licence synchronisations, except by an agency appointment or as part of a statutory right.

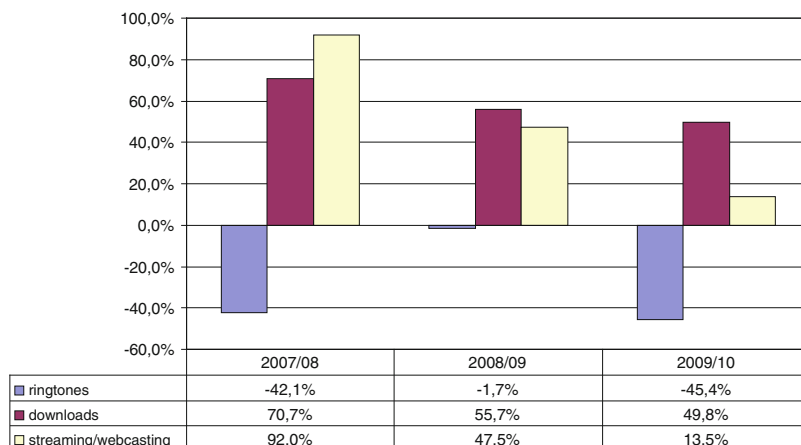


Fig. 8 The growth rates of different types of digital and online fees, 2007–2010 (Source: After annual reports by APRA 2008 to 2011 and AMCOS 2008 to 2011)

The revenue from so called ‘production music’ dropped as well by 22.0 % – a loss of AUD 1.2 m – from 2007 to 2011. We can only speculate on the causes for these declines, but it seems to be plausible that the international trend to centralise licencing tasks within specialised agencies and powerful collecting societies negatively affected the licencing business of AMCOS.

We, thus, can conclude that the revenue from mechanical fees will likely decrease in the near future, since the revenue from the manufacture of physical products as well as from business-to-business (B2B) licencing will further decline. Hence, it is questionable that the increases of broadcasting mechanicals and digital and online fees can compensate for the losses.

3.4 The Phonographic Performance Company of Australia Ltd. (PPCA)

The establishment of the PPCA is a result of a fundamental copyright reform in Australia in 1968. The Copyright Act of 1968 granted record labels the exclusive right to reproduce sound recordings, to perform them in and to communicate them to the public and to rent sound recordings on a commercial basis (section 85(1), Copyright Act 1968). Film music as well as music videos were also covered by the Copyright Act 1968 (section 86) and were granted the same protection as sound recordings.

The PPCA is a not-for-profit organisation that acts on behalf of its members – record labels and recording artists. In contrast to APRA/AMCOS, PPCA operates

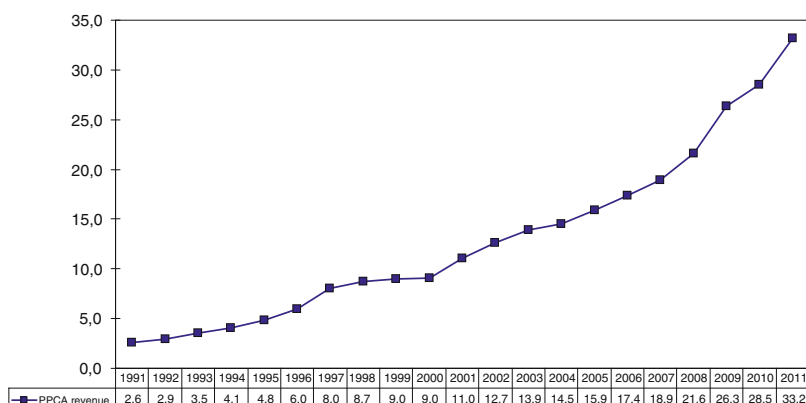


Fig. 9 The total revenue of PPCA, 1991–2011 (adjusted for inflation) (Source: After annual reports by PPCA 1999 to 2011)

only in Australia. A part of PPCA's income is used for the "Australian Music Prize" and to support several initiatives such as "Music Matters" and "The Song Room". Further, a small portion of the collected fees is annually allocated to the Performers' Trust Foundation that gives financial support to several music projects.

In a longterm perspective PPCA's revenue from collected licencing fees has continously increased since 1991. Adjusted for inflation the total revenue – on average 95 % licencing fees and 5 % interest revenue – has grown more than twelvefold (Fig. 9).

The increase in revenue can be explained by granting more licences, but also by increasing the licencing fees. Whereas the income from licencing has risen by 267 % from 2000 to 2011, the number of licences has increased 'only' by 66 % in the same period. Thus, the revenue per licence has grown by 121 %, which means that on average the fees have doubled from 2000 to 2011. In the annual reports of the PPCA we can find some explanations for the rise of the revenue. In 2003, the Australian Broadcasting Corporation (ABC) agreed to pay higher fees for the music in its TV channels. The disproportionate increase of revenue of 23 % from 2008 to 2009 was on the one hand the result of a decision by the Australian Copyright Tribunal that nightclubs have to pay higher fees. On the other hand, the PPCA introduced new licence schemes for restaurants and cafes, format shifting⁷ and background music on websites. In 2010, the Copyright Tribunal decided that fitness centers also had to pay a higher tariff rate. After a court appeal, however, a new scheme became effective as recently as in 2012. A successful mediation with commercial telecasters resulted in a new tariff scheme, which involves a substantial increase in licence fees in 2011 in return for a broader grant of rights. Thus, regular tariff reviews supported by decisions of the Copyright Tribunal significantly

⁷Format shifting allows the holder of a public performance licence to make copies of recordings for the purposes of playing them in the licensed venue (see PPCA 2009: 3).

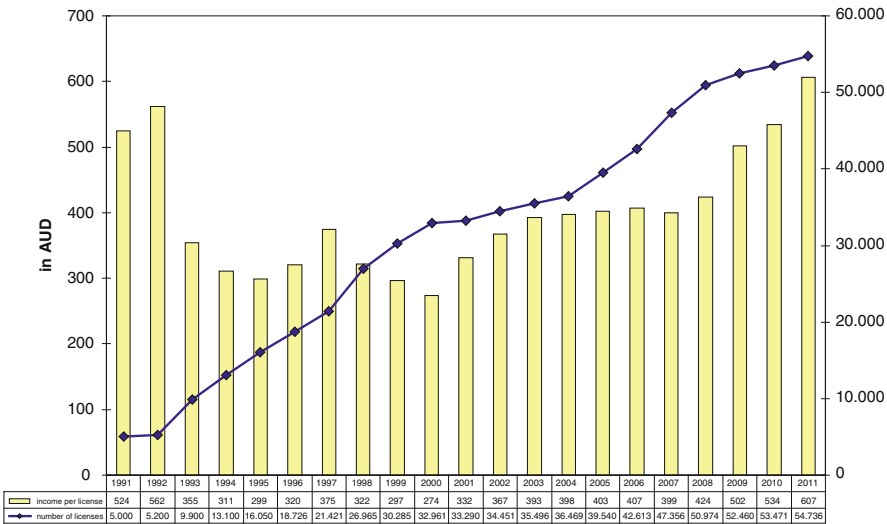


Fig. 10 The number of PPCA licences and the income per licence, 1991–2011 (adjusted for inflation) (Source: After annual reports by PPCA 1999 to 2011)

increased the earnings per licence in recent years. However, in the early 1990s the income per licence (adjusted for inflation) was very high too. In the following years this ratio decreased to an all-time low of AUD 274 in 2000. The increase of fees and a higher efficiency in collecting them increased the revenue per licence in the following years. Due to new tariff schemes, the revenue per licence has risen to an all-time high of AUD 607 in 2011 (Fig. 10).

Since the PPCA does not publish detailed figures on the revenue streams from different licence types, we rely on comments in the annual reports. According to these comments the main drivers of the increase were a rise in licencing income from commercial radio stations and a higher public performance licence revenue. The latter licence type not only includes the public performance of recorded music, but also the dissemination of music in different digital formats via the Internet and mobile devices. Thus, we can assume that the growth in the number of licences of about 40 % from 2004 to 2008 was caused by granting new licences for online and mobile digital music services. However, the number of licences has grown only modestly by 7.4 % in the past 4 years. Thus, we can conclude that the income increase for PPCA was a mix of granting more licences to emerging digital music services on the one hand and doubling the licencing fees since 2000 on the other.

Table 4 Revenues, expenses and royalty distributions of APRA/AMCOS and PPCA 2000 to 2011 (adjusted for inflation)

In million AUD	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Income APRA/AMCOS	151.3	156.8	155.1	166.3	178.1	191.9	199.9	213.5	214.0	223.1	229.7	240.1
Expenses APRA/AMCOS	–	–	–	–	–	–	–	26.7	27.1	28.7	28.4	29.2
Distributions APRA/AMCOS	–	–	–	–	–	–	–	186.8	186.9	194.4	201.2	210.9
Income PPCA	9.0	11.0	12.7	13.9	14.5	15.9	17.4	18.9	21.6	26.3	28.5	33.2
Expenses PPCA	3.3	3.4	3.5	3.9	3.8	4.0	5.1	4.7	6.0	8.4	7.2	7.8
Distributions PPCA	5.8	7.6	9.2	10.1	10.7	11.9	12.3	14.2	15.6	17.9	21.3	25.7

Source: After annual reports by APRA 2008 to 2011 and AMCOS (2008 to 2011) and PPCA (1999 to 2011)

3.5 The Three Australian Music Collecting Societies in a Longterm Comparison

To summarize the analysis of the Australian music collecting societies – APRA, AMCOS and PPCA – the revenues, expenses and royalty distributions are compared for the period from 2000 to 2011 (Table 4). Since the expenses and distribution figures for APRA/AMCOS are not available for 2000–2006, we have only a complete data set for the past 5 years.

The longterm comparison highlights that the increase of income of 58.7 % for APRA/AMCOS (adjusted for inflation) is essentially lower than for PPCA with 267.3 %. However, APRA/AMCOS could distribute eight times more to their members than PPCA. APRA was also able to distribute higher royalties per head to its members since 2006. Although APRA figures are not available for 2011, the published data highlights an increase of 22.8 % from AUD 114.3 in 2006 to AUD 140.4 per head (adjusted for inflation) in 2010. Since no comparable data is published by AMCOS and PPCA, we cannot assess the overall distributional effect of the music collecting societies in Australia. However, the APRA figures indicate that most Australian writers and composers cannot earn a living from royalty payments by collecting societies. Just a few well-established artists and some of the publishers and labels benefit from the distribution of royalties by Australian music collecting societies.

The economic relevance of PPCA has increased over the years. Whereas in 2000 PPCA's income share in the total revenue of all music collecting societies was 5.6 %, the share rose to 12.1 % in 2011. The prospering business of PPCA and the good performance of APRA contradict the hypothesis of a recession in the music industry in the last decade. The recession has hit only the recorded music market, which is heavily affected by the digital revolution. The emergence of online and mobile music services has partly caused the growth in revenue for PPCA in the past few years, whereas APRA has profited from a growing concert and live music business in Australia by a higher income from public performance fees for live music and concerts, but also from the public performance of recorded music. However, despite a modest income growth, AMCOS will suffer from a loss in revenues from the manufacture of physical products, which will not be compensated by increasing fees from download and streaming services. Nevertheless, the copyright holders will benefit from higher royalty distributions in the next few years. Since no data on the allocation of the royalties to the copyright holder is available, we cannot conclude who will benefit most from the current development.

4 Conclusion

The digital revolution has affected the Australian music industry in different ways. The recorded music industry has shrunk by 41 % (adjusted for inflation) since 2001. This tremendous sales slump was mainly caused by the inexorable decline of the CD segment, but also by massive price cuts for CDs. Thus, CD album sales have dropped by more than 61 % since 2001 and CD singles have already disappeared from the market. Although the digital music market has greatly expanded since the mid 2000s, the increase could not compensate for losses of physical sales. The growing popularity of music streaming services will accelerate the transformation process from a physical product market to a digital music service market. The CD and other physical sound carriers will fall into economic irrelevance, which will result in a further decrease of recorded music sales.

However, this scenario is just one side of the coin. The other side is a growing market for music licencing. The revenue of the PCCA and APRA has continuously increased over the years by granting more licences for performing recorded music in public, but also by introducing new tariff schemes for commercial music users. The PCCA and APRA/AMCOS also benefited from the emergence of music download and streaming services that compensated for losses in other business segments. Thus, the total income of all three collecting societies has increased by 63 % to AUD 273.3 m in 2011. Compared to the recorded music sales of AUD 382.7 m in the same year, the licencing music market (represented by the collecting societies) is still smaller, but this does not include the licencing activities by Australian publishers e.g. for synchronisations. Thus, the digitalisation of the music industry has not only changed the way of distributing and disseminating music, but has made music licencing the key factor to future success in the music business.

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P2P File-Sharing: How Does Music File-Sharing Affect Recorded Music Sales in Australia?

Jordi McKenzie

Abstract Like many other countries, the Australian recorded music industry has suffered a significant decline in sales over the last decade or so. While it would be naïve to dismiss digital piracy as a contributor to this decline, there is inconclusive evidence to attribute the entirety of the decline to piracy. Moreover, there are many other salient issues that need to be considered when understanding the observed sales decline. For example, these may include music pricing, changing consumption habits, live performance incomes, and demand externality (network) effects of music consumption. Following the introduction section, this chapter begins by documenting some aggregate level industry sales statistics of the Australian recorded music industry. Beyond these statistics, summary results are also presented from a recent survey on Australian consumers' file-sharing activities in relation to music. The third section provides an extended discussion of various economic issues which are relevant to a more-rounded discussion of piracy. The fourth section discusses some recent academic studies of digital piracy related to music, while the fifth section reports on a recent econometric analysis of digital piracy in the Australian context from McKenzie (*Australian Economic Papers* 48 (4), 296–307, 2009). The sixth and final section provides some concluding thoughts and comments.

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1 Introduction

Over recent years in Australia, as with many other countries, there has been a notable shift away from physical music purchases of both albums and singles. Whilst the uptake of digital purchases has been significant, seemingly however, this has not been of a magnitude sufficient to offset the decline in physical sales. The difference, many argue, is the direct result of illegal P2P file-sharing, or digital piracy more generally. Of course, not all agree and this one dimensional view of the state-of-play and the arguments about the impact of illegal file-sharing extend well beyond a simple analysis of the decline in physical sales revenues vis-à-vis the increase in digital sales revenue. But it is apparent to even the most casual observer, however, that there have been significant structural changes in the industry in recent times and it would be naïve to fail to acknowledge that a substantial portion of this change likely relates to the proliferation of P2P file-sharing of music. The point of this chapter is not so much to attempt to measure the effects of piracy, but rather to draw attention to a number of related issues which should be considered beyond noting the decline in sales and attributing it solely to digital piracy, which seems to be conclusion of the music industry.

The main body of this chapter is broadly structured around four headings: (1) Digital piracy in Australia – the current state-of-play; (2) The economics of file-sharing; (3) Academic studies of piracy; and (4) An econometric investigation of P2P file-sharing in Australia. The following (second) section begins by detailing two recent industry studies' findings of lost sales and jobs. Following this, the current legal environment in Australia (in relation to digital piracy) is given some attention with brief discussion of the recent historic iiNet court case ruling. Aggregate industry music sales data is next presented as a first pass in examining the magnitude of the problem. Subsequently, the results of an industry survey are presented which examine the attitudes of file-sharers in Australia. The third section presents a selection of (economic) issues which are relevant towards a more complete understanding of digital piracy. These include a brief discussions of the historical nature of music sharing, opportunities for legal consumption, music pricing, changing consumption habits, the role of live performance incomes, and demand externality (network) effects related to music consumption. The fourth section details some recent academic literature on music file-sharing, whilst the fifth presents an overview of recent academic research on the Australian industry (McKenzie 2009) which investigated illegal downloading using Australian Recording Industry Association (ARIA) chart data cross-referenced with P2P file-sharing data collected from the (recently deceased) Limewire network over a fifteen week period in late 2007. The sixth and final section of the chapter provides some concluding remarks.

2 Digital Piracy in Australia: The Current State-of-Play

2.1 Diminished Sales and Lost Jobs?

At present, along with other content industries, the Australian music industry claims to be facing the most significant single threat to profits and very survival in its history as a direct result of digital piracy. Recent studies by Australian Content Industry Group (ACIG) and Australian Federation Against Copyright Theft (AFACT) have put estimates of annual losses to all content industries from digital piracy at \$900 m and \$1.37b, respectively. As well these studies suggest massive job losses across these industries, with the ACIG study suggesting as many as 8,000 job losses per-year and the AFACT study suggesting as many as 6,100 per-year. With the NBN progressively rolled-out over the next decade, the content industries fear that digital piracy will proliferate even further as Australians are able to access and download illegal content with increasing speed and ease. Although, the headline grabbing figures suggest a dire state of affairs, there have also been questions asked about the validity of the numbers and how they were calculated (e.g. Heitman 2011). Moreover, others have simply dismissed the credibility of such numbers as blatant attempts to influence public policy on piracy (e.g. Moses 2011). The main issues with the industry figures is often the implicit assumption that one illegal download translates to one lost sale. Obviously this is highly unlikely to be the case and basic consumer theory tells us that just because someone is willing to consume positive amounts of a good when it is free (or at very low cost), they will always certainly always consume less (if any at all) at higher prices.

2.2 Court Cases and ISPs

Although the content industries are claiming huge economic losses and lobbying the government to take a proactive stand against piracy, thus far their efforts have largely fallen on deaf ears with policy makers cautiously sitting on the sideline whilst encouraging continued negotiations with internet service providers (ISPs). As a result the content industries have pursued direct legal action against individuals and their ISPs in their war on piracy. In what has become a historic and landmark case spanning more than 2 years, the federal court recently sided with the ISP iiNet, whom AFACT (acting on behalf of a consortium of 34 record labels, pay-tv providers, movie studios, etc.) had charged with supporting piracy by failing to disconnect individuals identified as accessing illegal content. Although the court ruled against AFACT, however, it has also become apparent that ISPs will likely have a role to play in the future in policing piracy.

Indeed, the US television network CBS has recently begun pursuing tactics previously used in the US (and other countries) by sending Australian pirates' ISPs 'cease and desist' notices detailing the time and details of their customer's

infringement and warning them “(1) Remove or disable access to the individual who has engaged in the conduct; and (2) Take appropriate action against the individual under your Abuse of Policy Terms of Service Agreement”. As yet, there have only been reported infringements sent from the Australian ISP TPG, but this practice looks almost certain to continue. Even if damages are pursued by content holders such cases have typically failed in successful prosecution in the US, which (at present) seems likely to be the case in Australia as well. Even the Music Industry Piracy Investigations (MIPI) unit has officially commented: “it’s not our intention to sue individuals” (Sabine Heindl, General Manager MIPI, cited in McMahon 2011). It seems, at present, that the legal landscape of digital piracy protects pirates to some degree and even though some content providers appear to be pursuing legal avenues, they are mostly empty threats designed to dissuade people from the activity rather than a serious form of enforcement.

2.3 Declining Music Sales

Although the AFACT and ACIG studies suggest huge losses across the content industries, their methodology is undeniably questionable as it imposes assumptions about the displacement relationship between downloading and sales which have not been transparently described and are suspect at best. Table 1 details actual Australian Recording Industry Association (ARIA) sales data over the years 2000–2010 inclusive which are a first step in examining the potential effects of digital piracy. Although obviously incomplete with respect to digital sales, the evidence reveals a number of interesting features. Firstly, physical CD singles are fast becoming obsolete, but in their place digital tracks are being purchased with fast trending upward growth. It is also apparent the uptake of digital singles far outweighs the decline in physical singles since 2005 in terms of value. Secondly, in relation to album sales, there is also an obvious decline in physical value of sales, but in terms of volume the 11 year period suggest there was some expansion followed by a contraction in the more recent years. Thirdly, although digital sales (and volumes) of albums are increasing at a rapid rate, the values are still a relatively small proportion of overall turnover. Fourthly, within the 11 year period, the years 2000–2004 showed a total decline in total physical sales value of just 7 %, but from 2005 to 2010 the decline was 53 %. Once total digital sales are added, however, the decline in total sales was 37 % over the period 2005–2010.

The evidence of course supports the industry’s claim that sales are dropping in the industry, but this of doesn’t by itself imply the cause is digital piracy. There is a whole host of other potential explanations which may explain the shift in preferences away from recorded music. For example, these could include less disposable income, declining subjective quality of recorded music, or increased participation in substitute activities such as internet usage, social media, etc. Although digital piracy has likely played some role in the decline of sales, a proper

Table 1 Physical and digital sales of recorded music in Australia 2000–2010

	Physical CD units (000's) and wholesale sales (\$000's)				Digital units (000's) and wholesale sales (\$000's)			
	Singles		Albums		Singles		Albums	
	Units	Value	Units	Value	Units	Value	Units	Value
2000	11,099	44,571	43,971	531,972				
2001	12,367	46,659	49,670	576,484				
2002	11,343	37,460	46,954	528,401				
2003	9,464	28,509	50,640	539,609				
2004	9,286	26,670	48,234	509,807				
2005	7,394	20,353	46,174	444,729	2,393	2,471	91	940
2006	4,331	12,002	49,818	421,941	11,023	11,560	418	4,149
2007	2,498	6,711	44,045	362,061	17,647	18,695	788	6,778
2008	1,315	3,570	38,659	323,800	24,996	27,087	1,322	13,150
2009	513	1,314	39,529	320,900	35,966	38,534	2,279	21,846
2010	37	159	33,114	252,748	49,181	56,797	3,301	31,668

Source: ARIA (<http://www.aria.com.au/pages/statistics.htm>)

investigation needs to separate cause from effect to establish how much of this displacement is directly attributable to digital piracy.

2.4 Attitudes of Consumers

In the absence of quality/reliable data on downloading activity vis-à-vis music sales, perhaps the simplest way to study the impact of illegal file-sharing is by using simple survey analysis of consumers. In the context of the Australian industry, a recent study by Music Industry Piracy Investigation found the following¹:

- Around 2.8 million Australians download music illegally via file-sharing networks every year. Of these, three quarters claim to download every month.
- One in three kids in the 14–17 year age group illegally download music regularly.
- On average, Australians download approximately 30 songs a month. This totals a staggering one billion songs being illegally traded by Australians per year.
- Close to 70 % of Australians agree that illegal file-sharing is stealing. Only half of all 14–24 year olds agree with this statement.
- Almost half of illegal file-sharers themselves agree that illegal file-sharing is stealing.
- Over half of illegal file-sharers question “why should they have to pay to download music when they can get it for free via file-sharing networks.”

¹ Source: <http://www.mipi.com.au/About-Piracy/What-is-music-piracy/>

- Among illegal file-sharers, more than half admitted that they feel bad that artists lose income because of illegal file-sharing activity.
- Almost three quarters of the general population feel bad that illegal file-sharing is impacting on the lives and incomes artists.
- The majority of people that download music illegally rarely or never go on to purchase the music legitimately.

Although the above points paint a picture of nation of (somewhat repentant) pirates, as previously suggested, there are many other related issues which should be given consideration when considering piracy's causes and consequences. For example, these may include legal consumption alternatives, music pricing, live performance incomes, demand externalities, etc. Some of these issues are discussed further in the following section.

3 The Economics of File-Sharing

3.1 A Historical Perspective of Music Sharing

It will come as little surprise that people have always shared music. But what do we mean exactly by 'shared' music? In some senses, listening to some music a friend or family member plays for you can be considered sharing but this isn't really the type of sharing with which the industry is concerned. The sharing which does concern the industry is the unauthorised reproduction of sound recordings onto any storable format. Now, illegal copying of music probably goes back to beginning of recorded music itself or, at least for the masses, the invention of recordable tapes. When albums were released on cassette tapes, fairly good quality (for the time) reproductions could be made on two deck tape recorders and even the basic measures to prevent copying could be easily overcome by some strategically placed sticky tape (this will test the age of the reader!). As tapes were replaced by compact disc (CD) technology, then came the arrival of the CD burner – which, at first, were only owned by a small number of techno savvy people but soon became standard on most computers. Although these forms of illegal sharing were common, the music industry never really got so obsessed with tackling the issue until the next generation of digital piracy came about in the form of P2P sharing. From the arrival of Napster in 1999, the digital file-sharing technology meant users could share MP3 songs easily without any monetary cost. Previous forms of downloading were considerably more time intensive and would typically involve the cost of blank media (tape or CD). However, with the proliferation of the internet, development of P2P file-sharing technology and increasing speed of bandwidth, it has now become incredibly easy (and essentially free) to download music. This structural change has almost certainly led to an increase in the illegal sharing of music as many marginal consumers opt to illegally download rather than purchase an album or single.

3.2 Increased Opportunities for Legal Consumption

As well as increasing ease and opportunities for illegal consumption, however, the internet has also created new and easier ways for consumers to lawfully purchase music as well. Apple's iTunes is the obvious market leader in this department with an estimated market share of between 65 % and 80 % in Australia, followed by Telstra's BigPond. In fact, there are a number of other vendors of digital music as well, mostly telco related (e.g. Optus music), but most only have limited music catalogues. Indeed, iTunes has such market power that in almost all cases, songs are actually more expensive than alternate providers. This is likely a feature of the ease of compatibility of iTunes with iPods, iPhones, iPads, etc., but also likely a result of consumer naivety and the relatively small differences in price (usually 20–50 c per song), which consumers may not be too concerned about if only buying a single or small number of songs.

But many consumers also feel that the price of music is too high, and that providers such as iTunes are exploiting their market power and exploiting consumers' willingness-to-pay. As a result, many consumers have responded without their wallets, by effectively boycotting what they see as 'overpriced' legal alternatives and turning to file-sharing services in protest. Indeed, the market dominance of iTunes, coupled with what many view as high prices is oft cited as one the main reason for consumers turning to illegal file-sharing technology. The fact that people do still purchase music lawfully (indeed the growth of digital purchases in Table 1 exemplifies this completely) suggests that many consumers do have a conscience for the artist and producer and are prepared to pay for music legally. However, it doesn't take a Nobel laureate to realise that even the most lawful consumer will have their limits tested if faced with the choice between a free illegal copy and an excessively priced legal alternative, which to all intents are identical in quality. The point of course is that without the forces of competition and resultant low prices, marginal consumers will choose the free alternative over the legal option. It is indeed plausible, and even likely, that lower prices could encourage legal consumption and reduce illegal file-sharing.

3.3 Music Pricing

Economists have many models for pricing depending upon conditions of competition and the characteristics of demand for the product and/or related products. Anyone with a first year course in economics will be familiar with the simple demand and supply curves. The demand curve, which derives from the law of demand, shows an inverse relationship between price and quantity demanded by consumers. The supply curve on the other hand, which derives from the law of supply, predicts all else equal that producers will supply more quantity at a higher price. The intersection of the two gives the market equilibrium in quantity and

price, or so the basic model goes. Now, those who really paid attention will recall that the supply curve is actually based on the concept of marginal cost. That is, the incremental cost in supplying an additional unit which for the purposes of this discussion let's call a song and, since we're keeping it simple, let's suppose that songs are homogenous in their costs of production. Assuming a model of perfect competition in the music industry for song production and consumption, market forces will lead to an equilibrium where producers earn a normal economic profit and price is equal to marginal cost. Of course, in the day of digital downloading, the marginal cost of an additional unit (i.e. song) is essentially zero. This implies a model where the effective price should be zero per song. But of course, costs are incurred in the form of recording and producing a song, so another model of pricing is required if the artist wants to earn any revenue from sales.

Another option is to consider average cost pricing, but this model runs into problems because of the uncertain nature of demand. Given that all costs would be considered fixed under this model, there is necessarily a downward sloping average total cost curve over the whole range of output meaning that songs would be cheaper the more demand existed. The remaining solution for vendors such as iTunes is to charge a uniform price for songs which is enough to satisfy contractual cost obligations to record companies whilst maximising sales revenue from consumers.

But what is the revenue maximising price? Again, basic economic theory from first year economics is instructive. After introduction of the famous demand and supply model, perhaps the next topic taught in many introductory microeconomics courses is elasticity. Basically defined, (demand) elasticity is a useful unit free measure of the sensitivity of demand to a change in price. Students are taught that revenue maximisation implies reducing price for elastic goods, whilst increasing price for inelastic goods, all else equal. Given the marginal cost of supply for an additional unit (i.e. a digital copy of a song) is effectively zero, the profit maximisation problem is identical to the revenue maximisation problem. In other words, designing an optimal revenue (profit) maximising price requires knowledge of the own price elasticity of demand. If the industry is serious about tackling digital piracy, a proper understanding of consumers' demand elasticities is paramount for designing optimal pricing for music.

3.4 Changing Consumption Habits

The digital era has undeniably made illegal content more available to consumers, but at the same time it is changing traditional ways in which music is consumed. Moreover, this structural change also presents the music industry with new opportunities to provide their content to consumers. As Table 1 clearly demonstrates, legal purchases of singles have increased dramatically over the last five or so years. As well there has been a notable shift away from albums. Previously consumers may have learnt about an artist they like based on a song

or two, then proceeded to buy the album where other songs were ‘bundled’ with these, even though the consumer may not have really desired the additional songs. Nowadays, with ‘unbundling’ of music consumers can pick and choose the songs they want. As a result they no longer are forced to pay for the additional songs and as a result pay less for the music they wanted in the first place. A recent study by Elberse (2010) finds indeed the ‘unbundling’ effect has decreased revenues in the U.S. music industry. She also finds, however, that this effect is not as prevalent for established artists with higher reputations and for bundles with items of more equal appeal.

Another interesting by-product of the transition to the digital era is the fact that music is increasingly no longer held as a storable physical entity. This means that peoples’ music collections are stored on computers, iPods, MP3 players, phones, etc. Given that all these technologies are susceptible to various problems such as viruses, file corruption, etc. – not to mention that technologies are constantly being superseded – means that many consumers would prefer their music collection to exist separately to their device. Indeed, the music industry has recognised this (to some extent) and responded with a variety of ways. Most recently, Apple’s iCloud proposes to allow consumers to store their entire music collection in the ‘cloud’ but this in turn requires users’ devices are connected to the internet and effectively then stream the music. Other responses to the storage issue are subscription services, wherein users pay a monthly subscription fee and have access to content but do not actually own the content. This model is conformable with another well known price model taught in first year microeconomics, namely the two-part tariff. Under this pricing mechanism, users pay a fixed fee (e.g. an entry fee) and then a per-unit consumption fee. As previously mentioned, with digital distribution, the marginal cost of supply for an additional copy of a song is zero. This implies that the optimal pricing strategy simply involves a fixed fee so as to maximise revenue by getting the greatest number of subscriptions. To date, service such as Pandora in the U.S. and Spotify in the U.K and Europe provide examples but thus far this model has failed to gain popular support in Australia.

3.5 The Role of Live Performance Income

Music is perhaps unlike any other good we consume. People generally are exposed to a song before they proceed to make a purchase – if they ever do – unlike other experience goods (such as movies) where the enjoyment factor is largely unknown prior to consumption. Also, unlike movies the sound recording offers one type of consumption – typically enjoyed numerous times – which may also often inspire another type of consumption by attending a live performance. Indeed, herein lays another very important issue relevant to illegal downloading. In some senses an album acts like advertising for a band’s live performances. After all, it is widely acknowledged that artists themselves do not make very much money from record sales (typically in the \$1–\$2 region per album sold for an artist on a major label but

this varies with contracts), so most of their income derives from live performances and other sources such as merchandising. Indeed, many consumers feel strongly that artists should be earning income this way – from “working” like the rest of us – rather than sitting in their luxury homes counting monies from album sales alone.

So if the primary source of income derives from live performances, a farsighted artist may very well encourage sharing of their music in order to reach as large of a potential audience as possible. Of course this model has been trialled by many now. MySpace is full of free music from independent artists, radio stations (e.g. Triple J) provide free streaming and downloads for selected artists, and even major artists (e.g. Radiohead) have experimented with releasing free music. Many artists accept that sharing music, or effectively pricing it as free, is a good way to build a fan base, or to promote their new work to an existing fan base. Indeed a recent study by two Harvard professors has provided empirical support for such an argument. Using data from 227,230 concert events over the years 1993–2004, Mortimer et al. (2010) find that whilst file-sharing decreased record sales, live performance revenues of small artists actually increased. The effect of file-sharing on large artists, however, was found to be negligible.

3.6 Consumption Externalities

Another potential benefit from illegal downloading is that such consumption may entail consumption externalities. That is a benefit which goes beyond that of the illegal downloader. This all comes back to the way in which people learn about new music. If, as is undeniably true, people learn about new music based upon the recommendations of others, then it is obvious that it must be very important for as many people having access to the music as possible to reach the widest potential audience. In this sense there is a network type of an effect. But herein lies one of the most fundamental problems with pricing music and, moreover, attitudes towards illegal file-sharing. If demand relies upon a network effect and people perceive the legal purchase price as too high, then without the illegal option the network will not exist. In another context, if some people in the network learn of songs from people who have obtained them illegally then go on to purchase them lawfully then the existence of illegal downloaders may actually serve the network beneficially.

4 Academic Studies of Piracy

Although the content industries are unambiguously of the opinion that piracy has only negative consequences for its stake-holders, many academics have noted that piracy may have beneficial effects too if, as previously suggested, illegal downloading acts as a sample which precedes legal paid consumption, or if there are bandwagon effects from shared word-of-mouth. As economic theory offers little

guidance on the effects of piracy one way or the other, the question subsequently presents as an empirical one. Dejean (2009) notes that three main approaches have been pursued in the empirical literature investigating the effects of digital piracy on actual paid consumption. Firstly, a number of studies have examined aggregate sales vis-a-vis internet usage, or computer ownership, as a proxy for downloading activity. These studies typically pursue either a cross-sectional approach (e.g. Peitz and Waelbroeck 2004), a time-series approach (e.g. Stevans and Sessions 2005), or a combination thereof (e.g. Michel 2006). Secondly, some studies have utilised actual download information (e.g. Liebowitz 2006; Oberholzer-Gee and Strumpf 2007), or some proxy for download activity (e.g. McKenzie 2009). Thirdly, others have pursued a micro, individual-level, analysis by surveying individuals on their consumption behaviour (e.g. Zentner 2006; Rob and Waldfogel 2006; Waldfogel 2010). As Dejean discusses, each method suffers its own benefits and drawbacks.

Conceptually, the best approach is the second, wherein actual downloading activity is modelled in such a way that potential sales effects can be identified accurately, whichever the direction. To date, the seminal study pursuing such direct methodology is that of Oberholzer-Gee and Strumpf (2007). These authors use music file-sharing data collected from OpenNap, a centralised peer-to-peer (P2P) network, which they claim gives a sample capturing 0.01 % of the world's downloads, and contemporaneous album sales (retail and on-line) over a 17 week period in late 2002. These researchers, however, found no relation between download activity and music sales. Although appearing as the lead article in the prestigious *Journal of Political Economy*, and having been the most cited paper in the journal since its publication, the findings have not been accepted without question and criticism. Notably, Liebowitz (2007, 2010), questions the data construction and 'instruments' used in the econometric component of the research. In principal, however, this methodology is by far the most appealing but thus far access to quality data has largely hindered such research efforts.

The third approach, as discussed above, investigating piracy's impact on sales is to simply ask individuals about their consumption behaviour. This method has obvious advantages, as the researcher is able to design the questions to provide all the information necessary to calibrate and estimate the model. Rob and Waldfogel (2006) and Waldfogel (2010) provide examples of how such a design may be pursued in analysis of the music industry. In particular, Rob and Waldfogel (2006) find a sales displacement effect of approximately 20 % for hit albums released 1999–2003, whereas Waldfogel (2010) finds sales displacement of between 15 % and 30 % for a selection of individual songs ranking on iTunes charts 2008–2010.

5 An Econometric Investigation of P2P File-Sharing in Australia

The final contribution of this chapter is to provide some preliminary evidence of P2P file-sharing activity and its effect on legitimate sales. The analysis reports a sub-set of results reported in McKenzie (2009). The basic methodology examines the impact of levels of illegal downloading on legitimate sales by investigating the relationship with weekly rankings of songs in the ARIA Top 40 (digital) and Top 50 (physical) singles charts. Limewire's reported number of sources for music sales provides a proxy for the level of illegal downloading activity on a single song, as well as the ease of availability should a user be inclined to consider downloading the song illegally (Limewire users report unambiguously a favour to download songs when the number of potential sources is higher). For this analysis, the following simple regression model is proposed

$$\ln R_{i,t}^m = \alpha + \beta TI_{i,t-1}^m + \chi (TI_{i,t-1}^m)^2 + \gamma D_{i,t-1} + \eta (D_{i,t-1} * DU^D) + \mu_i^m + \{\varphi_T WK\}_{T=1}^{14} + v_{i,t}^m \quad (1)$$

In this specification, $\ln R_{i,t}^m$ is the (log) rank of song i in market m in week t ,² where $m \in \{Digital, Physical\}$. Although it would be preferable to have actual sales numbers (or revenues) as the dependent variable rather than simply a ranking, industry confidentiality prevented such an analysis. In any case, however, it is well known that the rankings are simply based on ARIA's estimates meaning the actual level of sales of any particular song is not likely to be known with certainty.

Rank is transformed into log form to capture the non-linearity in chart position and reflects that, for example, a drop from rank 37 to 40 is not likely to be as significant as a drop from position 1 to 4 in terms of sales volumes. That is, sales are assumed to be subject to the super-star effect (Rosen 1981), or winner-take-all effect (Frank and Cook 1995). The (assumed) convex relationship between ranking and sales has been observed in many cultural industries and there are strong a-priori reasons to believe that this assumption is warranted here. $TI_{i,t-1}^m$ is the number of times song i had appeared in the m charts up to, and including, week $t-1$. There is also a quadratic of this variable to account for rank decreasing (or increasing) in a non-linear way as a song ages. $D_{i,t-1}$ is the number of people who have the particular song available for download in week $t-1$. This is the key variable of interest and to investigate its effect between the two markets m , it also appears as an interaction variable with the dummy variable DU^D taking the value 1 in the digital sales sub-sample, and 0 in the physical sales sub-sample. μ_i^m is the time-invariant fixed effect, which captures song heterogeneity for song i in market m . There are also 14 weekly dummy variables (WK) to account for weekly fixed effect across the

²Throughout this analysis a rank of one suggests the most popular song of the week.

sample period that are estimated relative to the week 15 dummy variable.³ Finally, $v_{i,t}^m$ captures the unobserved idiosyncratic error.

Of course there is one critical point of concern with (1) relating to the likely endogenous regressor $D_{i,t-1}$. Specifically, the number downloads is likely to be endogenous and correlated with unobserved song heterogeneity because the more popular songs will tend to be those that are downloaded more frequently. To account for this possibility the variable is instrumented in the standard two-stage least squares manner.⁴ The first stage regression can be written

$$D_{i,t} = \alpha + \beta TI_{i,t}^m + \chi (TI_{i,t}^m)^2 + \gamma D_{i,t-1} + \phi S_{i,t} + \eta BR_{i,t} + \{\varphi_T WK\}_{T=1}^{14} + u_{i,t} \quad (2)$$

In this specification the additional instruments are the lagged number of downloads in the previous week $D_{i,t-1}$, the size of the file in kilobytes $S_{i,t}$, and the bit-rate $BR_{i,t}$. These last two instruments are chosen to give a measure of the (implicit time) cost and quality of a download and would be expected to be uncorrelated with the error term in (1). That is, they would be expected to be uncorrelated with the weekly ranking of sales (physical and digital), yet correlated with (unlawful) download activity.

To the extent that music downloaders consider the time taken to download a song (file size) and the quality of the download (bit-rate), these two variables have implications for whether or not the file will be downloaded illegally. These variables, however, are unlikely to directly affect whether or not consumers choose to purchase a song lawfully. Oberholzer-Gee and Strumpf (2007) use a number of instruments in their analysis with the main ones related to whether German school children are on school holidays or not, under the assumption that when they are more file-sharers will be online and consequently downloading activity will be more prevalent and successful. It is worth noting, however, that there has been some discussion as to the quality of this particular instrument in this analysis (Liebowitz 2007). Although the current download data being considered is admittedly inferior to that of Oberholzer-Gee and Strumpf (2007), it would seem that the chosen instruments are, at least in theory, more appropriate to the first stage regression.

Table 2 provides descriptive statistics of the data used in McKenzie (2009). The data set is compiled from weekly Top 40 (digital) and Top 50 (physical) singles charts as released each Sunday by the Australian Recording Industry Association (ARIA) covering 15 weeks from 5th November 2007, through 11th February 2008. This period covers the Christmas/New Year period where retail sales are highest and many school children aged children (the largest demographic of file-sharers) are on holiday. The Top 40/50 ranks singles by their (estimated) number of units

³ The inclusion of the weekly dummy variables effectively gives a two way error components model.

⁴ See Anderson and Hsiao (1981).

Table 2 Summary statistics: pooled sample and by physical/digital sub-sample

Variable	Obs.	Mean	Median	Min	Max	Std. Dev.	Skew	Kurt
<i>Pooled sample</i>								
Times in charts	1,323	9.6	9	1	38	6.97	1.02	4.02
Highest place	1,350	13.2	10	1	50	11.47	0.82	2.71
Change in rank	1,105	-1.0	-1	-32	29	5.16	0.30	9.12
No. Limewire users	1,350	113.8	113	0	350	68.95	0.32	2.85
Size of file	1,309	5,348.3	5,253	119	9,985	1,718.20	0.45	2.90
Bit-rate	1,287	186.6	192	0	320	58.22	0.69	3.32
<i>Physical sub-sample</i>								
Times in charts	734	8.9	8	1	30	5.89	0.68	2.93
Highest place	750	14.0	11	1	50	11.88	0.80	2.73
Change in rank	624	-1.3	-1	-32	29	4.97	-0.42	10.56
No. Limewire users	750	107.2	109	0	350	68.71	0.23	2.54
Size of file	710	5,406.4	5,294	2,030	9,985	1,750.31	0.50	2.81
Bit-rate	701	189.6	192	32	320	59.21	0.72	3.17
<i>Digital sub-sample</i>								
Times in charts	589	10.6	9	1	38	8.03	1.00	3.63
Highest place	600	12.2	10	1	40	10.85	0.80	2.51
Change in rank	481	-0.7	-1	-21	28	5.38	1.02	7.37
No. Limewire users	600	122.1	118	0	350	68.41	0.44	3.15
Size of file	599	5,279.5	5,245	119	9,707	1,678.19	0.38	2.98
Bit-rate	586	183.0	192	0	320	56.84	0.64	3.47

sold from Australian music retailers.⁵ On the following Monday of each week of the sample, each single from the Top 40 to Top 50 was cross referenced on the popular P2P file-sharing network 'Limewire'. Between 7 and 10 p.m., a time when internet usage is highest, each single was individually searched for and the number of users who had the track available for download was recorded along with information relating to the file size, speed of download, and bit-rate. Figure 1 provides some visual evidence of the relationship between ARIA ranking (with low numbers indicating more sales) and the number of file-sharers with that song on Limewire over the song's life in the charts. On the left hand vertical axis, the ranking in the ARIA charts is measured, whereas on the right the number of file-sharers is measured. From these, however, it is difficult to infer any obvious patterns of correlation or causation. These issues are now investigated directly.

Table 3 provides pair-wise correlation coefficients for the sample partitioned into the physical and digital sub-samples and a number of relations are evident: (1) Not surprisingly, last week's ranking correlates strongly with this week's ranking, which in turn correlates with next week's ranking; (2) There is a significant positive correlation between the time spent in the charts and ranking, which is consistent with the idea that as a single ages its ranking falls (i.e. popularity decreases); (3) There is a significant and positive relationship between the number of Limewire users and the bit-rate of a download (recalling bit-rate is indicative of quality of

⁵ A full description of the collation of ARIA charts can be found at <http://www.aria.com.au/pages/aria-charts.htm>.

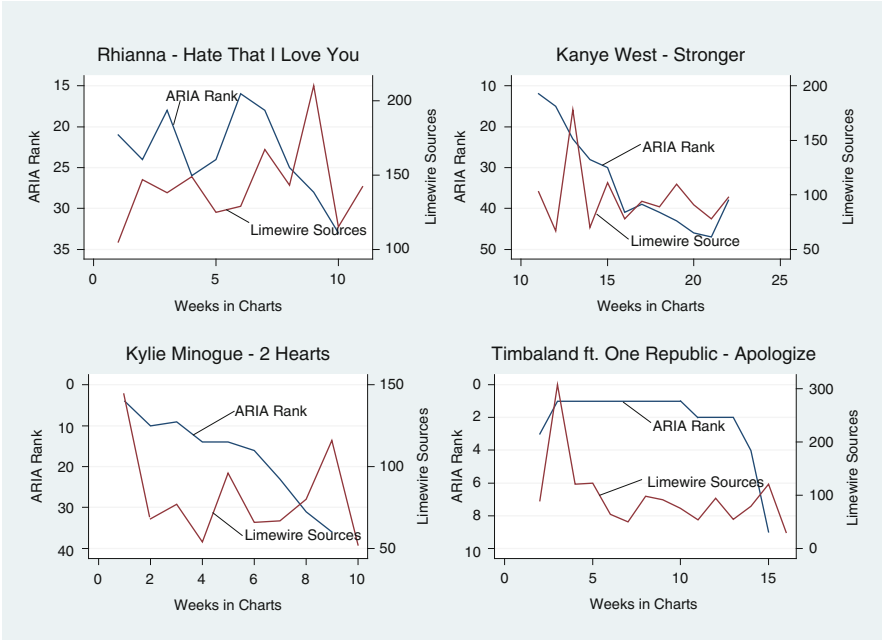


Fig. 1 Digital charts ARIA rank versus Limewire (Sources by week in charts)

Table 3 Pair-wise correlation matrix of key variables: physical/digital sub-samples^a

	This week rank	Last week rank	Next week rank	Times in charts	No. Limewire users this week	No. Limewire users last week	Size of file	Bit-rate
This week rank	1	0.8807*	0.8739*	0.1287*	-0.1353*	-0.1401*	0.0065	0.0745
Last week rank	0.9373*	1	0.7653*	0.1553*	-0.1401*	-0.1385*	-0.0032	0.0384
Next week rank	0.9269*	0.8675*	1	0.3048*	-0.1401*	-0.1491*	0.0201	0.0634
Times in charts	0.2419*	0.2415*	0.2888*	1	-0.0059	-0.0021	0.0822*	0.0664
No. Limewire users this week	-0.0624	-0.0277	-0.01	0.1842*	1	0.6657*	0.0658	0.0921*
No. Limewire users last week	-0.0127	-0.0112	0.0369	0.1638*	0.7575*	1	0.0624	0.0999*
Size of file	0.0478	0.0744	0.0594	0.2080*	0.0481	0.0441	1	0.5524*
Bit-rate	0.1118*	0.1213*	0.1333*	0.2761*	0.1028*	0.0863*	0.6499*	1

*Denotes pair-wise correlation is significant at 5 %
^aNumbers in bottom left refer to correlations in physical sales sub-sample and numbers in top right refer to correlations in digital sales sub-sample

Table 4 Pooled sample: dependent variable is (log) this week ranking

	OLS	FE	FE	IVFE	IVFE
$D_{i,t-1}$	-0.00004 (0.00053)	0.00036 (0.00058)	0.00047 (0.00058)	0.00467 (0.01460)	0.00121 (0.01365)
$D_{i,t-1} * DU(Digital)$	-0.00221*** (0.00052)	-0.00050 (0.00087)	-0.00055 (0.00084)	-0.01202 (0.01631)	-0.00948 (0.01691)
$TI_{i,t-1}$		0.10844*** (0.01814)	0.07588*** (0.02273)	0.15419* (0.08603)	0.16305* (0.08529)
$TI_{i,t-1}^2$			0.00172*** (0.00056)		0.00141* (0.00075)
Constant	2.95045*** (0.06177)	1.79148*** (0.26659)	1.82168*** (0.62508)	2.29458 (4.22629)	1.61758 (4.18622)
Fixed effects	No	Yes	Yes	Yes	Yes
Week effects	No	Yes	Yes	Yes	Yes
Observations	1,110	1,102	1,102	908	908
No. groups		165	165	134	134
Max group size		14	14	13	13
Min group size		1	1	1	1
Avg group size		6.685	6.685	6.776	6.776
F	11.77	702.91	737.64	1,645.66	273.14
(Prob > F)	0.0000	0.0000	0.0000	0.0000	0.0000

Notes: All estimations are done using Newey-West standard errors with one lag. FE employs a ‘within’ fixed effect estimation procedure. IVFE employs a ‘within’ instrumental variables two-stage least square procedure. Values in parentheses are standard errors. *, **, *** represent significance at 10 %, 5 %, and 1 % respectively

download), however, there is no significant correlation with file size. The finding of a positive relationship with bit-rate is consistent with a-priori expectations and validates its inclusion as an instrument in (2); and (4) The number of Limewire users doesn’t show any sign of significant correlation with ranking for the physical sales sub-sample, whereas this relationship does exist for the digital sales sub-sample. This initial evidence is suggestive of different types of consumers in each sub-sample, and that songs which are popular in the digital market are also popular for (illegal) file shares, but songs which are popular in the physical sales market are not popular with file-sharers.

Table 4 provides the results of regression (1). To avoid problems of serial correlation which may be introduced into the model owing to the persistence of unobserved time effects, all estimates are done using Newey-West standard errors with one lag. The first basic regression of (log) this week ranking on number of downloads last week reveals that there is no evidence of a relationship between the two in the physical sales market, but that there is a significant (negative) relationship with the digital market.⁶ This suggests some amount of market segmentation and that digital consumers share similar tastes to illegal downloaders. Intuitively,

⁶The regression of this week ranking on number of (last week) illegal down-loads similarly revealed a statistically significant negative relation. It is therefore evident that this relationship is being driven solely by the relationship in the digital sales market. This is also consistent with the evidence of the partitioned analysis discussed in McKenzie (2009).

one might conjecture that the primary demographic composition of each group is similar and likely to be characterised by the younger, computer-savvy generation. By admission, however, this regression is overly simplistic in its construction and columns 2 and 3 introduce (market specific) song fixed effects and week effects. Also introduced is the additional regressor(s) that relate to the number of weeks the song has been in the charts.⁷ There is no longer significance observed with respect to download activity but there is with respect to the number of weeks the song has been in the charts. The linear interaction with the number of times the song had appeared in the charts reveals (as expected) a positive relation with rank – suggesting a fall in popularity as a song ages *ceteris paribus*. Inclusion of the quadratic variant of this variable suggests this interaction may be non-linear.

Of course the most compelling concern of the regressions in columns 1 through 3 is the fact that downloads may be correlated with the error through an unobservable effect. Columns 4 and 5 subsequently consider an instrumental variable modification with the first stage as described in (2), where the additional instruments file-size and bit-rate are included. All estimated coefficients signage remains the same as in the fixed effect regressions, however, there is only weak significance in the regressions at the 10 % level for the number of weeks previously spent in the charts. The evidence suggests that – at least using this data – there is no significant impact on sales in either market because of P2P activity.

The analysis therefore finds results similar to those of Oberholzer-Gee and Strumpf (2007) in respect to their seminal study. It is unclear to what extent better data is likely to change this result. Obviously data on actual sales would be preferable to the second best solution of using ranking as the dependent variable, but moreover better data on illegal file-sharing activity is critical to properly addressing this question. Considering the importance of the impact of illegal file-sharing activity for the industry, it is hoped that in time researchers will better be able to access quality data to allow definitive judgements to be made on this important issue.

6 Conclusion

This chapter has considered the impact of digital (P2P) file-sharing on the Australian music industry. Although the industry claims to be incurring significant financial losses, there is considerably more to the discussion than the black and white picture often touted by pundits claiming declining sales solely attributable to digital piracy. Without wishing to be labelled a ‘digital piracy sceptic’, such issues require attention if one is to properly understand and quantify the impact of digital piracy. In particular, issues pertaining to availability, pricing, changing

⁷ The quadratic’s inclusion is guided by the non-linearity of rank over song life. See McKenzie (2009) for further details.

consumption habits, live performances, etc. appear to be especially relevant. Also, based on the results of econometric study following that of McKenzie (2009), there is no clear evidence that piracy impacts sales rankings – one way or the other – although data caveats apply.

As a final point, and perhaps more opinion, the industry needs to realise that times have changed forever. Gone are the days where artists were signed at pittance, albums were recorded at huge cost (and recouped as a first take on sales), and albums were consistently priced at (or above) A\$30 with the lion's share kept by the record company and small portion remunerated to the artist. Nowadays, recording costs are lower, distribution doesn't necessarily require the middleman record company (e.g. MySpace), and live performance income is king. With consumers holding the upper-hand in the so-called 'war on piracy', it is time the record companies accepted the structural change brought about by the digital era is here to stay and encourage legal consumption by making content readily available at reasonable cost. As the digital age matures, new mechanisms for delivering content should also be a key focus. In this author's view, a subscription model in conjunction with ISPs seems a sound business model which has achieved success abroad.

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Digital Distribution Models Reviewed: The Content Provider's Perspective

Philipp Peltz

Abstract Digital distribution has surpassed physical distribution in key markets and will soon be the dominant music distribution model in Australia. Four different business models (free, ad-funded, pay-per-use and subscription-based) and two different music delivery methods (downloading and streaming) currently compete in the market place. The author analyses each distribution model available in Australia and evaluates advantages and disadvantages from the content provider's perspective. The most striking development is the blurring line between promotion and distribution. Content providers can either lower the barriers to access music in order to facilitate rapid music circulation and create a strong promotional effect to support various revenue streams; or heighten the barriers to access music in order to install an artificial scarcity through excludability, which is essential to implement a business model based on selling musical recordings. In this regard, the variety of different digital distribution models provides a flexible toolbox for content providers to coordinate their overall marketing strategy.

1 The Evolution of Digital Distribution

The first quarter of 2012 marked a significant event in the young history of the digitalized music economy. For the first time, nonphysical music sales surpassed physical sales and overcompensated total sales losses, at least in the UK. According to the BPI (British Phonographic Industry), digital revenues accounted for 55.5 % of trade volume and generated 86.5 million British pounds. The stark growth in digital sales led to a total increase of the British music industry of 2.7 % (BPI 2012). This event is of great significance. After 15 consecutive years of decline, the recording industry seems to have reached a turning point.

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Even though it is too early to speak of a definite turning point, two arguments have been put forward frequently supporting a possible upswing. Firstly, anti-piracy countermeasures show significant effects, and secondly, attractive legal music distribution models have emerged and regained customers. Regarding the first argument, I refer to a vast amount of research about the ongoing, controversial debate about the effects of piracy and the effectiveness of counter measurements (Liebowitz 2006; Watt 2009). This present paper focuses on the second argument, which puts emphasis on the emergence of new digital distribution models that are, according to official numbers published by industry bodies, partly responsible for the current upswing of the market (IFPI 2012). Both arguments are interconnected. If countermeasures decrease the appeal of piracy, legal alternatives become comparably more attractive to consumers. Vice versa, if legal distribution services provide a superior user experience, piracy will lose customers.

From the early digital days on, legal digital music distribution services have been present. In 1999, Napster and its successors revealed the potential of digital music distribution but failed to develop a legal business model. Until Apple's iTunes Music Store, all previous legal attempts essentially failed. The main reasons were: (1) Price: Many music consumers complained that digital music was too costly in relation to physical records. Empirical research suggests that lowering the price of digital music could increase total profits.¹ (2) Flexibility: Early music download stores used rigid digital rights management systems and incompatible file formats. This practice restrained consumers' flexibility regarding the playback of music purchased in different outlets or on different devices. (3) Availability: The number of available songs in early digital music stores was relatively small compared to piracy and the actual amount of theoretically available music. This was due to the faltering negotiations between content providers and distributors. (4) Audio quality: Early distribution models used highly compressed audio formats providing an inferior listening experience while piracy often provided un- or less compressed formats. (5) Added services: Early online music stores failed to exploit the potentials of digital music distribution in the context of social networking. Piracy platforms, in contrast, often provided chat rooms and feedback functions where music fans could talk about music and recommend artists and songs.

In the wake of the continued decline of physical music sales, the widespread occurrence of piracy, and the failing attempts to establish digital distribution models, new innovative music start-ups arose to address the abovementioned points of critiques.² In this regard, piracy can be understood as an innovation driver. Anne Sweeney, the president of Disney-ABC Television Group, explains:

¹ For example, the online music provider Real Networks conducted an experiment on their music download platform Rhapsody in 2003. They lowered the price from 99 Cents to 49 Cents causing a threefold increase in music sales (Anderson 2004). Another empirical study advocates a price differentiation strategy whereas the optimal price for current hits should be 59 cents, older titles 60 cents, newcomers 55 cents and rarities \$1 (Buxmann et al. 2005).

² Interestingly, all new music distribution start-ups emerged from outside of the recording industry's environment – a pattern well known in the history of the music industry. Tschmuck

So we understand piracy now as a business model. It exists to serve a need in the marketplace specifically for consumers who want TV content on demand, and it competes for consumers the same way we do, through high-quality, price and availability, and we don't like the model. But we realize it is effective enough to make piracy a key competitor going forward. And we have created a strategy to address this threat with attractive, easy to use ways to for viewers to get the content they want from us legally; in other words, keeping honest people honest. (Anderson 2006)

Sweeny talks about the TV sector but the same logic applies to the music industry. Music piracy is not free of costs for consumers nor do the operators follow a non-for-profit strategy. The costs involve the risk of getting convicted, the consumption of advertisement and search costs. Competitive distribution models, thus, had to provide a superior user experience regarding these factors.

However, serving the consumers with the most pleasant and cost efficient experience is only one side of the coin. On the other side, distributors have to develop business models that ensure sufficient compensations and incentives for content producers and copyright holders in order to provide a broad catalogue of content. Fierce power struggles between distributors and content owners emerged. For example, in 2010 the German performance rights organization GEMA, which represents German composers and publishers, forced Google to block content of its members on the streaming service YouTube due to insufficient compensations paid by YouTube. The amount that is "sufficient" is in the center of the debate and currently subject to a lawsuit being fought in the California Courts (Reuters 2012). Another example is the delayed introduction of Spotify in several countries like the USA or Australia. Rights holders hesitated to license their music to Spotify due to concerns regarding compensations (see section about MaaS models).

In the current market place, four different business models exist, each trying to find the right balance between content provider compensation and consumer experience. In practice, hybrid models with combinations of these four approaches are frequently in use. As new models emerge frequently, this categorization can only depict a snapshot of the current state of the market. The present research explores distribution models and evaluates the advantages and disadvantages for each model from the content provider's perspective. The content provider's perspective, here, is not further distinguished into subgroups like record labels, individual self-marketing artists or other intermediaries. The reason is that in the digital landscape decreasing entry barriers enable every content provider, whether they are a self-marketing artist or a record label, to access distribution channels.³ Before going into the main discussion of distribution models, a brief review of the situation in Australia is provided.

(2003) explains the lack of innovation capabilities of the major record labels with the phenomenon that established players are locked in a traditional cultural paradigm and its attendant creative trajectories.

³The investigation of potential conflicts of interest between artists and record labels or other intermediaries that occur in the context of distribution would exceed the scope of this research. I will briefly mention eventual conflict of interest in the corresponding chapters.

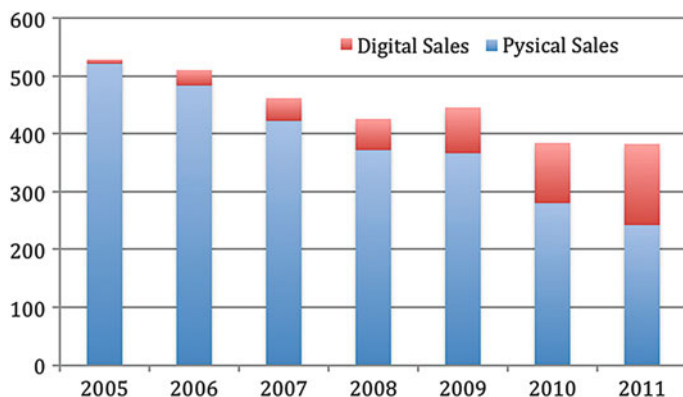


Fig. 1 ARIA wholesale figures 2005–2011 – total dollar value (Source: ARIA 2012)

The reader may wonder why the section about the situation in Australia is rather short in a publication covering the music economy in Australia. The reason is straightforward: Digital music distribution is a global affair. Even though physical sales still account for 63 % of total sales in Australia, digital revenues display a strong upward trend (see Fig. 1).

As mentioned above, markets like the UK and also Sweden have already seen the turnaround from physical to digital distribution. The biggest new industry players like Spotify, which were jointly responsible for the turnaround in the UK and Sweden, just entered the Australian market in 2012. For that reason, official numbers of digital revenues including such services are not yet released. The question, however, is: are there any arguments why Australia will not follow the examples of the UK or Sweden? Kate Vale from Spotify remarks: “Australia is the seventh-largest music market in the world, it has high smartphone penetration and high Facebook penetration and we’ve found in other markets when we have these three things, we tend to have great success.” (Fitzsimmons 2012). Furthermore, Australia’s small domestic market, its remote location as well as having English as the national language predestine Australia to address international markets. In this regard, physical distribution entails several disadvantages like high transportation costs and durations. Digital distribution circumvents those handicaps which should foster a rapid switch away from physical distribution. Considering these arguments, there is little doubt that digital music distribution in Australia will follow the examples like the UK or Sweden and overtake physical sales in the near future. Australian artists and record labels have all leading digital distribution channels at their disposal. Hence, the following evaluation of digital distribution models takes a global perspective, providing additional comments for aspects that are Australia specific.

2 Digital Distribution Models Reviewed

2.1 *The Free Model (Including Name-Your-Price Models)*

In the free model, artists offer their music against no or voluntary payments. The music is delivered in the form of downloads and streaming services. Artists either use their own websites for distribution or third party platforms (e.g. Bandcamp, Reverbnation, Soundcloud, Triple J Unearthed etc.). In opposition to ad-funded models (see MaaS model below), the free model does not charge consumers in any forms like advertisement consumption or disclosing private data.

For a long time, the free model has been marked as a hobbyist practice where amateurs give away their labor as a means to pursue non-profit goals and enjoy the sheer creating and sharing aspect of music with others. This may be true to some extent. However, not aiming for monetary compensation does not mean not aiming for any compensation. Non-pecuniary incentives are powerful drivers of artistic production and distribution. An in-depth discussion of these aspects, however, would exceed the scope of this section (for more see: Throsby 1994; Frey 2000).

The other argument of the free model suggests that it can be used as a long-term business strategy with the goal to maximize total profits. Chris Anderson advocates in his book “Free! Why \$0.00 is the future of business” the potentials of cross-subsidizing. In short, Anderson suggests selling one product by giving away another one for free (Anderson 2008). Applied to the music economy the free strategy moves the focus away from the music recording. It redefines the market and understands music consumption as a multifactorial experience. This experience can be divided into scarce and infinite components. Scarce components include concert tickets, merchandise, backstage passes, physical CDs or a musician's attention. The infinite component is the digitized recording that can be distributed at marginal costs. By setting the infinite component, the music recording, free, it can spread rapidly and be shared among fans accelerating the circulation process. This creates a strong promotional effect raising the artist's popularity and brand value, which positively influences other revenue streams. In other words, the music recording is used as a promotion tool to foster other monetization opportunities. The more fans artists have, the more likely they will sell tickets, merchandising or special physical collector items. They also become more attractive to brand collaborations or sponsor deals with other industries sectors.⁴ As a result, the free strategy may generate more total revenues than a nonfree strategy.

A variation of the free model is the pay-what-you-want strategy (also known as donation or name-your-price strategy). Hereby, consumers optionally pay a voluntary amount. Both strategies – the free and the name-your-price model – have been

⁴For a detailed list of 24 possible revenue streams of music composers and performers, see Thomson and Cook (2012).

used by various artists and record labels like, for example, Radiohead, Nine Inch Nails, Pretty Lights Records and many more.

2.1.1 Discussion from the Content Provider's Perspective

Probably the most cited example of the free, respectively “name-your-price”, strategy is Radiohead’s 2005 release “In Rainbows”. However, it is not a good example to discuss the model in a broader context. Radiohead is a well-established band with substantial financial resources as well as a large fanbase at their disposal. The release, also, caused a one-time media hype influencing the overall outcome of the strategy. These circumstances do not apply to the majority of lesser known artists. The band itself admitted: “It only works for us because of where we are” (Morrow 2009). Many unknown bands, which used the free model before and after Radiohead’s release, did not draw much media attention.

For example, Australian newcomer artist Oliver Tank released his first EP “Dreams” in 2011 via the free and optional voluntary payment model. In an interview, Tank explained: “At that stage artistically, I was very much in my infancy, my goal was not to make money but rather get my name out there.” Tank also used successfully crowdfunding (see section crowdfunding) to finance a vinyl release. As a result, Oliver Tank built up more than 10,000 fans on Facebook, played many live shows in Australia as well as overseas and is working on his new album.⁵ Another prime example is the artist Skrillex who launched his career with the free model. He said: “I think to the public eye you could say I was super new to this scene, but I’ve been putting out free tracks for well over a year as Skrillex. [...] I self-released a full on EP for free earlier this year in April that got a lot of attention from blogs and an insane amount of downloads” (Beatport 2011). Not even a year later, Skrillex won three Grammy awards, had a number one record in the US and UK Dance/Electronic album charts, played more than 300 live shows, has more than 1.8 million fans on Facebook, and appears on Forbes list of the world’s highest paid DJs at number two with an estimated income of \$15 US million in 2011 (Greenburg 2012).

These examples demonstrate the most striking feature of the free model. It lowers the barriers for potential fans to access new music. Offering music in superior quality without any access barriers (e.g. registration processes, consuming advertisement or revealing personal data), minimizes hurdles to explore new music and thus maximizes the chance of finding new fans. It directly addresses the most crucial factor in today’s musical landscape where a plethora of new music is competing for the consumer’s attention. Cathy Bauer from Daptone Records reports: “having a track of a new developing artist in the Discovery Download channel on iTunes creates a tremendous wave of activity, not just in the iTunes

⁵ <http://yespleaserecords.com/category/oliver-tank/>; <http://www.facebook.com/olivertankmusic>.

Store.”⁶ She continues to explain that the track boosted overall digital album sales while additionally, once the track has been downloaded for free, it continues to work as a long-term promotion tool in the consumer's playlist (SXSW 2011).

Another argument in favor of the free strategy is that artists gather some kind of “sympathy points”. Many fans appreciate the fact that artists give away their music for free. This potentially raises the fan's loyalty for artists and consequently the fans' willingness to spend money on other goods and services. It also encourages fans to advocate the artist among their own circle of friends, enhancing the promotional effect. For example, the artist Gramatik releases all of his original music for free. His growing fan base expresses its appreciation in various comments on the artist's band website. Some of them read: “Thanks again for making your music free!!! I support you by going to every show that I can attend” or “Man, your music is so damn good; I'd actually pay for it if I could find vinyl versions of your albums at my local record store.”⁷ It becomes evident that the free model is also used as an image campaign to establish a long-term customer relationship. It aims to maximize long-term profits including all revenue streams an artist can tap into, instead of maximizing short-term profits through selling music in the form of singles or albums.

Record labels may hinder artists in choosing a free strategy. Especially, if an artist is signed to a record label that has invested in the act and pursues a more traditional business model focusing on revenue streams generated by music sales. However, both artists of the abovementioned examples, Gramatik and Oliver Tank, are signed to record labels. To the question of whether the record label objected or supported the free strategy, Oliver Tank replied: “The label was fine with it. It was actually something we discussed and they suggested.” The structure of record contracts has been modified into so-called “360 deals” that encompass more of the artist's output than just recorded music (Karubian 2008). Hence, if the artist and the label agree on a long-term collaboration, the free strategy can also be in the interest of the label. The artist Gramatik is signed to Pretty Lights Records (www.prettylightsrecords.com), a label that releases all of its music for free. Bob Lefsetz summarizes the label's business strategy: “Just because you give away your main product for free does not mean you can't make money. We live in an attention economy, your biggest chore is getting people to listen, not to pay for your music” (Fiebach 2012). The free strategy understands the relationship between the fans and the artist as the central hub around which revenue streams and careers are built upon.

Turning towards the disadvantages of the free music strategy, first and foremost, artists do not generate any immediate revenue streams from selling music. However, this is a temporary drawback as the underlying argument suggests that, in the long-term, the free model generates sufficient total profits through other revenue

⁶ The iTunes Discovery Download is a promotion tool where users can download a free song for 1 week (<http://www.apple.com/itunes/freesingle>).

⁷ <http://www.facebook.com/gramatik>

streams. Therefore, the actual problem for artists is to obtain enough funds to survive the first phase before eventually generating revenues in a later stage.

Another negative association mentioned frequently from the content provider's view in the context of free is the alleged "devaluation of music". Many musicians and industry people express their concerns about the "Napster Generation" that became accustomed to obtaining music for free or at very low costs. In a popular blog post, musician Cal Stamp wrote: "To the average music consumer, a song is worth less than a candy bar. It might last longer, sound sweeter, and offer a more meaningful experience, but don't ask us to spend more than \$1 on it. In fact, we'd prefer you didn't ask us to spend any money at all." (Stamp 2011). The argument focuses on the music recording and equals the price of this recording with the value of music. Obviously, it is difficult to define the value of music. According to the advocates of the free strategy, the value of music lies in the overall experience including live concerts, the connection between artist and fans (e.g. through buying merchandising), communicating with others through sharing and talking about their favourite artists. All these activities generate utility for fans and thus add-up to the value of music.

Nevertheless, some artists perceive the recording as the core services a musician supplies. If this core service is degraded to a promotional tool for selling t-shirts, mugs, live-tickets or products from entirely different industries, some artist's sensible relationship with their art may be disturbed.

Another related critical aspect derives from the theory that the price of a good or service indicates its quality. Research suggests that, under most circumstances, a positive correlation between price and quality exists (Zeithaml 1988). Accordingly, consumers may perceive free music as being of inferior quality. This could also have negative implications on the artist's brand value and consequently other revenue streams. They may be perceived as amateurish and unprofessional. However, there have not been any studies yet as to whether the positive price-quality correlation holds true for music. Empirical research needs to be carried out in order to confirm such theory in the field of music.

The "name-your-price" strategy combines advantages of the free music model with the advantages of nonfree music. While potentially generating immediate revenues through sales, it also minimizes barriers to access and share music in order to generate a strong promotion effect. Additionally, it utilizes price discrimination by skimming off different willingnesses to pay from different consumers. Price discrimination is a frequently used pricing strategy to maximize profits. Not every consumer values music the same way, and is willing and able to spend the same amount of money on one artist. Through the voluntary pricing model, content providers can exploit these differences and eventually win back consumers that would not buy at a higher price. On the downside, the free-rider problem occurs. Hereby, fans that would have paid if they needed to are obtaining content for free because they can. Empirical data is difficult to obtain. Even though Radiohead's release of "In Rainbows" was perceived as a success, official figures are

ambiguous.⁸ The band discloses the exact numbers and states that it is impossible for external bodies to obtain accurate statistics (NME.com 2007). Research from other areas than the music industry gives evidence that pay-what-you-want strategies show prices significantly greater than zero and can lead to an increase in seller revenues (Kim et al. 2009). Although more empirical research is needed, there is some evidence that the free rider problem in the case of the arts is smaller in practice than theory would suggest.

2.2 *Music as a Service (MaaS)*

Music as a service models (MaaS) provide music without transferring ownership (Doerr et al. 2010).⁹ Technically MaaS functions via data streaming. Therefore, it is dependent on the quality and availability of (mobile) Internet access. However, these limiting factors are of temporary nature and will lose significance due to the continued widespread of mobile broadband Internet access points in the near future.

Most MaaS providers use Freemium business models, offering music either at no direct costs funded by advertisers (ad-funded) or against periodical flat fee payments (subscriptions). In ad-funded models, users pay indirectly via advertisement consumption (visual ads or audio commercials between songs) or by giving away personal information. It is one of the most dominant business models in the digital economy pursued, for example, by Facebook and Google. Hereby, distributors do not sell the actual content but access to customers and selected data to third parties (Mahadevan 2000). The data can then be used to target potential consumers with personalized advertisements. Subscription based memberships, in contrast, allow users to consume music without advertisement interruptions and often provide additional features like superior audio quality, mobile and offline usage.

Even though MaaS models have been present for over a decade, they have just recently gained momentum in the wake of the spread of broadband mobile capacities as well as the general trend towards cloud-computing. In addition, piracy continues to pressure traditional download models, in particular with regards to pricing. Sean Parker, co-founder of Napster and now investor and board member of Spotify, defines Spotify as a direct competitor to piracy aiming to win back customers lost to piracy models. Paradoxically, Parker was a co-founder of Napster, one of the first illegal filesharing platforms and symbol of the emergence of piracy. In an interview, Parker states: “Spotify is my opportunity for redemption. My chance to play some role in fixing a lot of problems that I played a part in creating”

⁸ One survey reports that around 33 % downloaded the album without paying while the rest paid £4 on average (Sherwin 2007). Another study found that circa 60 % paid nothing and the average price was £2.90 (News.co.uk 2007).

⁹ Ownership, here, does not refer to ownership of the master recording but ownership of the individual file in the same way as ownership of a physical CD entails specific rights for purchasers (e.g. consumption, restricted sharing rights).

(Parker 2011). Together with Shawn Fanning, Parker already in 1999 had the same business model in mind as with Spotify in 2010. However, he revealed: “They [the record labels, ed. note] didn’t want to talk to us. They weren’t interested in settlement. They wanted to sue us and decisively shut us down. I didn’t speak their language, and I didn’t have any credibility in their circles” (Parker 2011). According to this, Parker’s lack of experience and negotiation skills as well as the lack of openness to cooperation on the record labels’ part were the main reasons why Napster failed to develop a sustainable business model. The statement also shows the many difficulties new start-ups in the music industry face. It took almost a decade not only for Parker to “understand how the industry works” but also for the record labels to open-up for new business models. In 2010 Spotify reached agreements with many major and independent record labels in order to licence their musical catalogue for the service in key international music markets (Bradshaw and Menn 2010). Spotify and other MaaS providers report strong numbers. According to the IFPI, revenues generated by MaaS models increased by 93 % between 2010 and 2011 in the UK. Furthermore, subscription models accounted for nearly £9 million and ad-funded models for £3.4 million (BPI 2012). As of 2012, ten different MaaS providers are available in Australia (for a detailed list, see: Kidman 2012).

2.2.1 Discussion from the Content Provider’s Perspective

As abovementioned, the prime argument of MaaS services lies in its proclaimed superior user experience that wins back customers from piracy models while, at the same time, provides compensations to content providers. Some numbers show empirical evidence for this argument. Mediavision reports that illegal downloads decreased by 25 % since the rise of Spotify in Sweden (Vision 2011).¹⁰

An interesting argument derives from the fact that MaaS models can provide a more accurate compensation structure for artists with regards to pay-per-use than traditional models. For example, a customer buys two songs as a download, each for \$1. She listens to song A, 10 times and song B, 200 times. In both cases, the artists receive the same amount of money. That does not accurately reflect the amount of utility each song generated for the customer.¹¹ Song B generated 20 times more utility as song A at equal costs. In a MaaS scenario, artists get paid per individual play. Hence, artist B would have received more compensation than artist A. This reflects a more accurate compensation than in scenario one. The advantage of MaaS systems lies in effective tracking mechanisms of music consumption.

Furthermore, MaaS models function as promotion and discovery tools. It is an argument that has been put forward from the early beginnings of digital music

¹⁰ The survey was conducted by Mediavision which was commissioned by Musikverige, a Swedish music industry group.

¹¹ Utility here is measured by the number of listens assuming that every listen generates one unit of utility.

distribution, in particular in the context of the piracy debate. It follows the same logic as explained in the free model above (see section *the free model*). Accordingly, few barriers to access music (in terms of low or zero costs, unrestricted DRM systems and low search costs) allow rapid music circulation, resulting in a strong promotional effect, particularly if embedded in a social networking environment.¹² Vice versa, the higher the barriers to access music, the smaller the promotional effect. In this regard, piracy has been discussed as a promotion and discovery tool (Oberholzer-Gee and Strumpf 2007; Zentner 2006). The logic addresses the main trade-off artists face in the digital music economy. On the one hand, they try to inform potential customer about the existence and quality of their music. Sean Parker from Spotify remarks: “[With Spotify, add ed.] you can sample on an unlimited basis. It costs nothing to make each additional copy. And you find out about music primarily through your friends.” On the other hand, the promotional argument raises the question: where does promotion end and monetization begin?

This brings us to the downsides of MaaS models. From the content provider's perspective, MaaS models, in particular ad-funded versions, are subject to controversial debates (Peoples 2011; Michaels 2011; Lindvall 2011; Buskirk 2011). The biggest concern is the abovementioned maintenance of appropriate compensations for content providers. It is doubted whether the amount of revenues generated by selling advertisements or customer's data can ensure sufficient financial incentives for content production. Several artists and labels refused to distribute their music via certain MaaS platforms due to insufficient payments. Most notably, Coldplay, Grammy winner Adele or The Black Keys declined to license parts of their music to Spotify (Michaels 2011; Peoples 2011). This shows the double-edge nature of the abovementioned promotional argument. At some point in an artist's career path, they aim to monetize their creative output and not just promote it infinitely. Even though other revenue streams become more and more influential and benefit from the artist's popularity, some artists may not strive for (more) popularity. While a newcomer focuses on spreading music in order to build a fan base and brand name, established artists that already have a fan base do not need such a strong promotional effect but focus on monetizing their existing fan base.

Regarding the compensation of MaaS models, the exact amount of money paid to content providers is not officially disclosed and difficult to research. The reason is that the monetary pool content providers get paid from is not a constant figure but changes dependent on several factors. These factors include the amount paid by advertisers, the number of premium membership subscriptions and the individually negotiated contracts between content providers and MaaS platforms. According to several sources, Apple, for example, paid between \$100 and \$150 million upfront to the four major record labels in order to use their musical catalogues for its iCloud music service that includes MaaS. Spotify supposedly paid a similar amount to Sony Music. Additionally, Spotify managed to get all four record labels as early

¹² Spotify, for example, can be integrated into Facebook using the social network to discover and share music with friends.

investors on board. A clever move in order to get the label's music catalogue licensed (Atkinson 2011a, b; Arrington 2009; Lindvall 2009). These one-time advanced payments and corporate integrations bias pay-per-stream figures. The exact payment artists receive is furthermore dependent on the contract with the label or aggregator that negotiated with the MaaS platform. As a result, the exact payments streaming services pay are not generalizable.

Another critique in the context of ad-funded MaaS models reopens the long lasting debate around art-meets-commerce. If advertisers – which are in general larger corporations pursuing nonartistic goals – pay artists, conflicts of interest occur and artistic integrity may be put into question. As mentioned, this is not a new debate. Tom Waits once said: “If Michael Jackson wants to work for Pepsi, why doesn't he just get himself a suit and an office in their headquarters and be done with it?” (IMDb 2012). Collaborations between musicians and corporations in the form of sponsoring, endorsements or commercials have been present at all times in the entertainment industry. However, the degree of interlacement between corporations and art in ad-funded business models compared to the traditional distribution model is relatively high. In the latter, music fans paid the record labels, which paid the artists for their creative work. Thus, the money was paid for creative production. In comparison, in the ad-funded model, the music fans pay the advertiser (indirectly, either via ad consumption or buying products of the advertiser), which pays the MaaS service which pays the record label and respectively the artist. Hence, the advertising company plays a significant role in the value-creating-chain. In fact, a much larger role than in the old model where it eventually played a part in special collaborations and radio broadcasting, which was primarily used as a promotion tool, but not as the main source of revenue. The new constellation could raise concerns whether artists adjust their creative output to fit into the model in order to receive sufficient ad revenues.

2.3 Download-to-Ownership Models (Also Known as à-la-carte or Pay-Per-Download Models)

The download-to-ownership model (DtO) resembles the traditional recording industry where consumers buy individual songs or albums and permanently download the files to their devices (personal computers, mobile devices or others). For consumers, the advantage of DtO models is that purchased music is available without the necessity to be permanently online. This is particularly relevant for situations where Internet access is unavailable, and for specific applications where individuals work creatively with music. For example, syncing music to videos, using music for podcasts, creating remixes, mashups, sampling or DJ-ing. For these purposes, specialized download stores have been established (e.g. www.beatport.com).

Artists and labels can either utilize their own websites to sell music as a download or third party distributors. The advantages of using their own websites are a higher profit cut as they bypass aggregators and more flexibility regarding delivery formats. The advantages of using third party distributors include the fact that established shops signal reputation and provide additional services (i.e. standardized payment systems, file management applications to organize music libraries, user ratings, recommendations, search functions).

The common payment method is one-time-payment per download with prices ranging between \$0.69 and \$1.29 (Smith and Kane 2009). Additionally, there are also advertisement-based models that offer music downloads for free in return for consuming advertisement (e.g. guvera.com). Also, subscription based models exist where the user can download music in return for paying a periodical subscription fee (e.g. emusic.com). Today, most DtO models offer DRM free music with, compared to standard MaaS models, high audio quality.

2.3.1 Discussion from the Content Provider's Perspective

From the content provider's perspective, DtO models depict an attractive distribution practice, as they momentarily generate higher revenue streams than MaaS models. Similar to the traditional music industry, different pricing strategies can be utilized in order to maximize profits. A common practice involves bundling, where individual tracks are sold only in combination with an entire album. A successful strategy in the physical music industry because only very few songs were released as singles. Even though that changed in the digital domain and the majority of songs are available as an individual download, the strategy is still in use. Another pricing strategy is price discrimination. Hereby, tracks are sold at different prices according to temporality or audio quality. The online music shop *soulseduction* (*soulseduction.com*), for example, sells compressed files (mp3-format) for €1.29 and uncompressed files (wav-format) for €1.79. *Amazon* utilizes various pricing strategies, selling albums between \$1.99 US and \$13.99 US according to factors like release date, artist popularity or special offers. Cathy Bauer from Daptone Records describes how pricing strategies can impact on total revenues. She refers to a release she placed in the Amazon promotion channel where selected albums are sold for \$1.99 US for one day. Bauer recalls that the album sold fewer than 500 units in the week before the \$1.99 US special offer and sales went up to 3,500 sales during for two days. Also, overall sales after the \$1.99 US offer increased by 500 % (SXSW 2011). This example shows how pricing strategies can be successfully implemented in the DtO models.

On the other hand, DtO models struggle to compete with cheaper models like the free model, piracy or ad-funded MaaS services. There are examples of companies that use ad-funded financing for DtO models (e.g. Guvera). However, they seem to have difficulties convincing content providers to license their catalogues. Guvera, for example, only offers around three million songs while traditional pay-per-download distributors like Amazon MP3 or iTunes Music Store provide between

21 and 28 million songs (Oppenheimer 2012; Amazon 2012; Cashmere 2012). Furthermore, over the last 5–10 years, the trend in general computing has shifted towards cloud based services. With major industry players such as Apple, Microsoft and Amazon rolling out such services. At the same time, new end devices are equipped with small hard drives because cloud based services do not need large local storing capacities. These developments indicate a trend towards MaaS models and put pressure on DtO models.

2.4 Crowdfunding

Crowdfunding depicts another upcoming strategy for artists to finance and release their music. The underlying idea is that fans raise money in order to finance a band's endeavor like an album production or live tour. An early example of crowdfunding is the British rock band Marillion. Without the involvement of the band, fans collected US\$ 60,000 to finance an upcoming tour. Online platforms like sellaband, kickstarter, peerbackers and many more, emerged and adapted the idea, providing the framework for fund seekers. A band can post a project on the platform asking supporters to pledge different amounts of money. In return, the artists offer special goods and services depending on the amount a supporter pledged. The supporters are not investors that own shares in the project. They rather purchase products and services prior to their production. The platform acts as a trustee in case the aimed project goal is not achieved and consequently supporters get their money back.

Kickstarter, one of the biggest crowdfunding platforms, reports around 23,000 successfully funded projects, with more than two million backers. The project volumes in the music category range from around US\$ 1,000 US to more than US\$ 1 million as in the case of singer songwriter Amanda Palmer who used the platform to finance her upcoming album production, art book and tour.

2.4.1 Discussion from the Content Provider's Perspective

While still relatively unknown, crowdfunding involves many advantages for musicians. First and foremost, it decouples the distribution stage from the funding stage. In the traditional model, distribution generates cashflows to refinance the music production. Thus, if distribution failed, the maintenance of the artist's endeavor is at stake. In contrast, crowdfunding ensures the financing of the artist's project independently of eventual cashflows afterwards.¹³ Piracy, for example, does not cause any harm to crowdfunding models as it is not dependent on the revenues

¹³ Crowdfunding can be categorized as a distribution strategy in a wider sense because artists distribute some of their services and goods exclusively through crowdfunding platforms. In this regard, crowdfunding depicts a special distribution channel.

generated by traditional distribution. In the case of a successfully funded project, artists are able to finance the desired projects covering all costs. Artists retain ownership and control of their intellectual property and reap any subsequent income eventually generated by the project.

Another distinctive element of crowdfunding is the fact that artists often offer more than just music to their fans. Kevin Kelly describes in his work “better than free”, eight generatives that increase the value of a digital good because they cannot be digitally copied (Kelly 2008). These generatives comprise, among other things: immediacy, personalization, embodiment and patronage. Looking at the special goods and services artists offer on crowdfunding platforms, many of those generatives can be found. For example, Australian singer and songwriter Greta Gertler used kickstarter to fund her upcoming studio album “The Universal Thump”. She offers supporters who pledge at least US\$ 15 an advanced digital release. This addresses immediacy because supporters receive the release before it is available to the public. It also employs the idea of patronage in the sense that people are more willing to support artistic endeavors if they know it goes directly to the artists and not to intermediaries like record labels or distributors. Some artists get truly creative with their special offers to generous supporters. For example, if pledged more than US\$ 500 to fund Greta Gertler’s album production, supporters receive: “a signed, advance copy of “The Universal Thump” (CD), signed Songbook, plus your [the supporter’s, ed. note] name will be included in the “Studio Patron” section on the album credits. You will be invited to attend and give feedback on a recording, and will likely be enticed to sing backing vocals on a song on the album. Snacks and vocal warm-ups will be provided” (Gartler 2012). Such a package utilizes all of the abovementioned generatives and depicts a personalized experience with the artist. Kevin Kelly writes: “The elusive, intangible connection that flows between appreciative fans and the artist is worth something”. In this regard, artists monetize their superior social status. Additionally, by offering different packages valued at different costs, crowdfunding utilizes the fact that fans have different degrees of affection with artists. Accordingly, every fan can decide how much he or she wants to interact and be involved into the artist’s endeavour.

The disadvantage of the crowdfunding strategy is that in order to carry out a successful project, artists need a loyal fan base. However, for smaller projects it does not need a large fan base in order to reach a moderate funding goal. Secondly, as artist Terre Roach reports, the considerable time spent on administrative tasks like setting-up the project on the funding platform and correspondence with supporters may distracting artists from writing and producing music (Roche 2012).

3 Conclusion

Never before in the history of the music industry, have content providers had such a vast variety of distribution models at their disposal as they do today. Barriers to enter distribution channels have vanished, giving record labels, as well as individual artists, the free choice of which model(s) to utilize. While the media often speaks of the next “killer app” that will revolutionize music consumption and dominate music distribution, the current situation suggests that different forms of distribution can coexist. The reason is that consumers value music differently, prefer different formats and expect different experiences from music consumption. The same counts for content providers: Each artist or record label is in a specific situation pursuing different business models. Choosing the right distribution strategy is a crucial factor and has to be embedded in the wider context of the music economy as an experience economy.

The most striking development in digital distribution is the blurring line between promotion and distribution. On the one hand, lowering the barriers to access music creates a strong promotional effect. On the other hand, heightening the barriers to access music causes an artificial scarcity through excludability, which is essential to implement a business model based on selling music as intangible information goods. Content providers have to find a balance in this trade-off, dependent on the specific situation and objectives of their strategy.

Accordingly, artists in an early career stage aim to reach and inform as many potential fans as possible about the existence and quality of their music. Once the artists achieve popularity and a strong brand name, various monetization strategies can be applied. For this purpose, distribution models that minimize the barriers to access new music and enable rapid circulation through the encouragement of sharing seem most suitable. The free and the MaaS models provide such features. They foster the spread of music by lowering the price and eliminating sharing restrictions. On the downside, these models currently struggle to provide significant, immediate monetary compensations for content providers.

In contrast, artists that already have a loyal fan base and a well-known name, preferably opt into crowdfunding and DtO models. DtO models currently generate the highest immediate revenue streams and account for the biggest share of digital distribution revenues. However, DtO models are under pressure from piracy and other cheaper music services. Also, the general trend towards cloud-computing challenges DtO models.

Crowdfunding is another compelling and upcoming strategy, where artists can tap directly into the artist-fan relationship. In particular, it addresses the funding problem of the production of new creative works. On the downside, the organization of crowdfunding projects can be time consuming, and they rely on peoples' engagement.

Different distribution models can also be combined in parallel or subsequently. In this way, content providers can address as many consumers with different listening preferences as possible. If used at the same time, cannibalization effects

eventually occur. Official figures show that the rise of MaaS models caused DtO revenues to fall. Another strategy is to use each model for a specific career stage. Hence, artists may start with a free or MaaS model to build up a fanbase, and subsequently switch to a DtO or crowdfunding model in order to monetize and finance future works.

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The Landscape of Music Festivals in Australia

Breda McCarthy

Abstract The landscape of festivals in Australia is a diverse one, ranging from large urban festivals to small, community-based rural festivals. Music, in all its forms, has the potential to contribute social, financial and artistic capital to a community. This chapter seeks to explore the human needs fulfilled by music and understand why such festivals and events have become so popular with policy makers and researchers alike. The chapter is organised as follows. Firstly, the universal appeal of music is explained by drawing on academic concepts of emotion, authenticity, experiential consumption, fandom, subcultures and identity. Secondly the concept of a festival is explored, their cultural value is highlighted and a profile of music festivals in Australasia is given. Recent studies strongly suggest that the number, diversity, and popularity of festivals have grown spectacularly over the past several decades. Thirdly, the commodification of music in modern times is described and the ramifications of festivals for local economies, tourism development and the natural environment are explored. Finally, conclusions are drawn about the future of music festivals in the light of the digital age.

1 Introduction

The landscape of festivals in Australia is a diverse one, ranging from large urban festivals to small, community-based rural festivals. Music, in all its forms, has the potential to contribute social, financial and artistic capital to a community. This chapter seeks to explore the human needs fulfilled by music and understand why such festivals and events have become so popular with policy makers and

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researchers alike. The chapter is organised as follows. Firstly, the universal appeal of music is explained by drawing on academic concepts of emotion, authenticity, experiential consumption, fandom, subcultures and identity. Secondly the concept of a festival is explored, their cultural value is highlighted and a profile of music festivals in Australasia is given. Recent studies strongly suggest that the number, diversity, and popularity of festivals have grown spectacularly over the past several decades. Thirdly, the commodification of music in modern times is described and the ramifications of festivals for local economies, tourism development and the natural environment are explored. Finally, conclusions are drawn about the future of music festivals in the light of the digital age.

2 Music Appreciation: The Universal Appeal of Music

Music touches nearly all aspects of daily life. Modern technology has taken music consumption into the homes, cars, and workplaces of most citizens of industrialized nations via recorded music (Konecni 1982). Mass communication advances have caused a globalization of music. Globalization is evidenced by the rise of superstars and images of pop singers such as Beyonce and Britney Spears being understood worldwide, as well as the spread of reality TV shows such as Pop Idol and the X Factor around the world. Whilst being a product in itself, music has an input into a number of other products, industries and sectors, including education, film, television, radio, advertising, retailing, games and mobile telephony. Music is a background feature in gyms, night clubs, pubs and restaurants around the world. Music is important in all cultures and almost everyone appreciates or responds to music in some way. Some develop a career creating it and others spend their lives listening to it and appreciating it. Music is so deeply embedded in daily life that if music were to disappear, the world as we know it would be a poorer place.

Music has been studied in diverse disciplines including anthropology, psychology, sociology and music theory. Music performance has a psychological effect and can induce emotions, a happy or sad mood, in listeners. Because music has, as yet, no known survival benefits, researchers in many disciplines have posed questions – What is the purpose of music? Why does it have universal appeal? The idea that music is the precursor to human language has been proposed in cognitive psychology (Pinker 1994). Mithen (2005) in his book, *The Singing Neanderthals*, argues that music shares many characteristics with human language and that music and dance are more sophisticated versions of primate communications, in other words, the calls and gestures of the Neanderthal.

Emotion is central to our understanding of music. Lacher (1989), in a review of the psychology and music education literatures, found that music arouses four types of responses in the listener, which are described as sensorial: this response is typified by some physical movement, from swaying or the simple tapping of toes to dancing to the music; imaginal (or associative): the images, memories or situations that music evokes; emotional: the feelings one experiences when

listening to music, such as joy, rage, sadness; analytical: listening to music requires attention to its various elements, such as harmony, rhythm and tempo.

More and more scholars describe the experience society in which individuals are seeking authenticity and immediacy through events, which are live, have a 'here-and-now' presence and involve social interaction (Holt 2010). According to Frith (2007) live music is the truest form of musical expression, the setting in which musicians and their listeners alike can judge whether what they do is 'real'; authenticity is a central value in genres such as rock, folk and jazz music (see Moore 2002). Scholars are writing about the growth of the 'experience-based economy' (Pine and Gilmore 1999) the 'symbolic economy' (Lash and Urry 1994) and 'experiential marketing' (Car and Cova 2003; Schmitt 1999). Music festivals often take place in natural environments, be that classical (e.g., Opera in the Outback, Opera in the Vines, Opera in the Park) or contemporary (folk music festivals in the bush, mountains or forests), so there is a strong connection between the self and nature. Connecting to the natural environment through music is a common theme in marketing campaigns that is used to attract new audiences. Creating an experience is important for festival organisers, which is defined as something that changes people in a certain way so that they are no longer the same after having tried it. An experience is something that will be remembered over time. Gibson and Connell (2003: 29) note that music performed outdoors contributes to "primitivist fantasies of tranquillity, timelessness and human interaction with nature." The launch of niche festivals, which combines music with food, comedy or politics, shows the multi-sensory aspects of festivals. Nimbin Mardi Gras festival which takes place in Nimbin, New South Wales, is home to many alternative lifestyleers and an annual rally uniting cannabis law reform activists is staged each year.

Music fulfils basic social needs when it brings people together. There has been scholarly interest in the phenomenon of fans. The existence of fans is an important cultural phenomenon and has been part of our society since mass media was first developed. Subcultures of consumption are a distinct group of society that self-selects on the basis of a shared commitment to a particular product class, brand or consumption activity, e.g., based around music, sports or "high culture" (Schouten and Alexander 1995). Live music has been valorised and romanticised (Thornton 1995) and live gigs and venues are essential to the mythology of rock, folk, jazz and country music fans. Music is perhaps the most directly social of all of the performing arts. Music is inherently multi-sensory and creates stronger emotional reaction than other forms of entertainment (Curtis 2003; Jacobson et al. 2007). According to Paleo and Wijnberg (2006), music events are often vivid, unique and unpredictable and offer audience members close proximity to the performers. To paraphrase Bale (1989), music like sport, has its allure and a festival is parallel to the experience of the historic religious pilgrimage. Attendees are offered a 'once in a lifetime' experience. Festivals are experiential products which offer participants fun and emotion through shared social experiences (Agrusa et al. 2008).

Despite the ubiquity of popular music, it has been largely ignored by the marketing academy as a product (Lacher 1989). A limited number of studies of the role of advertising in music exist (Scott 1990). Music is an aesthetic product, not

a purposeful, commercial invention designed to satisfy human needs for profit. Aesthetic products such as literature, visual arts, drama and music are especially challenging to consumer researchers, because they are appreciated by consumers primarily for their own sake, as objects in themselves, apart from any utilitarian functions performed, or tangible benefits gained through product use (Hirschman and Holbrook 1982). Shankar (2000) argues that popular music helps us make sense of our everyday lives and experiences, and can help us construct our own identity or sense of self. According to Lacher (1989), music may be purchased as much for its social status as its own intrinsic value. A ‘yuppie’ may buy assorted classical works to impress his/her superiors, so music affirms one’s class. In the words of Frith (2007: 10), “we therefore make both a new demand on music (to meet our personal needs) and a new commitment to it, as a symbol of our individuality.” Music has long been used as a protest against dominant social forces in society, a site of resistance, such as “the anti-white tone of radical African-American Rap music” or the “anti-capitalist, empowering and emancipating tone of reggae music” (Shankar 2000: 34). The role and significance of musical performance in the reproduction of national identities has long been explored in the musicology literature (Wood 2012).

There are some interesting studies on the formation of music tastes (Holbrook 1995; Holbrook and Schindler 1989). Findings reveal that preferences for popular musical styles develop during late adolescence or early adulthood and tend to prevail for the rest of one’s life. This reflects extrinsic factors such as peer group pressure, group norms, exposure to media, involvement with social/political causes, as well as intrinsic factors such as hormonal changes and stage of development. The significance of music in adolescence helps explain why popular music, rather than classical or jazz, plays such a strong role in music tourism (Gibson and Connell 2005). It may also explain the popularity of ‘secondary performances’ such as cover bands, tribute bands and karaoke, studied by Frith (2007).

3 The Concept of a Festival

To understand the role that music festivals play in our society, one must first understand what a festival is. Getz (2007) argues that the term ‘festival’ is much overused and misused and people tend to see it as nothing more than public entertainment, a time for fun, and they forget about what they are celebrating and don’t pay attention to the meanings of a festival. According to Getz (2007: 31) festivals can be defined very simply as “themed, public celebrations” and they celebrate the community itself, provide a sense of identity and help foster social cohesion (Getz 2007). Common themes are music and dance, comedy, film, food and drink, literature, arts and sports. While classifying festivals into themes is beneficial as far as the market is concerned (it helps identify what the actual festival involves), it does not give a good indicator of a festival’s meanings (Getz 2007). Other writers refer to festivals as cultural display, cultural product or cultural ‘text’,

where the reading of it provides a great deal of insight into local culture and community life (Saleh and Ryan 1993). Falassi (1987) notes that festivals are found in virtually all human cultures; the term was originally intended to refer to religious feast-days, rites and celebrations. The term ‘festival’ is derived from the Latin term ‘festum’ which had two meanings, namely, ‘public joy or revelry’ and ‘abstinence from work in honour of the gods’ (Falassi 1987). The term has several meanings:

- A sacred or profane time of celebration, marked by special observances (in modern times the use of the term ‘festival’ has expanded and links with religion have nearly disappeared).
- The annual celebration of a notable person or event, or the harvest of an important product
- A cultural event consisting of a series of performances of works in the fine arts
- A fair–fairs were traditionally devised to display the produce of a district
- Generic gaiety, cheerfulness, conviviality

Anticipation is an important ingredient in festivals for most cultures. Festivals involve an inversion of the daily routine whereby during the festival, “people do something they normally do not; they abstain from something they normally do; they carry to the extreme behaviours that are usually regulated by measure; they invert patterns of daily social life” (Falassi 1987: 3). Festivals involve stage performance, a face-to-face encounter between artist and audience, and are therefore “one of the most bounded forms of interaction, spatially and temporally” (Holt 2010: 252). In an Australian Research Council (ARC) funded project into rural festivals, Gibson and Connell (2011) define a festival as one that meets at least one of the following criteria: use of the word ‘festival’ in the event name; it being an irregular, one-off, annual or bi-annual event; emphasis on celebrating, promoting or exploring some aspect of local culture, or being an unusual point of convergence for people with a given cultural or sub-cultural activity.

4 The Cultural Value of Festivals in Australia

While policy makers acknowledge the importance of arts and culture as a catalyst for economic growth, there is growing recognition of the role arts and culture play in social inclusion, personal and community wellbeing (Cultural Ministers Council 2010; Jackson et al. 2006). According to Arts Queensland:

Arts and culture are at the heart of regional communities, growing creativity and building connection and a sense of identity and place. (Arts Queensland 2010)

Research shows that festivals play a role in regional development (Moscardo 2007) and thriving rural towns are those that publicly celebrate their artistic dimension and involve the broader community in creative experiences (Plowman et al. 2003). Music, a cultural product, has more than one kind of value. The value

of cultural products can be measured in terms of direct use value, in which case their value is assumed to be able to be traded in, or captured by markets; thus ticket sales or contributions to the local employment market might be used as measures. Value can also be assessed according to their indirect use value: the contributions they make to a sense of cultural identity, the promotion of social interactions, or their recreational and health benefits. A third way to assess the value of cultural items is according to their non-use values. These are not traded in or captured by markets and are therefore difficult to express in terms of price. They include existence value: the altruism of individuals who value the items for their existence, irrespective of whether they themselves experience or consume them directly; option value: a wish to preserve the option of experiencing arts or cultural activities at a future time; and the bequest value of cultural heritage: the desire to bequeath an arts or cultural asset to future generations (Throsby 1995, 2003; de la Torre 2002). Intangible cultural heritage (such as festivals, rituals and events celebrating Aboriginal and Torres Strait Islander culture) is protected under the United Nations Convention for the Safeguarding of the Intangible Cultural Heritage and Australia is a signatory to this convention (Cultural Ministers Council 2010). Holden (2004) has developed a model of cultural value by drawing on a variety of disciplines. From the environmental sciences, he takes the idea that we have a duty of care for finite and threatened resources. This is allied to the idea of sustainability and the insight that diversity is as vital for healthy and resilient cultural and social systems as it is for ecosystems.

5 The Landscape of Music Festivals in Australia

The music sector in Australia is highly diverse and covers a wide range of participants from employed orchestral musicians, to commercially supported bands and performers. This creates a series of genre-based subsectors and artistic communities, each operating with a varying mix of private and public support (The Australia Council 2011). The different genres of music include contemporary (Big Day Out), rock (Soundwave festival), folk (Illawarra Folk festival), Australian country music (Tamworth country music festival), reggae (Raggamuffin) and blues (i.e., Thradbo Blues festival). These festivals take place at state level and nationwide.

A recent study exploring the extent and impact of festivals in rural Australia found that country, jazz, folk and blues festivals counted for over half of all music festivals – far outweighing styles such as rock that are more commercial or lucrative in the wider retail. By numbers of attendees, music festivals were amongst the largest of all festivals, including Tamworth's annual country music festival; Tweed Heads' 'Wintersun' Rock and Roll/1950s nostalgia festival; Goulburn's Blues Festival; Lorne's 'indie' Falls Music Festival; Byron Bay's East Coast Blues and Roots Festival and Splendour in the Grass. Audience sizes at these festivals were in the range of 15,000–100,000 people. The vast majority of festivals are quite local in

nature, drawing on local expertise and volunteers, with the aim of supporting small businesses in the immediate area. Festivals put small towns on the map, as in Byron Bay, which has become well-known for blues music. The ongoing challenge seems to be sustaining these events and generating a stronger sense of civic contribution behind the scenes (Gibson and Stewart 2009). Against a backdrop of rural decline, many places have sought to reinvigorate community through staging festivals. Writers argue that festivals in rural Australia are culturally significant and bring non-economic benefits to the community (Gibson and Connell 2005, 2012; Gorman-Murray 2009). Gibson and Connell (2012) develop a perspective that seeks to integrate questions of cultural identity, belonging, volunteering and paid employment. They argue that a narrowly rationalist economic perspective on festivals and regional development at best only partially explains the significance of festivals.

6 The Commodification of Music: Place Promotion, Environmental and Economic Impact Assessments

Listeners to music may now consume music in one of two ways: by attending a live performance or by listening to recorded music (Lacher 1989). A report on Australian participation in the Arts indicated that nearly all Australians listen to recorded music and over half attend live performances (Australia Council 2009). While the economic value of the Australian venue-based live music has been estimated at \$1.2b during the 2009/2010 financial year (Ernst and Young 2011), this figure does not include performances that take place in other venues such as open public spaces, sporting stadia, performing arts centres and concert halls. The concept of a live performance is distinct from that of a festival, but they can be complementary. Music has a very special role to play in Australia's cultural and creative life and live music helps Australian performers showcase their talents, hone their skills and earn an income (Cultural Ministers Council 2012). It is also a critical stepping stone to breaking through to an international market. Government bodies recognise that it is crucial to nurture and develop live concerts and performances across the nation (Cultural Ministers Council 2010).

In Australia, the importance of festivals for Australia's tourism industry is recognised at federal and state level. Practically all state tourism strategies acknowledge cultural experiences as an important tourism development option (for example, Tourism Queensland (2006, 2012) works with Events Queensland to grow key events that have tourism potential). Music festivals are said to be the oldest and most common form of music tourism (Gibson and Connell 2005). The creation of Tourism Event Australia signalled a new Commonwealth commitment to event tourism development, but organisational arrangements that support festivals have existed in most states/territories since the 1980s (Stokes and Jago 2007). Tourism Australia, the body responsible for attracting tourists and promoting the Australian brand, promotes a wide range of music festivals on its website; its

focus is on the high-impact festivals as well as high-yielding business events (Tourism Australia 2012a).

Major events have become a valuable form of cultural currency due to their image effects (Richards and Wilson 2004). Events are increasingly construed as an instrument for re-imaging cities (Faulkner et al. 2001). For instance, Glasgow won the nomination of European Capital of Culture in 1990, which was used to stimulate urban regeneration and reconstruct its image as a modern, progressive, cultural city. Boyko (2008: 172) argues that events can alter place meanings for residents, in other words, how they feel about and perceive places. An event “(.) may act to commercialise cultural products grounded only in image and myth (.) inauthentic or stereotyped products can be mass produced for tourists, who will buy the products without much thought to authenticity”. Boyko (2008) concludes that decision makers have to understand the needs of residents in order to foster positive place meanings.

Music plays a role in the construction of a town's image, such as Tamworth and its image as country music capital of Australia, but there can be tensions over whether representations are authentic and have the support of local residents or whether representations are crude, inauthentic and used as a means to attract tourists (Brennan-Horley et al. 2007).

The contribution of music (and arts and culture in general) to economic development has long been recognised (Gibson et al. 2010). Indeed, organisers of festivals and events are expected to demonstrate economic impacts in order to retain government support (Dwyer et al. 2000). Richard Florida (2003) developed a ‘bohemian index’ to represent how certain localities have been able to draw talent and attract new creative industries. Festivals can be used to boost tourism both in-season and off-season and are a means of attracting tourists and creating awareness of an area (Grunwell and Ha 2008). Music festivals are an essential and integral component of many regions' tourism policies. It has been claimed that activities based around music can enhance or rejuvenate a destination brand, add to tourism market share and shape the development of infrastructure to support tourism in general (Gibson and Davidson 2004; Mason 2004; Nurse 2004). With the growth in world tourism, governments see events and festivals as a means of promoting cities (Ritzer 1999) and attracting tourist expenditure. As the developed world shifts from a production-based to a consumption-based economy, cities are increasingly realising that they have to invest in events in order to attract a mobile public (Richards 2000).

While scholars propose that events can have a tangible effect on awareness and interest within the tourist market, particularly if an emerging destination (Faulkner et al. 2001), it is uncertain whether this translates into action. Travel is not a low involvement product so simple brand name exposure is not enough. Media criticism may lead to a negative image towards the destination which can deter tourists (Falkheimer 2007). Kang and Perdue (1994) emphasise that many other factors affect inbound travel, such as the global economic cycle, exchange rates, changes in competitive environment, etc.

The overwhelming majority of event studies consist of economic impact assessments (Andersson 1999; Jones 2005). Most studies focus on major and

mega events, and on the State economy rather than the sub-State regional economy. Absent from the literature has been detailed analysis of rural events and discussion of themes such as economic impacts, environmental impacts, identity and belonging (Gibson and Connell 2011). Some notable exceptions include the economic impact assessment of the 1997 Opera in the Outback (SATC 1997), a study on the Thredbo region (Janeczko et al. 2002) and a recent study of festivals in rural Australia (Gibson and Stewart 2009). Janeczko et al. (2002) concluded that events and festivals have been used with great success as a means to draw people to regions that traditionally have a seasonal tourist appeal, however leakage is significant in areas that are not self-sufficient (i.e., spending on products and services not sourced from within the study region).

In Australia, festivals are very diverse. They range from small, community-based events to major events. The large festivals, such as Soundwave and Big Day Out, tend to celebrate contemporary, alternative music (Tourism Australia 2012b). According to Holt (2010), festivals have broadened their appeal to a wider age spectrum by adopting a more holistic approach and by focusing less exclusively on the music. Large festivals have invested more in food, sanitation, safety, environmental solutions and mobile technology facilities. They offer a variety of non-music events from comedy, to film and interactive installations, to make the festival experience more fun and pleasant (Holt 2010). As the size of these events increases so to do their potential attendance, media coverage, and potential costs and benefits, including economic impacts. The economic impact of events is directly related to the scale of event (Gibson and Stewart 2009). The music sector is characterised by the 'superstar phenomenon' (Rosen 1981), which leads to large sales differentials between artists who are successful and those who are not (Cox et al. 1995). The past decade has seen an unprecedented growth in superstar touring and a rapid increase in concert ticket prices (Holt 2010). This has implications for festival management. Major festivals with a line-up of international stars can draw tourists from other states and other countries.

Anticipated economic benefits include direct employment of musicians; expenditure by fans/visitors on transportation, food, accommodation and merchandise; the regeneration of cities; construction of facilities which benefits locals and the business community (Gans 1996). For destinations who wish to host such events, support systems or supply-side infrastructure has to be in place and high quality is an absolute minimum (Morla and Ladkin 2007). Hosting an event requires significant investment in human, financial and physical resources (Haxton 1993). The costs are often borne locally, using taxpayers' money (Jones 2005). The tourism industry across the world was affected by the 9/11 terrorist attacks in 2001 so event managers have to have security procedures in place to prevent, and deal with, terrorists attacks. Abott and Geddie (2001) highlight that crowd management and crowd control is a necessary and integral part of event planning and helps event organisers avoid legal liability.

The alleged economic benefits that are expected to accrue from staging major events (like the Olympics) have induced governments to construct special event organisations to improve their competitive advantage (Gans 1996). However,

Teigland (1999) proposes that unrealistic expectations of a 'big tourist boom' are often created; furthermore, internal substitution (or displacement effects) is a common problem, where tourists are simply moved from one region to another. He concluded that more careful cost-benefit studies are needed. Major events are held for a short period of time, leading to the efficiency dilemma, whereby accommodation facilities are constructed for the event and then occupancy rates fall and over-supply occurs after the event (Cho 2004). Scholars are interested in residents' perceptions of tourism impacts and how these affect normal lifestyles (Pearce et al. 1996). Residents' reactions to major events are not always positive, and an influx of tourists can lead to price inflation, crowding, traffic congestion, disorderly and anti-social behaviour (Deccio and Baloglu 2002; Gursoy and Kendall 2006: 608; Deccio and Baloglu 2002; Collins et al. 2007).

Questions have been raised about the validity of economic impact studies. It is argued that there is a need to distinguish between event tourists (those who come to a region specifically for the event) and non-event tourists (Choong-Ki and Taylor 2005). The economic boost to local economies that flows from staging such events is disputed, given leakages, crowding-out and visitor displacement (Siegfried and Zimbalist 2006). For instance potential visitors could be repelled by the congestion and commotion of an event and there could be an exodus of domestic residents (Pyo et al. 1988). Richards (2000) concludes that one of the weaknesses of an event-led strategy is that visitor numbers increase in the short-term but quickly fall after the event, therefore there is the need for a constant supply of events and continual innovation in order to generate repeat visits.

While large-scale, urban, for-profit festivals and events have received a great deal of attention in the literature, research on small, rural events is sparse. The one exception is the work by Gibson and Stewart (2009). In a study of almost 3,000 festivals, a key finding was that they have a significant economic impact in rural and regional Australia. They are worth \$10 billion to the economy and are effective creators of local jobs, although the actual conditions and length of employment generated by festivals varies enormously. Key statistics are summarised in Table 1. Most of these festivals are not-for-profit organisations and generating income is not a key priority for the organisers. Not surprisingly, festivals record small funding bases, and just over a third of the sample receive funding from their local council. Although the organisers make little or no direct profit, they deliver economic benefits to the local community:

(...) they catalyse meaningful monetary benefits for their surrounding communities as a flow-on effect –through tourism visitation expenditure, through the hiring of local expertise, and sourcing local services and materials. Benefits are felt most by an array of local small businesses that are functionally connected to the festival, such as cafes and restaurants, sound and lighting equipment hire, waste management, hotels and motels, pubs, printers, advertising agencies, legal services and catering companies. (Gibson and Stewart 2009: 16)

It is difficult to evaluate the level of public funding for music festivals, given the amorphous nature of festivals and events. Furthermore, funding is available at local level (local councils), state level (such as Tourism Queensland and Events

Table 1 Economic impact of festivals and events in rural and regional Australia

Total economic activity generated by rural communities	A\$10 billion
Average attendance at festivals	7,020
Average visitor spending figures from the detailed case studies (excluding festival ticket sales)	A\$431
Total turnover by festivals through ticket sales and merchandise	A\$550 million annually
Number of full-time and part-time jobs created directly in the planning and operation of cultural festivals in regional Australia	176,560 jobs (4.1 full-time jobs on average)
Number of jobs directly created by their festivals in the wider community	77,000 jobs
Average number of stallholders per festival	67
Average percentage operating at a loss, at break-even point, or making less than \$10,000 in profit.	78.4 %

Source: Gibson and Stewart (2009)

Queensland) and federal level. Figures from the Department of Regional Australia, Local Government, Arts and Sport (2012) show the restricted level of support for regional festivals at national level. Under the ‘Festival Australia’ program (which provides funding for Australian regional and community festivals to present quality cultural projects), half a million dollars was used to support community arts and festival activities in 2012.

The need to evaluate events from an economic, social and environmental perspective, the triple bottom line, is gaining ground in the literature (Hede 2007). The environmental impacts of hosting events can be significant (Cashman and Hughes 1999; Holden 2000). Climate change is having an impact on event planning and management (Jones et al. 2006). There is pressure on event managers to reduce the ecological footprint of events, which is defined as resource consumption from a consumer perspective. Minimizing undesirable effects could entail recycling of food and drink packaging and substituting car transport for coach travel (Collins et al. 2007). Studies of green, eco-festivals are gaining more prominence in the literature.

7 Music Festivals in the Digital Age

Where will music festivals go from here? Festivals have multiplied in Australia yet they are ephemeral, transitory experiences, they have their own life cycles, managers grapple with lack of funds and volunteers, inclement weather conditions, and face increasing pressure to offer novel experiences. Scholars have argued that music festivals must lose out in the competition for leisure expenditure as a result of the increasing variety of experiences (Gibson and Connell 2005). Furthermore, the modern music industry has experienced an acceleration of change due to the internet, which has ramifications for live music.

On the positive side, the Internet has lowered barriers to entry for independent musicians and provided new forms of advertising at reduced cost. For consumers, the growth of digital music services and pay-per-track offers has increased choice and value for money. On the negative side, the impact of new software formats such as MP3 and Internet ‘piracy’ on industry profitability is well documented (Leyshon 2009). Scholars (Frith 2007; Holt 2010) are exploring the implications of the digital age for the live music sector. Frith (2007) found that live music in the UK was one of the most buoyant parts of the music economy, despite competition from other sources, such as mediated music, notably record, radio and the film soundtrack. Music promoters have expanded audience size (to 50,000 plus over a weekend) by increasing the capacity of venues, by broadening the scope of ‘the tour’, and, above all, by growing a new sort of musical event, the festival. Economies of scale have been exploited in various ways; for instance a great variety of bands are covered by the same staging, ticketing and marketing costs. Survival of the live music sector has also been aided by larger audiences, higher ticket prices and merchandising. Today, major acts earn more from live performance than from record sales. According to Firth (2007: 4), “the value of music (the reasons why people are prepared to pay money for it) remains centred in its live experience, and record companies and broadcasters have had to take this into account.” According to Holt (2010), the internet offers possibilities for expansion via online ticket sales and it has contributed to a boom in secondary ticket sales (via ticket sales to travel agencies). Websites also give audiences more search options and the option of choosing a seat via a map of floor plan.

According to Gibson and Connell (2005) the long-term viability of festivals is linked to the wider consumption of music more generally. The Internet has reduced the world to a global village differentiated by technological access and computer literacy rather than physical proximity. There is scope for music festivals to reach a wider audience and engage audiences in virtual realities, for instance through live music footage (cybercasts). Music has always filled basic human needs and will continue to do so; if music festivals are to survive in the future they have to evolve as their audiences have evolved.

8 Conclusion

Music is deeply embedded in daily life. Some people consume music for leisure, some to make friends, while others simply want a break from the pressures of everyday life. Some seek fame and fortune through music and dream of becoming a great singer or musician. Regardless of the motives, music plays a pivotal role in society. Music provides multiple meanings for researchers – emotional arousal, experiential consumption, a precursor to language, social bonding, connection to nature, links with self-concept, national identity, place promotion, commerce, culture and community wellbeing. Some researchers are interested in studying the human reactions to music while others are interested in studying its economic

impacts. Capitalism and culture are increasingly linked. The reasons for hosting music festivals are varied and well documented. A great deal of research on festivals and events deals with their economic impacts. Research indicates festivals have significant economic impacts for the local community, but the euphoria surrounding large-scale, urban events and festivals and their potential to be an engine for economic growth and tourism development is, at times, misplaced. There is growing recognition that festivals have wider ramifications for destinations and benefit musicians, attendees, the community and wider society. Although the popular music economy has changed dramatically, music remains a performing art and is still highly valued by individuals in today's experience economy.

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The Influence of Dirty Pool on the Australian Live Music Industry: A Case Study of Boy & Bear

Guy Morrow

Abstract This chapter is based on fieldwork conducted in Australia, the UK and the US from April 2010 until December 2011 during my tenure as co-manager/promoter of Australian band Boy & Bear. It draws on participant observation and secondary interview data featuring the perspectives of other Australian and international agents, artist managers and concert promoters. It argues that due to the establishment of the company Dirty Pool Management in the late 1970s, the Australasian case is different to that of other Anglophone countries, such as the US and the UK, in terms of who takes the risk on promoting, and then either incurring a loss or reaping a return from, the unique localised experience of live music. At the entry to mid-level of the Australian live music industry it is common for a combination of the artist and their management to promote their live shows themselves, without the assistance of a promoter. There is an historical precedent for this. This chapter will argue that the management company Dirty Pool changed the way in which the Australian music industry operated and this has had lasting ramifications.

1 Introduction

This chapter is based on fieldwork conducted in Australia, the UK and the US from April 2010 until December 2011 during my tenure as co-manager/promoter of Australian band Boy & Bear. It draws on participant observation and secondary interview data featuring the perspectives of other Australian and international agents, artist managers and concert promoters. It argues that due to the

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establishment of the company Dirty Pool Management in the late 1970s, the Australasian case is different to that of other Anglophone countries, such as the US and the UK, in terms of who takes the risk on promoting, and then either incurring a loss or reaping a return from, the unique localised experience of live music.

At the entry to mid-level of the Australian live music industry it is common for a combination of the artist and their management to promote their live shows themselves, without the assistance of a promoter. There is an historical precedent for this. This chapter will argue that the management company Dirty Pool changed the way in which the Australian music industry operated and this has had lasting ramifications.

Frith et al. (2010) notes that “live music has to happen somewhere” and in other territories such as the US and the UK, promoters play key roles in determining where live performances will take place and what the audience will experience when they are gathered at music venues. While at the entry to mid-level of the live music industry in the US and UK promoters are key figures in the live music experience, in Australia the artists themselves will often take the financial risk on their own tours while their management will do the actual work of promoting. Therefore at this level, the Australian music industry more readily lends itself to the potential of start-ups such as Music Glue, companies that facilitate direct artist to fan relations.

This chapter has three sections. The first examines the growth of live music in economic terms and the growing academic interest in the area. The second part examines the history of the Australian live music industry and situates the Australian music industries in a broader context by comparing the entry to mid-level of the Australian live music industry with that of the US and UK. The third section will feature a case study of Boy & Bear’s national and international tours that took place between April 2010 and December 2011. The article concludes by acknowledging the significance of the establishment of Dirty Pool Management.

2 The Growth of Live Music in Economic Terms

Previous research (Cloonan 2011; Coupe 2003) has suggested that live music promoters exhibit certain characteristics, prime amongst which is a conception they have of themselves as being risk takers who are selling a unique experience. Discussing the top end of the Australian live music business, Coupe (2003) outlines who he claims to be the egotistical ‘cashed up cowboys’ who aggressively compete to secure the contracts to tour successful local and (primarily) international artists in Australia – a relatively small territory (in terms of population) with arguably more promoters per capita than anywhere else. There are a number of well-known Australian promoters such as Michael Chugg, Michael Gudinski, Michael Coppel, Vivian Lees, Ken West, Stephen Wade, and Paul Dainty. Rather than focus on the technical aspects of promotion, Coupe focuses on the personalities of Australian

promoters in order to illuminate how this section of the music industry operates. Coupe effectively dissolved much of the glamorous appeal that concert promoting may have through his articulation of the many problems Australian promoters face in their day-to-day working lives.

Coupe suggests that promoters are driven more by ego than passion and notes that in his own experience, being a fan of the artist you are touring is a recipe for financial disaster. Coupe notes that in financial terms, touring Australia does not make much sense; the costs incurred travelling between major metropolitan areas are too high and the fierce competition between the top promoters means that they constantly under-cut one another to secure contracts.

The promotion of live music at any level is an inherently risky business and there has been a shift in power between the constituent parts of the music industries, with the relative power of the record labels declining and that of live music promoters rising. Page and Carey (2009, 2010, 2011) posit that in 2008 the value of live music in the UK exceeded that of recorded music for the first time in modern times, with the gap widening in 2009 and again in 2010. They note however that this broad picture hides more complex patterns in that earnings in live music are heavily skewed towards the top and there are signs that the “boom” in live music has passed (Page and Carey 2011).

Nevertheless Cloonan (2011) notes that the live sector has weathered the economic and technological storms of recent years much better than the recorded sector, pointing out that by 2011 the most important music company in the world was no longer a record company, but Live Nation Entertainment, an events company that promotes a host of major concerts across the globe and owns the world’s largest ticket agency, Ticketmaster, as well as numerous venues. Live Nation also has a range of deals with major artists such as Madonna. The emergence of Live Nation as a global force is indicative that live music is becoming increasingly transnational.

Further Australian examples of this are the agency Artist Voice and the festival the Big Day Out. Artist Voice spun out from the Mushroom Groups’ Premier/Harbour Agency and was established in 2010 by Brett Murrihy (formerly Premier Harbour Agency) and Matt Gudinski (Illusive Entertainment). It now has offices in Sydney, Auckland, Hong Kong and Singapore and has formed an arrangement with sponsorship agency M&C Saatchi Sport and Entertainment (<http://artistvoice.com.au/>). Similarly, the iconic Australian festival the Big Day Out formed a partnership with US company C3 Presents, promoters of Lollapalooza and Austin City Limits Music Festival with the goal of generating more opportunities for Australian and international artists across the Northern and Southern Hemispheres. While concert promotion has largely been national or regional, multinational promoters are beginning to rise to prominence in the industry while the prominence of multinational record companies is beginning to decline.

The live music sector is an area of increasing academic study. Holt (2010) argues that there is a “new economic centrality of live music” (243) and as a result of this a cluster of researchers at the Universities of Edinburgh and Glasgow, led by Simon Frith (University of Edinburgh) and Martin Cloonan (University of Glasgow), are

investigating the social, cultural and economic impact of live music in the UK. Rather than focusing on a particular musical genre, their project concentrates on understanding live music from the perspective of the live music promoter.

Frith and Cloonan et al. are aiming to fill a significant gap in the scholarly knowledge and understanding of contemporary British musical culture, and to challenge and refine existing record-industry based accounts of music as a creative industry (<http://www.gla.ac.uk/schools/cca/research/music/projectsandnetworks/livemusicproject/>). The world's first live music conference was held in the Northern Spring 2011 as part of this project and this resulted in a special edition of the journal *Arts Marketing* (2011). While this research is significant and gives further credence to the notion of a plurality of industries based around music (Williamson and Cloonan 2007), there is still comparatively little research specifically on the activities of Australian concert promoters.

3 The History of the Australian Live Music Industry

There are two figures who arguably changed the course of the live music business in Australia. The first was Led Zeppelin's manager Peter Grant, whose work was internationally influential, and the second is Dirty Pool founder and (later) Savage Garden manager John Woodruff. One time Led Zeppelin publicist Danny Goldberg (2008) notes that Peter Grant was considered to be one of the shrewdest of his generation of British rock managers. Goldberg notes that he understood, more than any of his peers that artists had grown more powerful:

He took Led Zeppelin away from Premier Talent in 1971 and booked the band directly without an agent, thus recovering 10 percent of Zeppelin's sizable concert grosses for the band. This shocked the nouveau establishment of rock promoters and agents. Many of them never forgave him, and Peter couldn't have cared less. (Goldberg 2008: 64)

This is one of the ways in which Grant insisted on a much higher percentage of the profits for his client, forever changing the economics of the touring business.

Another way involved changing the deal his client had with concert promoters. Goldberg notes that the largest rock attractions in the early 1970s, such as Grand Funk Railroad, were receiving 50 % of the gross, which he estimates usually amounted to around 75 % of the net profits. Goldberg also argues that: "promoters often fudged on expenses taken off the top (ibid.)." Grant insisted that Led Zeppelin receive 90 % of the net profits and was adamant that he personally have approval over any expenses.

Part of his reason for doing this is that he realized that in most instances advertising was not necessary for a Led Zeppelin show because a few mentions on the local rock radio station were sufficient to cause a sell out in any one particular city. This meant that there was less work for promoters to do because they did not have to run advertising campaigns, the cost of which was their main financial risk. Goldberg reflected on Grant's comments concerning this:

You know why I asked promoters for ninety percent? (...) Because I'd do it. I'd take ten percent of Led Zepplin. That's a lot of money for no risk. (Goldberg 2008: 64)

Soon after this, according to Goldberg, every major headliner demanded and received a 90/10 deal. This includes international headliners who are sold into the Australian live music industry.

John Woodruff and his Dirty Pool co-founders changed the local and national sectors of the Australian live music industry in a similar way. Woodruff commenced his career in Adelaide in 1972. He has been responsible for nurturing some of Australia's most well known artists from the beginning of their careers to international success (<http://www.supportact.com.au/board/>). These artists include The Angels, Icehouse, Johnny Diesel & The Injectors, Baby Animals and Savage Garden.

In the late 1970s, Woodruff, together with Ray Hearn and Rod Willis, formed Dirty Pool Artist Management. Rod Willis managed iconic Australian band Cold Chisel and this band was therefore added to Dirty Pool's roster. Dirty Pool was largely responsible for shifting the power and leverage from venue owners, promoters and agents to artists. Prior to the establishment of Dirty Pool, artists were typically only paid a minimal fee and the venue/promoter kept most of the takings from an event. By introducing a new system, Woodruff brought more balance and fairness to remuneration between performer and venue and for the first time introduced live performance contracts into the Australian music business (<http://www.supportact.com.au/board/>). Michael Chugg (2010), in the context of a discussion of the establishment of Frontier Touring, notes that:

There were other landmark events in the industry as the 70s ended. Dirty Pool, the management company founded by John Woodruff, Ray Hearn and Rod Willis, changed the way the local live circuit operated by insisting that the bands they managed, such as Flowers, The Angels and Cold Chisel, were paid 90 percent of the door takings at gigs rather than being paid a set fee by the agent. They did all the promotion and marketing themselves. It was a radical departure from the way touring had worked before. This had a financial impact on Premier, Harbour and every other agency in the country, but to be honest it was a fairer system. (Chugg 2010: 109)

Dirty Pool effectively cut out the promoter and instead they did the work themselves as managers. This led to a situation whereby the artist could take the financial risks on their own tours and then reap the returns (or incur the losses). Introducing performance contracts and booking directly into venues meant that there was less opportunity for deception and corruption. For example, prior to Dirty Pool operating in this way, the promoter would buy the act from the agent for \$500. The agent would then tell the artist that the promoter was paying \$200. The agent would then keep the \$300 balance as well as the 10 % commission (\$20) on the \$200 fee that the artist would receive. Glen Wheatley (1999) discusses an early 1970s Masters Apprentices show at Festival Hall in Brisbane. The promoter Ron Blackmore had proclaimed that they had drawn a crowd bigger than the Beatles (in excess of 6,000 people). Wheatley notes that he thought:

What had all those kids paid? Was it five bucks? Five times five or six thousand made a gross of \$30,000. The Masters Apprentices were being paid \$200. I knew the other artists were being paid the same amount (...). The promoter Ron Blackmore, I calculated, must have made a lot of money tonight. The questions were going around in my head. Why were we on a fixed fee? Wouldn't it have been fairer for the artists to share in the money taken at the door? And for that matter, shouldn't our share be greater than the promoter's? After all, those kids were paying to see us, not the promoter. Something was seriously wrong here.

Just as it had for the founders of Dirty Pool Management, the concept of doing door deals was formulating in Wheatley's mind. Artists and managers started to question why artists were always paid a set fee. Artists and managers started to argue that they should be paid commensurate to the artist's drawing power.

'Door deals' were also a way to guard against corrupt 'kick back' practices commonly known as 'skimming'. Chugg (2010) claims that some agents he knew stole systematically from their artist clients. He notes that the most common way for an agent to steal from an act was in the setting up of one of the act's tours. The practice of 'skimming' or 'rigging' had kickbacks at the heart of it. Chugg notes that:

This is how it works. If you are an agent, you deal with all manner of operators and businesses, from tradespeople to stage-builders, PA and lighting companies, transport companies, caterers, travel agents, venue owners and promoters. In putting a show together for one of your acts, you may have to deal with one or all of these other businesses to make it work (...). In the days before Dirty Pool came along and changed the system, you could do a deal with the club owner or the promoter to sell your act to them for \$1500 and then tell your act they were getting \$1200. You could do a deal where the promoter got \$3 a head from the band's fee and gave back to you, the agent, a dollar, or two dollars in some cases. (Chugg 2010: 206)

Chugg notes that kickbacks from venues in Sydney and Melbourne in particular were commonplace for leading agents in Australia in the 1970s and 1980s. He posits that venues were giving kickbacks to the agencies systematically and points out that there was another way to rip off the artist:

You could build excess charges into your tour budgets by producing false receipts. There were plenty of ways to do that. You could get a company to give you a bill for \$50,000 when the cost was only \$35,000 or \$40,000 and split the difference. Following that same principle, you could get the venue to charge 15 per cent of the gig fee for the hire of the room, chargeable, of course, to your act, and then give you back 5 per cent. You could get the booking agent to put an extra \$2 into the service charge for tickets and give it back to you. (Chugg 2010: 207)

Chugg notes that he was never complicit in such corruption, however, he did turn a blind eye to it. Dirty Pool started because Woodruff and his colleagues knew that systemic stealing from their acts was taking place and they were determined to stop it. Chugg (2010: 208) comments: "That's apart from their main objective, which was to completely overhaul the way bands made their money." While Chugg notes that they did not put an end to the kickbacks that were going on completely and that skimming still occurs in some areas of the business, it is not as endemic nowadays. While most international tour accountants are wise to this type of unscrupulous behaviour, these are some of the scams of which promoters have to be continually

aware in the touring business as there are many dangers when dealing with companies spread around the world.

The establishment of Dirty Pool Management had the effect of changing the definition of a ‘promoter’ in Australia. Negus (1992: 130) defines promoters as being the person or organisation responsible for tasks such as “hiring venues, arranging stages, sorting out public address systems and lighting, employing caterers and security personnel, advertising the show and coordinating the sale of tickets”. Promoters are also responsible for hiring the act, either via an agent or the artist manager. Generally speaking, promoters are the individuals or organisations that book acts and venues, publicise the tours, arrange the selling of tickets, produce the show and then either draw a profit from the tour or incur a loss on it.

However, as is made evident by the Dirty Pool example, there are many other ways to define promoting and who fulfils this role. Some promoters own the venues they are selling into or they also book the venues. Sometimes the agent is also the promoter, or the artist manager together with the artist is the promoter. Brennan and Webster (2001) suggest that promoters fall into one of three categories: independent, artist-affiliated or venue-based, while Cloonan (2011) suggests that the divide is between enthusiasts (who promote for intrinsic reasons), professionals (who are motivated extrinsically by the chance to generate income) and governmental (who promote artists for the public good). These typologies are useful for understanding the differences between practices in the US, UK and Australia that will be made evident through the Boy & Bear case study.

4 Methodology

I co-managed Dave Hosking and then Boy & Bear with Rowan Brand from September 2008 until December 2011 and therefore this chapter uses a participant-observer method of research, a tradition that is well established in qualitative research practices. The artist manager is “the only other individual, besides the artist, who gets to see and touch all the jigsaw puzzle pieces that fit together to create the artist’s career” (Frasogna and Hetherington 1997: 6). In terms of participant observation, the artist manager is therefore in a useful position for acquiring in-depth knowledge of the dynamics and texture of artists’ live performance activity.

Case studies provide the ability to deal with a wide variety of evidence within a real-life, contemporary context and an opportunity to gain access to an explanation of causal links that are too complex for a survey (Eisenhardt 1989; Mitchell 1983; Walton 1972; Yin 1984). Therefore in this case study, as an artist manager, I observed the broader interactions between the operators and businesses involved in the production of Boy & Bear’s tours. It must be noted that in terms of the discussion of the role of the various operators with which I was involved as manager of Boy & Bear, I am biased toward the manager’s point of view.

4.1 *Boy & Bear Case Study*

Boy & Bear's¹ album *Moonfire* was released in Australia via Universal Music Australia's (UMA) Island Records imprint on August 5, 2011 and reached Gold sales status (35,000) within 3 weeks. It achieved Platinum sales status (70,000) in December 2011. It was released in the UK via Co-op/V2 on January 16, 2012. The album was released digitally in the US via Universal Republic on August 9, 2011 but it is yet to be released physically there. Boy & Bear won five Australian Recording Industry Association (ARIA) awards in November 2011 including: 'Album of the Year', 'Best Group', 'Breakthrough Artist (Album)', 'Breakthrough Artist (Single)' and 'Best Adult Alternative Album'. There were a number of tours that Brand and I, as the band's managers, promoted that helped the band achieve these results.

At the local level of the live music scene in Sydney, bands commonly do 'door deals' with venues. Discussing this sector of the live music industry between 1997 and 2005, Morrow (2006) notes that these bands can usually only charge between \$5 and \$8 per show, and the venues that host shows at this micro-level of the music industry are by nature relatively small and often only fit between 100 and 120 people in them for a 'sell-out' show.² While by 2009, when Dave Hosking's solo project that Brand and I were co-managing became Boy & Bear, local bands could charge \$8–\$10, there were still usually three bands on a local bill – an opening band, a middle band and the headlining band – and the money was normally split evenly between the three bands after \$220 in venue costs were deducted (sound engineer).

In addition, the venue's booking agency usually received \$2 per payer. Therefore, if three bands on a bill charged the maximum entry fee that the market will bear for this type of show, and the event sold out, the show would gross \$1,200 ($\10×120 payers) – if all of the audience members pay to enter.³ As a maximum amount, this figure is above average for this type of show, and has to be split between the musicians in the three different bands, the sound engineer and the venue's booking agency.

This situation works well for the venue because they do not have to pay for the evening's entertainment and the 120 people the musicians bring to the venue will often drink a substantial amount of alcohol and sometimes gamble. In order to get 120 people to attend the show the musicians themselves and their management (if they are not self managed) have to put in a lot of promotional work. They need to

¹ Boy & Bear consists of five band members: David Hosking (lead vocals, guitar), Tim Hart (drums, banjo, guitars, backing vocals), Jacob Tarasenko (bass guitar and backing vocals), Killian Gavin (lead guitar and backing vocals) and Jonathan Hart (keys and backing vocals).

² For example, the Sandringham hotel in Newtown is a 100 person capacity venue and the Cat and Fiddle hotel in Balmain is a 120 person capacity venue.

³ A significant number do not pay the door charge, including guests of the bands, media and music industry personnel.

call their friends and family, email people, txt people, run Facebook campaigns, distribute flyers, and sometimes pay for advertisements in the street press and pay for pole posters to be (illegally) put up around the city. Even with such efforts, the band's friends and family will not attend every show and therefore the agencies will not let them work more than once every 2–6 weeks.⁴ It is also in the musician's interest to draw people to the show because if the show flops the musicians still have to cover production (Morrow 2006). If they are not taking any money from people entering the venue then the money has to come from them and they end up 'paying to play'. The musician's other expenses for such shows include petrol, equipment maintenance and rehearsal studio rent.⁵

Boy & Bear's first show was at Oxford Art Factory in Sydney on July 26, 2009. As a local show it was subject to the aforementioned economics. The band's first east coast tour also featured 'door deals' and did not involve a separate promoter. The tour expenses were covered by the band partnership and Brand and I did the work of promoting (Figs. 1 and 2).

In February 2010 Boy & Bear signed a recording agreement with UMA's Island imprint for Australia and New Zealand only and a song publishing agreement with SonyATV world-wide. In December 2010 their booking agent in Australia became Stephen Wade at Select Music. In April 2010 they toured the UK with Laura Marling. Laura Marling also used Boy & Bear's rhythm section as part of her backing band for the entire tour which included Europe and this led to Boy & Bear securing a booking agent in the UK and Europe; Lucy Dickins at International Talent Booking (ITB). I was based in New York in 2010 and was introduced to US booking agent Bobby Cory at CAA who later became the band's US agent. Boy & Bear won the Triple J Unearthed J Award in 2010 and this, along with the 'buzz' surrounding the band's international activity, led to all shows on the band's mid-year EP tour and 15 of the 17 shows on their debut headline Australian 'Blood to Gold' tour in October/November 2010 selling out (Figs. 3 and 4).

Even though the band's profile was rapidly rising and we were selling out multiple 500 capacity venues in Sydney and Melbourne, these tours still featured 'door deals' and did not involve a separate promoter. The tour expenses were covered by the band partnership and Brand and I did the work of promoting. Booking agent Stephen Wade and his team at Select Music booked the venues and plotted the run of shows in exchange for a 10 % (of adjusted gross) commission. This meant that the majority of the revenue from these tours went back into the band's business. This was fortuitous as it enabled us to realise the opportunities presented to us to support more established artists on larger tours.

⁴From the perspective of the bookers of two key Sydney originals venues, Brent Lean of the Annandale Hotel (450 capacity) and Scott Leighton of the Gaelic Club (900 capacity), this is absolutely crucial because they make a living through their commission of door takings (MMF Forum, 28/9/04).

⁵In London, local bands have to pay the venue £100 as a guarantee. They then need to recoup this from the door takings. Fortunately, Sydney's local music scene does not operate like this – yet.

Fig. 1 Poster for Boy & Bear's first show



Throughout 2010 Boy & Bear toured Australia with Mumford & Sons, Laura Marling, Angus & Julia Stone, The Hungry Kids of Hungary and Lisa Mitchell. The band was paid fees for these 'support' shows ranging from \$150 per show to \$500 per show. As Boy & Bear is a five-piece band, these tours were 'loss leaders' because these fees did not cover the cost of Boy & Bear's accommodation, travel and production expenses. During April 2010, two of the band's members toured Europe as part of Laura Marling's rhythm section while the other three members toured Australia with Angus & Julia Stone as a support act. This increased the pressure on the band's cash flow.

In November and December 2010, Boy & Bear performed a capacity showcase at the Mercury Lounge in New York City (which eventually led to a direct signing to Universal Republic) and they completed their first headline (eight-date) tour in the UK with sold out performances in Oxford, Brighton and London. While in Australia Boy & Bear's value was determined by the market, in the UK the band was paid a set fee per show. In the UK, the band's booking agent agreed a performance fee with local promoters in each of the different cities. The band was paid a guarantee of £500 + PA + Lights + Catering + Accommodation for their show in Belfast and then in Dublin they were paid a fee of £250 versus

Fig. 2 Tour poster for Boy & Bear's first east coast tour



80 % + PA + Lights + Catering + Rider. The fee for the remaining shows of the tour averaged a guarantee of £100 versus 80 % (Fig. 5). The following break down is an example (Table 1):

While in Australia Brand and I, as the band's managers, had been doing the work of promoting the band's tours nationally (using the band's money to do so), in the UK each different city had a different promoter who took both a financial risk promoting the shows and who did the work of promoting.

To a certain extent, this was positive in a budgetary sense; we were outlaying a lot of the band's money to get to the US and UK and it was therefore useful to know the exact amount the band would be paid for their performances. Furthermore, unlike in Australia, we did not have the experience of promoting tours in the UK. However it was a disadvantage when the shows sold out because the market value for the band would have been determined by the number of people who paid to enter the venue to see them perform if we were able to agree door deals (rather than by the agent and the promoter).

At the start of our efforts to build Boy & Bear's live performance career, Brand and I established a relationship with London-based company Music Glue. Music Glue provides online marketing and e-commerce solutions for artists, managers,

Fig. 3 Boy & Bear's EP tour mid-2010

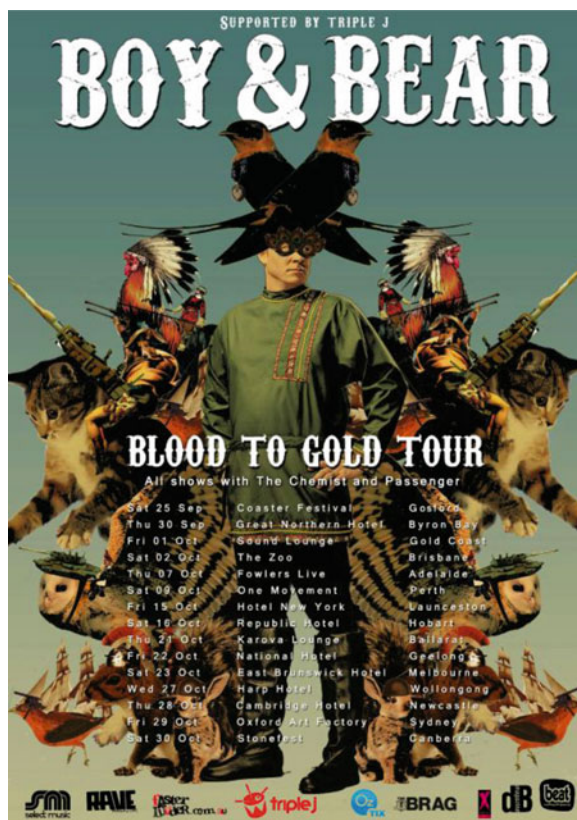


promoters and venues by providing the tools that enable direct artist – fan engagement. Music Glue claim that direct engagement is “demanded by an increasingly tech aware and empowered customer base.” (<http://www.musicglue.com/>) The Music Glue site allows the distribution of music and the collection of fan base data (free mp3 files can be downloaded in exchange for fan’s email addresses). This is entirely managed by the artist and their management rather than a retailer or social network (ibid.). Venues are provided a full booking and ticket sales service that similarly allows direct access to purchaser data not provided by other ticketing suppliers. Mark Meharry of Music Glue notes that:

Our service delivery model is at the vanguard of the new music business that is emerging as technological innovation is fast making the traditional industry redundant. There are competitors in the market place but none that places its primary assets – revenue generation and customer data – directly into the hands of the artist increasing the income derived from their own work and allowing them to positively exploit fan base information mapping sales, planning PR & marketing campaigns and booking tours. (ibid.)

We used Music Glue to distribute music in exchange for fan’s email addresses. This meant that we had a database to which we could promote the band’s subsequent tours. Because there was no promoter involved in the earlier Boy &

Fig. 4 Boy & Bear's debut headline tour late-2010



Bear Australian tours, we could insist upon receiving a ticketing allocation for Music Glue for each show. This upset some of the operators involved in the production of Boy & Bear's live tours because it meant that the ticketing agencies and the venues, if they were selling tickets directly, no longer received a fee per ticket sold. Although this made it cheaper for the consumer, and the artist retained the customer data instead of the ticketing agencies, there was a lot of resistance to working in this way from some of the live music operators with whom we dealt.

Boy & Bear was able to grow its live fan base internationally due to the revenue received initially by their song publisher SonyATV and then later from the revenue generated by their Australian 'door deal' tours and from Australian festival fees. Festival fees are the cash cow of the band's business. Once a band has an established profile they can demand festival fees of between \$15,000 AUD and \$60,000 AUD and more. Because the bands do not have to spend to promote the festival (the festival promoters do), festival shows tend to be the most profitable. These fees help to enable the band members to survive and the money is also often used to cash flow international tours.

Fig. 5 UK tour, December 2010. The band played in Belfast and Dublin in addition to these dates



Table 1 UK show breakdown, December 2010

Offer	
Venue capacity	200
Sellable capacity	180
ADV ticket price	£6.00
Potential gross income	£1,080.00
VAT	£160.85
Potential net income	£919.15
Total costs	£567.40
Balance	£351.75
Headliner offer guarantee	£100.00
VS	80 %
Potential walk-out	£281.40
Break even sales figure	131

In March 2011, Boy & Bear performed five different times at SXSW Festival in Austin Texas and then flew to Nashville to record their debut album. The continuation of international activity generated further consumer interest in purchasing tickets for their subsequent Australian tour. Every show on Boy & Bear's 'Autumn 2011' tour sold out. By this stage Boy & Bear were performing in 500–1,200 capacity venues, including two sold out nights at the Metro in Sydney. When

Fig. 6 Boy & Bear autumn 2011 tour poster



promoting this tour, Brand and I held back on marketing spending. Leading into this tour the band had a 95 % sell out rate, which meant that the audience had been ‘trained’ to pre-purchase tickets, otherwise they would miss out. The more the audience is prepared to pre-purchase tickets, the less the promoter has to spend convincing the audience to purchase tickets.

The international ‘story’ around the band and the fact that UMA were preparing to release the band’s debut album meant that Brand and I could run a reactive promotional campaign for this tour. We ran a ‘pull’ campaign rather than a ‘push’ one. We engaged Kathleen Hore at Secret Service PR to work as the band’s live tour publicist and this enabled us to pull consumers toward the tour rather than pushing the message out via advertisements. This enabled us to run a Led Zepplin-style tour with very minimal marketing spend and this meant that the ‘Autumn 2011’ tour was a profitable one. We were however critiqued for operating in this way because the conventional wisdom in the live music industry is that you need to advertise in magazines and in the street press so that festival bookers are aware of your successes and so that therefore the band’s agent can sell the band into festivals during the summer season (Fig. 6).

Following this sold out Australian tour, Boy & Bear flew to Chicago to perform at the Lollapalooza festival date there and then onto New York to perform at the Mercury Lounge in New York City and at the Knitting Factory in Brooklyn. This enabled us to continue to build the band's profile in the US and we felt that the 'story' of performing at Lollapalooza would continue to build buzz around the band in Australia and help us to sell tickets there (and UMA to sell albums). After returning to Australia for a festival date, and so that one of the band members could get married, the band then returned to the US for a twin coast tour that featured performances in Los Angeles, San Diego, San Francisco, Brooklyn, Boston, Washington and that culminated with performances at CMJ festival in New York.

The live performance contracts in the US were reminiscent of the deals put forth in the UK. They featured guaranteed fees of between \$200 USD and \$650 USD versus 85 %. As in the UK, to a certain extent, this was positive in a budgetary sense; we were outlaying a lot of the band's money to get to the US and it was therefore useful to know the exact amount the band would be paid for their performances. Furthermore, unlike in Australia, we did not have the experience of promoting tours in the US. However it was a disadvantage when the shows sold out, as the performance at CMJ in New York City did, because the market value for the band would have been determined by the number of people who paid to enter the venue to see them perform if we were able to agree door deals.

Following the band's twin coast US tour and performances at CMJ festival, Boy & Bear returned to Australia for their largest tour to that date. The 'Moonfire' tour was a 17-date run that featured two sold out shows at the Enmore in Sydney (2,300 capacity), two sold out performances at the Palace in Melbourne (1,900 capacity) and two sold out performances at the Tivoli in Brisbane (1,400 capacity). Due to the scale of this tour and the cash flow pressure that would result if the band's business floated the front-end costs itself, we engaged a separate promoter for this tour.

The band's agent, Stephen Wade at Select Music, also owns promoting company Select Touring and so we agreed to a progressive 'artist-friendly' deal with Stephen Wade and Tanya McClure at Select Touring that meant that this entity floated the front-end tour costs and the promotional expenses (with McClure doing the work) in exchange for a small percentage of the net profits. Due to the band's profile at the time this was a relatively low risk tour to promote and it meant that if Brand and I as managers teamed up with Select Touring to promote such a large tour then Select Music's agency fee (10 % of adjusted gross) would also increase. This arrangement worked exceptionally well. If we had have agreed to a more traditional promoting deal whereby the promoter pays a set guarantee per show and then risks money producing the tour, one of the parties (the band or the promoter) would potentially be upset; the promoter if they incurred a loss; the artist if the promoter reaped a substantial return (Fig. 7).

Fig. 7 Boy & Bear
'Moonfire' tour poster



5 Conclusion

As evidenced by this case study, due to the establishment of Dirty Pool Management in the late 1970s, the Australasian case is different to that of other Anglophone countries, such as the US and the UK, in terms of who takes the risk on promoting, and then either incurring a loss or reaping a return from, the unique localised experience of live music at the entry to mid-level of the live music industry. In Australia it is common for a combination of the artist and their management to promote their live shows themselves, without the assistance of a promoter, as Brand and I and Boy & Bear did. There is an historical precedent for this.

This chapter argued that the management company Dirty Pool set an historical precedent for this and changed the way in which the Australian music industry operates. Whereas the US and UK live music markets did not have a comparable historical event such as the establishment of Dirty Pool Management. Therefore the entry to mid-level of the live music industry in these countries operates in a way that is similar to the way in which the Australian industry operated prior to the establishment of Dirty Pool. Therefore at this level, the Australian live music

industry more readily lends itself to the potential of start-ups such as Music Glue, companies that facilitate direct artist to fan relations and that are therefore arguably at the vanguard of the new music business that is emerging as technological innovation impacts the traditional industry.

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Building Brands with Music: Australian Cases

Laurie Murphy, Andrea Schurmann, and Gianna Moscardo

Abstract Music is a powerful medium of communication, evoking both strong emotions and stimulating the senses. Not surprisingly music has become an important component of effective brands. This chapter examines the links between music and brands using three Australian case studies: Wolf Blass, Qantas, and the television show Offspring. The three case studies presented illustrate the role that music can play in fostering brand knowledge transfer at all levels, at developing emotional ties between the brand and the consumer and among consumers in the brand community, in defining and differentiating brand personality, and in weaving the brand into the thoughts, feelings, emotions and daily experiences of consumers. However, it is important to note that congruency with both brand image and self-identity are core to the success of any attempt to use music as the emotional link between brands and consumers.

1 Introduction

To borrow from George Jones and Tammy Wynette, music and marketing go together like a “picture needs a frame”. Music and musicians need marketing in order to reach their audience and find fame and fortune. Marketing needs music to capture and hold consumer attention, make connections to both the senses and emotions of the consumer, enhance consumption experiences and build effective brands. This chapter will focus on the role of music in marketing, rather than the marketing of music. In particular it will examine how music can be linked to strong and effective brands and how it has become intertwined with a variety of consumer

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experiences. After providing an overview of branding and music consumption, the chapter will propose a framework which describes the links between music and effective brands. It will then demonstrate these links in practice in three Australian case studies – Wolf Blass Wines, Qantas Airlines and the television show, *Offspring*. Given the widespread symbolic consumption role of music and its centrality in daily life, it then concludes with a caution for brand marketers to ensure that any effort made to utilise music must be grounded in authenticity.

2 Music Consumption

According to Hesmondhalgh (2008), music provides a particularly interesting example of modern relations between consumption and self-identity. Many people report that music plays a very important role in their lives. Listening to or consuming music constitutes a large and pervasive part of daily life. Music is consumed in many different ways for a variety of reasons, of which identity creation, maintenance, and communication is of particular importance (Larsen et al. 2010). A study by Larson et al. (2010) led to modifications of Larsen et al.'s (2010) original conceptual framework depicting the consumption of music as self-representation. According to the revised framework, music is a rich and important site of symbolic consumption and particularly when reconceptualised to account for the socially constructed nature of both the self-concept/identity and musical meaning. The results indicated that communities of practice – i.e., mutual social engagement and shared repertoires might play a role in the symbolic consumption of music. This is a clear and logical connection to the development of brand communities which are defined by Muniz and O'Guinn (2001, as cited in McAlexander et al. 2002: 412) as a specialized, non-geographically bound community, based on a structured set of social relationships among users of a brand.

According to Hesmondhalgh (2008), the self-expressive role of music consumption does not appear to have diminished with industrialisation, commodification, and mass consumption of music. He claims that the continuing and perhaps growing importance of music in everyday life may be based on two contrasting but coexisting dimensions of musical experience in modern societies. The first is that music often feels intensely and emotionally linked to the private self. The second is that music is often the basis for collective public experiences, whether in live performance, or simply by virtue of the fact that thousands and sometimes millions of people can come to own the same recordings. Music, like other cultural forms, provides opportunities for people to make connections with each other, to enrich their inner lives, and even in some cases, to enhance a sense of community. Boer et al. (2012) developed a scale measuring Ratings of Experienced Social, Personal and Cultural Themes of Music functions (RESPECT-Music) which measures ten distinct musical functions; social bonding function with friends, social bonding function with family, reducing stress, emotional, desire for dancing, background function while engage in other activities, focus and concentration-enhancing

effects, expression of political attitudes, cultural identity, and reflection of personal values and personal development. The musical functions were organised according to two dimensions which distinguished between (a) the affective/pleasure vs. contemplative functions and (b) the music for intrapersonal, interpersonal/social and socio-cultural functions. These functions highlight the immense power of music in central aspects of everyday life. However, Boer et al. (2012) found that the socio-cultural functions of music differed across cultures. This is consistent with a study by Wang (2005) which explored the relationship of music to Chinese youth culture in the context of cell phone branding where he emphasises that music is seen primarily as an entertainment culture rather than a vehicle for serious self-expression.

Fulberg (2003) cites studies by Milliman (1982) and North et al. (1999) which demonstrated the immediate impact music can have on purchase behaviours in the retail environment. The ability of music to create a wide range of emotional responses is demonstrated by additional studies by Robazza et al. (1994), Bouhuys et al. (1995) and Weinberger (1995) cited by Fulberg (2003), which revealed the potential to communicate with customers on an emotional level and embed those communications in memory when music provides the context. However, Fulberg emphasises that the potential for music to become a trigger for an emotion-based reaction, the kind of response that will hopefully lead to increased brand loyalty, has never been fully investigated.

In addition, there are numerous examples of the use of music in branding strategies. For example, in recent years Nike has invested heavily in bespoke music for all elements of its brand communications and this has paid off in the form of an extremely powerful set of brand triggers. By playing this music wherever it can, Nike has been able to exploit fully the benefits of a consistent approach to sonic branding, and this is evident in the various types of retail environments it has created (Fulberg 2003). Klein (2008) examines the use of popular music in the brand war between Pepsi and Coke and concludes that their strategies have led to the two brands effectively becoming part of music culture where they hide the physical content of their products, as well as the politics of their business, behind a veil of fabricated cool. In fact, this year's 'Coca-Cola' Summer campaign is bringing Australians together to 'Share a COKE® and a Song'. Each bottle of COKE® shows a year from 1938 to 2012 and includes a QR code and URL that lets consumers stream 50 songs using Spotify from that year and share them with your friends on Facebook. According to Coca Cola, "The moments in life that matter most are often remembered through music. A single song has the power to transport us to another time and place. It can bring us together and make us happy. That's why this summer, we are inviting people to 'Share a COKE® and a Song'" (Coca Cola Australia 2012). According to Klein (2008), as the use of music and musicians in advertising has increased, a debate that was once reductive and obsessed with "selling out" has become more nuanced and concerned with the details of a commercial campaign. The decision of artists to be involved with a commercial campaign can be viewed as a comment on the particularities of the campaign as well as on the artist. One element of the discussion surrounding

popular music's use in advertising involves the type of product or service being advanced, where some products and companies provoke an extremely negative reaction for their use of music, while others are met with ambivalence or approval (Klein 2008).

Fulberg (2003) concludes that sound must play a role in the development of brand experience and it must be a key one. The ability of music to create not only consistency but also diversity means that it is well positioned to provide brand owners with a means of communication that is remarkably flexible. Through the careful selection and strategic implementation of music it is possible to create the holy grail of branding – invisible communications. This, combined with the evidence of the centrality of music in daily life and its strong links to self-identify highlight the potential of popular music to be a key 'other entity' to which brands can associate themselves in an attempt to establish those important emotional bonds. Perhaps this potential is best illustrated by the following comment posted on winebuzz.com:

Sitting one night on the back deck listening to some old school Led Zeppelin I started to feel parched (...) hmmm what wine do I feel like? As I went through my little cellar I was finding it hard to pick a wine. I was not in the mood for anything in particular but found myself conflicted with choice. My wife, waiting eagerly for a glass of wine to be poured asked me "What's taking so long just decide already" without thinking I replied I have to find a wine to go with 'Zeppelin'.

Think about it. Music takes us to different places. It can put our minds into different worlds, evoke emotions not to mention just be a bit of fun at a party. To some of us wine can do the same. Have you ever had a wine just makes you feel warm and comfy, happy because it's exactly what hit the spot, sad because it reminds past times or again just plain fun. All this aside I think it is important not to collide these 2 powerful vehicles of emotion but to match them equally, creating a perfect harmony of music and vino, maybe that's just the musician in me. (Winebuzz 2012)

3 Branding

The branding literature over the past decade has emphasised the importance of building strong brands by making an emotional connection between the brand and the consumer. Research has also confirmed that modern consumers no longer simply buy products and services, instead they buy the experiences around what is being sold (Morrison and Crane 2007). Emotional branding has been defined as engaging the consumer on the level of senses and emotions. It involves forging a deep, lasting, intimate emotional connection to the brand that transcends material satisfaction, with the aim of creating a holistic experience that delivers an emotional fulfilment. The ultimate goal is for the customer to develop a special bond with, and unique trust in, the brand (Gobe 2001, as cited in Morrison and Crane 2007). Proponents of emotional-branding argue that benefit-driven positioning cannot provide an enduring competitive advantage, because it is readily emulated, particularly when the benefits are tied to technological and product design features.

They further contend that straightforward benefit appeals are unlikely to break through the clutter of a saturated marketing environment where a plethora of brands are fighting to claim distinctive associations. In this vein, emotional-branding proponents insist that the brand meanings that inspire consumer passion and abiding loyalty are seldom, if ever, attribute oriented (Gobe 2001; Mark and Pearson 2001; Roberts 2004 as cited in Thompson et al. 2006). Rather, it is argued that potent consumer–brand linkages typically emerge when branding strategies use narratives and tactics that demonstrate an empathetic understanding of customers' inspirations, aspirations, and life circumstances and that generate warm feelings of community among brand users (Atkin 2004; Cova and Cova 2002; Fournier 1998; Muniz and Schau 2005, as cited in Thompson et al. 2006).

The conceptual divide between emotional-branding and more traditional benefit-driven branding strategies is narrowing rapidly as emotional-branding principles are being integrated into the benefit-driven brand management paradigm (Thompson et al. 2006). Even brand management paradigms originally premised on cognitive theories of consumer knowledge formation now incorporate many concepts and recommendations that are characteristic of the emotional-branding paradigm (Keller 2003). While much of the early branding research concentrated on more tangible, product-related information for brands, an important thrust in recent branding research is an attempt to understand more of the abstract, intangible aspects of brand knowledge not related to the actual physical product or service specifications (Keller 2003). According to Keller, many different kinds of information may become linked to a brand (Fig. 1) and include the following:

1. Awareness – category identification and needs satisfied by the brand;
2. Attributes – descriptive features that characterize the brand name product either intrinsically (e.g., related to product performance) or extrinsically (e.g., related to brand personality or heritage);
3. Benefits – personal value and meaning that consumers attach to the brand's product attributes (e.g., functional, symbolic, or experiential consequences from the brand's purchase or consumption);
4. Images – visual information, either concrete or abstract in nature;
5. Thoughts – personal cognitive responses to any brand-related information;
6. Feelings – personal affective responses to any brand-related information;
7. Attitudes – summary judgments and overall evaluations to any brand-related information; and
8. Experiences – purchase and consumption behaviours and any other brand-related episodes

Keller (2003) argues that these different kinds of information can broadly be seen as some of the key dimensions of brand knowledge and, therefore, may become part of consumer memory and affect consumer response to marketing activities. By creating differential consumer responses and affecting the success of brand-building marketing programs, brand knowledge is the source of brand equity. According to Keller (2003), brand knowledge can be created in a variety of ways. Any potential encounter with a brand, marketing initiated or not, has the

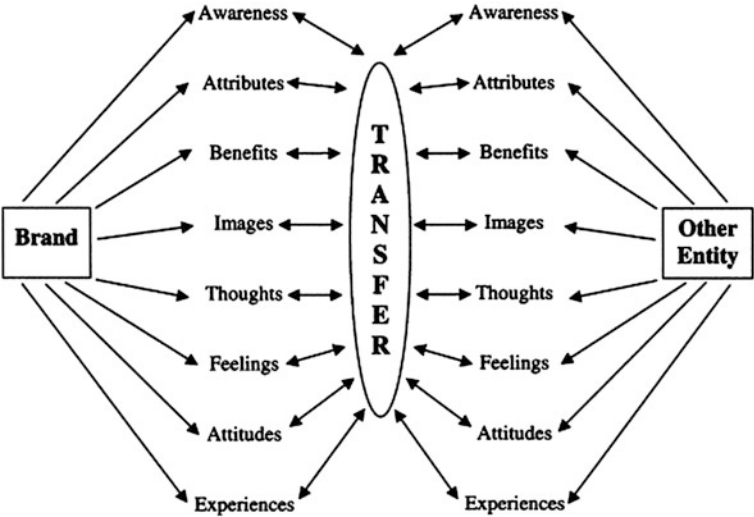


Fig. 1 Understanding transfer of brand knowledge (Source: Keller 2003: 599)

opportunity to change the mental representation of the brand and the kinds of information that can appear in consumer memory. This is consistent with the post-modern view that brand meanings are not controlled by managers but rather co-created through ongoing interactions among their users. Indeed the emotional branding literature commonly portrays consumers as enthusiastic partners who engage in intimate dialogues with other brand users and brand managers to create mutually beneficial identity-enhancing, community-building, and loyalty- sustaining meaning (Atkin 2004; Gobe 2002; Roberts 2004 as cited in Thompson et al. 2006). It is logical then, that marketers are increasingly linking or associating their brands with other people, places, things, or brands as a means of building or leveraging knowledge and to create emotional bonds that might otherwise be difficult to achieve more directly through product marketing programs (Keller 2003).

A deeper understanding of how knowledge for a brand and a linked entity interact, and how the linked entities might facilitate the development of emotional bonds, is of paramount importance. Keller (2003) suggests that three factors are likely to be particularly important in predicting the extent of leveraging that might result from linking a brand to another entity in some manner; knowledge of the entity, meaningfulness of the knowledge of the entity, and transferability of the knowledge of the entity. In other words, the basic questions with leveraging secondary knowledge of any type of other entity would be – what do consumers know about the other entity and does any of this knowledge affect what they think about a brand when it is linked to or associated with this other entity? Understanding transferability is especially critical and a number of different moderating factors should be explored, for example, the perceived similarity of the brand and other

entity, the manner by which the other entity is linked to the brand (e.g., how explicit, temporal, etc.), and the uniqueness of the linkage (e.g., are other entities themselves linked to a few or many other entities) (Keller 2003). If the strategic objective of emotional branding is to forge strong and meaningful affective bonds with consumers and, in so doing, become part of their life stories, memories, and an important link in their social networks (Atkin 2004 as cited in Thompson et al. 2006) then it is important to consider what sorts of entities would best demonstrate a genuine understanding of consumers' lifestyles, dreams, and goals and compellingly represent how the brand can enrich their lives (Atkin 2004 as cited in Thompson et al. 2006). The choice of entity is critical given Thompson et al.'s (2006) warning that the process of brand-meaning co-creation harbours some infrequently discussed but consequential risks. When a brand is viewed as transgressing from or abandoning its emotional branding promises, formerly loyal customers can create a significant backlash. Their analysis of Starbucks suggested that consumers avoid brands when their emotional-branding promises are viewed as inauthentic and, conversely that emotional-branding strategies succeed when they can function as an authenticating narrative for consumers' identity projects. These ideas are congruent with research indicating that consumer's most valued brands are those whose symbolic meanings play an important role in their self-conceptions and with findings that consumers can be unforgiving when trusted brands seem to violate their emotional branding promises (Aaker et al. 2004 as cited in Thompson et al. 2006).

4 Building Brands with Music

There is a potential role for music to play as an important 'other entity' that can facilitate the transference of brand knowledge to, and the emotional connection with, consumers. It is suggested that the symbolic consumption role of music and its centrality to the daily lives of many facilitate an emotional bond with consumers, particularly through images, thoughts, feelings, attitudes and experiences evoked by the music, as long as these are perceived to be authentic and congruent with the perceived brand image. Three case studies will be presented to illustrate the use of music to build brand connections, progressing from an example of how music can be used to directly support other brand elements, through to more complex uses of music as a core element of brand knowledge and identity.

4.1 Wolf Blass: Australian Wine Branding at Its Peak

Wolf Blass is a well-known Australian wine brand named after its founder Wolf Blass, a German immigrant, often cited as having been a major force in improving both the quality of Australian wines and encouraging a wine drinking culture in

Australia (Dunphy and Lockshin 1998; Smith and Marsh 2007). The brand and its wines became part of the multinational giant Fosters in 1996 and is now part of the Treasury Wines Estates, a spinoff company established in 2011 during a demerger of Fosters (TWE 2012). The Wolf Blass brand is associated with premium wines and these are exported to more than 50 countries globally (TWE 2012). Wolf Blass the man not only introduced new wine making approaches to Australia, but is also credited with linking wines to aggressive marketing and promotional campaigns which included associating wines and wine drinking with a range of different cultural events and recreational activities (Dunphy and Lockshin 1998; Smith and Marsh 2007).

The current Wolf Blass brand was launched in 2004 (Marton 2004) and combines these important features:

- The consistent use of an Australia wedge-tailed eagle on brand labels, in print media campaigns and in television advertisements;
- The consistent use of different coloured labels to denote wine quality and the varietal type of wine;
- The brand slogan “Australian wine at its peak” and various plays on this idea in event and wine specific campaigns such “where eagles dare” and “enjoy the view” (Wolf Blass 2012);
- Two linked series of television advertisements – one which features the eagle flying across various Australian landscapes to land and merge into the label on the Wolf Blass wine bottle (Wolf Blass 2008) and a series called “Silk Gloves” (Wolf Blass 2007) which combines a series of images of a young woman, model Cynthia Kerchner, in expensive clothing at a cocktail party, filmed at Point Cook Homestead in Victoria, and in different outdoor locations ending with the eagle landing on her outstretched arm; and
- A piece of iconic music written specifically for these television advertisements.

The brand’s current advertising agency argues that “the eagle represents the aspirations of the Wolf Blass consumer as well as the brand itself (...) personifying strength, power and elegance” (Campaign Brief 2011). Wolf Blass wants to be seen as a maker of premium quality, full-bodied, strong wines and the brand personality to be associated with strength and elegance. Drinking Wolf Blass wine is meant to signify the attainment of higher social and cultural status.

Each of the elements in the advertising campaign contributes to this brand and links the wine to its heritage. The eagle is a symbol of strength, grace and the ability to reach higher peaks of achievement (Brown 2010) but also links the wine to Wolf Blass’ original vineyard on Bilyara road in South Australia as Bilyara is a derivation from an Aboriginal word meaning eagle hawk (TWE 2012). The use of the embossed gold eagle and simple labels that rely heavily on colour to provide information have also been linked to perceptions of quality and wine connoisseurship (Elliott 2006, 2007; Jarvis et al. 2010). The advertisements focus on images meant to convey power and elegance (Wolf Blass 2012).

The music that accompanies the television advertisement was composed specifically for the advertisement by Australian musician Jeremy Smith, a member of the

Table 1 Wolf Blass brand and music connections

Role of the music (Keller 2003)	
Awareness (music assists in getting consumer attention and enhancing brand awareness)	"I love the Wolf Blass ads, whenever it comes on TV, I just stop and watch" "Never get tired of hearing this ad on the telly" "As soon as it came on, I would sit there, entranced!"
Brand attributes/benefits (music support brand elements)	"The music and the dark tone is really awesome" "I love this ad the music fits perfectly" "This is beautiful – a work of art" "Without the incredible music this ad wouldn't be what it is – a stunning and captivating piece of work" "Evocative(...)beautiful(...)all elements are beautifully harmonised"
Feelings (music creates positive emotional response)	"Love this song" "Great music" "Amazing song" "I love this ad so much I don't know why"
Attitudes (music encourages positive attitudes towards and consumption of the product)	"Fantastic ad, better than Yalumba" "Possibly one of my favourite ads, especially because of the music, I went straight to Dan Murphys and got a bottle just because of it"

Australian band Hunters and Collectors. In more recent advertisements, notably the Silk Gloves campaign, it has been arranged by Cezary Skubiszewski, who has won several awards for Australian film sound tracks. The music, which is performed by members of the Melbourne Symphony Orchestra, is described as haunting and as one of the best uses of music to support a brand in Australia (Cant 2010).

The music supports the brand in several ways. The style and arrangement of the music is consistent with the other brand elements being described as powerful and elegant and it works to fill in and support the perception of the wine (Dunn 2012). The dominant use of string instruments associates it with high culture but the modern, cinematic arrangement connects it to the aspirational aspects of the brand. The emotional aspect of the music is also important in supporting a strong personal connection between the brand and consumer. A longer version was written and produced and made available for download. The musical score is also available for use and the music is available as a mobile phone ringtone. The Wolf Blass music, as it has become known, is an example of using music to support and connect other core brand elements and demonstrates the power of music to build an emotional connection between brands and consumers. Table 1 effectively summarises these links and associations from comments made about the Wolf Blass music on various blogs and websites.

The music has been very well-received, "It leaves you wanting to hear more", and has taken on a life of its own.

4.2 *Qantas: Still Calling Australia 51 % Home*

Few national airlines engender quite the same sense of public ownership as Australia's flagship carrier, Qantas. Even though it has become increasingly privately owned in recent years, the airline has encouraged a sense of ownership through its nationalistic advertisements, and its sponsorship of Australian athletes and musicians. Music plays a key role in communicating this patriotism and nostalgia, becoming the conduit for the emotional link between the Qantas brand and the consumer. Qantas is positioned in the marketplace as a premium full service airline and the following analysis demonstrates how music is not only used to encourage an emotional connection and brand loyalty but to differentiate between the Qantas brand and its subsidiary brand Jetstar, which operates in the leisure and value-based market.

Over many years, Qantas has strategically used music in its efforts to position itself as "Australia's" airline. The Qantas "I Still Call Australia Home" campaign began in 1997, with the last advertisement created in 2009. In addition to early campaigns featuring the Australian singers James Blundell, James Morrison and Kate Ceberano, the campaign is widely recognised for its long association with the Australian Girls' Choir and National Boys Choir. Each TV advertisement features Peter Allen's "I still call Australia Home", which has come to be considered a pseudo-national anthem to most Australians.

The "I Still Call Australia Home" campaign featured:

- Four renewed TV campaigns, strategically released to coincide with key sporting events such as the Sydney and Athens Olympic Games, Malaysian Commonwealth Games and Australia's hosting of the Rugby World Cup (Qantas 2012f).
- A behind the scenes documentary of the making of the TV advertisement screened on commercial TV.
- Each of the TV advertisements consisted of these commonalities:
 - Imagery of multi-cultural kids as a symbol of Australia's future, freedom, youth, and as explorers;
 - Depiction of various picturesque locations in Australia and around the world;
 - The "Spirit of Australia" slogan;
 - The flying kangaroo logo;
 - The Australian Girls' Choir and National Boys Choirs singing in the advertisement and doing cross-promotional performances in various countries;
 - The use of an iconic piece of music by Australian singer/song-writer Peter Allen, "I still call Australia home".

Peter Allen's "I still call Australia Home" is now synonymous with Australia and the Qantas brand (Table 2). The music is undeniably Australian, patriotic, nostalgic and sentimental and the music has successfully tapped in to the expatriate psyche and a multicultural Australia, linking Australians living at home with those

Table 2 Qantas' "I Still Call Australia Home campaign" and music connections

Role of the music (Keller 2003)	
Awareness (music assists in getting consumer attention and enhancing brand awareness)	"Instantly recognisable no matter where you hear it QANTAS have an ad campaign that would actually draw people from other rooms to watch adverts as soon as they heard the music so they could fantasise about the latest offering"
Brand attributes/benefits (music support brand elements)	"Certainly a song to raise your spirits and pride in country. Somebody should SERIOUSLY work on making this the National Anthem for Australia" "I think that the original music says "RIO" instead of "ROME"? Because RIO (so far) is not on the itinerary of QANTAS, the commercial staff decided to change the music"
Benefits	Focuses on building the image of Qantas as Australia's airline, not on product attributes
Images	Logo of the flying kangaroo Multi-cultural Australian children – freedom, innocence, the future, adventure, youth, race Picturesque global and national landscapes "Thank-you all, I do love this painted aircraft" "Proud to be Australian"
Thoughts	
Feelings (music creates positive emotional response)	"I am teary whenever I hear this song(. . .) Go Australia!!! I think this should be our national anthem. I had this on my IPOD as I travelled my former homeland of Vietnam listening to it every time I got homesick. It shouldn't matter what our ethnic origins are or where we are in the world just to know that we have a home waiting for us when we get back!" "I also love this song. It sends shivers down my spine. I wish it could be the national anthem"
Attitudes (music encourages positive attitudes towards and consumption of the product)	"I wish this was our national anthem. And that's why I fly Qantas"
Experiences	"I was in the last shot on the second ad at Uluru and I was part of the "core" group of faces on the third ad, I was flown all over the world but the most memorable shot was definitely standing on top of the Sydney opera house" "I was in the tail of the kangaroo. Ahhhhh memories(. . .)" "When I landed in Sydney from USA they played this and it reminded me how much pride we have as a country and how lucky we are"

Table 3 Comparison of lyrics

Lyrics from the Chasers “I Still Call Australia 51 % Home”	Lyrics from Peter Allen’s “I Still Call Australia Home”
I have been to cities that never close down from New York to Rio, and old London town, but no matter how far our offshore jobs go. The share price is sure to grow	I’ve been to cities that never close down from New York to Rome and old London town, but no matter how far or how wide I roam I still call Australia home
Good bye Australia we’re moving abroad replacing Neil Perry with a chef from Lahore and the inflight entertainment will be in Mandarin more Kung Fu and less Kath and Kim	I’m always travelling, I love being free, and so I keep leaving the sun and the sea, but my heart lies waiting over the foam. I still call Australia home
All the Qantas workers fearful for their jobs, Please head to the Centrelink line, ‘Cos after the take over you’re over, Only foreign girls can shag Ralph Fiennes	All the sons and daughters spinning’round the world, away from their family and friends, but as the world gets older and colder, it’s good to know where your journey ends
And some day this choir will be outsourced too Qantas will be called the Asian kangaroo And we will thank the cheap labour when our profits have grown	But someday we’ll all be together once more when all of the ships come back to the shore. Then I realise something I’ve always known
I’ll still call Australia. . .	I still call Australia
I’ll still call Australia. . .	I still call Australia
I’ll still call Australia 51 % home	I still call Australia home

travelling or living overseas. However, as previously mentioned (Thompson et al. 2006), when a brand is viewed as transgressing or abandoning its emotional promises, formerly loyal customers can create a significant backlash. More recently, Qantas operations have increasingly moved into Asia, along with associated Australian job cuts and potential wage losses with the company now proclaiming that “We will always be proud that the vast majority of our operations are based in Australia” (Knight 2011). This shift in operations has exposed the Qantas brand strategy of being Australian to potential criticism, a sentiment reflected in a parody of the Qantas song on television by the Australian comedy team the Chasers called “I still call Australia 51 % home” (The Chaser 2007) (Table 3).

4.2.1 “You Are the Reason We Fly”

It is not surprising then that the current Qantas brand campaign, launched in 2012, has shifted emphasis away from the ‘I still call Australia home’ theme song. It also features more social media than previous campaigns:

- Prior to the release of the TV ad, commuters were invited to use a mobile phone app that operated screens in Sydney’s Town Hall stations that interconnected commuter’s mobile devices to having their picture and name featured on the

screen. These images were then used in the finale of the TV advertisement where all the faces form the final image of the flying kangaroo logo (Qantas 2012e). ‘Cause-related marketing’ was also used where for each photo uploaded \$5 was donated to Mission Australia to the value of \$100,000.

- A TV advertisement (Qantas 2012d):
 - Images of the coastline, cities, suburbia, country, every day people from an aerial perspective. No images of destinations overseas or any product at all.
 - “You’re the reason we fly” slogan.
- Digital image of Australians making up the logo of the flying kangaroo at the finish of the ad. This was followed by a promotion to find the people in the digital photo pixilation (Qantas 2012e).
- A behind the scenes making of the ad (Qantas 2012c)
- “You’re the reason we fly” Olympic ad
- A tale of two letters documentary:
 - Outlines the changing of their slogan from “Spirit of Australia” to “Spirit of Australians” (Qantas 2012a)
- A chance for ordinary Australians to have their names emblazoned on the sides of two new planes
- Music composed and performed by ARIA award winner Daniel Johns and written specifically for the TV advertisement. A behind the scenes documentary of Daniel Johns creating the music (Qantas 2012b).

The commissioning of award-winning Australian singer and songwriter Daniel Johns to create the music demonstrates how Qantas wants to continue to be seen as sponsoring successful Australians and supporting the arts. Johns views the commission as an honour and states “I wanted to make something that sounded international because Qantas is representing Australia. I want it to sound big” (Qantas 2012b).

Replacing “I still call Australia Home”, with the new music titled “Atlas”, is a significant departure from previous advertising campaigns. The new Qantas brand aims “to modernise its appeal to the masses and put customers at the forefront of their campaign” (Qantas 2012a). The concept of putting customers at the forefront of their campaign was expressive and meaningful. The campaign attempted to exploit an emotional appeal in reconnecting with its customers, rather than opting for a rational and symbolic reason why customers fly. “Clearly the music is critical in establishing an emotional connection” (Qantas 2012c). The selection of Johns, who is well known in Australia to both Gen X and Y, reflects this shift to modernise its appeal to the masses. The music is simultaneously classic and contemporary and is performed by Australian Chamber musicians with Johns on piano and includes electronic samples. The music is emotive and leaves the viewer in a state of anticipation. There are no words to the song. More importantly, there is no mention of Australia. This reflects the repositioning of the brand to being about Australians and not about Australia the place. “It’s less about the place and much more about

Table 4 Qantas and music connections

Role of the music (Keller 2003)	
Awareness (music assists in getting consumer attention and enhancing brand awareness)	Relies on the fact that Australian singer/songwriter Daniel John's (formerly from Silverchair fame and an Australian ARIA award winning song writer) is well known to a certain demographic. There may have been some preliminary interest created by using Daniel Johns The music is new so there is no brand awareness associated with the music "It's great, but it doesn't have that memorable sentimental feeling that the "Still call Australia home" campaign had. For that reason it won't stay in people's minds"
Brand attributes/benefits (music support brand elements)	The music is a fusion of traditional and contemporary. There is no mention of Australia in the song, it is purely instrumental The new music titled "Atlas" is an original commissioned work by an Australian singer/songwriter "Well at least Qantas commissioned Australian people for this instead of their usual behaviour of giving work to overseas people"
Images	Flying kangaroo logo Aerial view of Australians going about everyday activities in suburbia, on the coastline, country and in the city No pictures of the product. No pictures of places to visit like previous ads
Thoughts	"Failure. It is more down-lifting than up-lifting. Bad for an airline" "The "anthem" makes no mention of Australia" "I was waiting for him to start singing. Not impressed. Qantas is supposed to be Australian. Where is Australia in that?"
Feelings (music creates positive emotional response)	"Not at all impressed! I actually felt like bursting into tears as I listened to it, as there is no 'joie de vivre' about it at all! Whereas, whenever I heard Peter Alan singing "I Still Call Australia Home" I would smile, and silently sing along" "Not as exciting or engaging as previous music" "Chilling, eerie"
Attitudes (music encourages positive attitudes towards and consumption of the product)	"Great instrumental, but nowhere is there a mention of Australia! At least with Peter Allen's song, it was not only called "I still call Australia Home", but it mentions the "word" Australia, so that everyone around the world who understands the language, knows what the

(continued)

Table 4 (continued)

Role of the music (Keller 2003)	
Experiences	song is about! If you did not see the film clip which was with Daniel John’s effort, you would be none the wiser as to what it is all about. We have had enough ‘troubles’ with Qantas in recent years, strikes, stopping flights, taking maintenance jobs offshore etc., can we at least “PLEASE” keep the Peter Allen song?”
	“Daniel Johns is very talented but this particular piece of music is better suited to the opera house(. . .)there is certainly nothing there to inspire ANYONE to jump up and start planning a holiday”
	“Join the campaign by posting a pic of yourself that can be used in the ad.”

culture and peoples” (Qantas 2012c). The music has not been so well received with many Australians having a hard time leaving “Still call Australia Home” behind and viewing “Atlas” as an Australian anthem. Many comments online reflect the view that Qantas’ may have distanced itself too far from the “Australianness” associated with the music of the previous campaign, and may have in fact have alienated some Australians in the process. Any customer engagement is the result of influencing the public to take part in the current campaign, rather than providing any long-term value towards maintaining its viability as Australia’s national carrier (Table 4).

4.2.2 Jetstar and Powderfinger

As mentioned previously, Jetstar forms an integral part of the Qantas Group’s two-brand strategy, and has an Australian domestic operation and international long haul operations as Australia’s low fare carrier. The airline’s colours of orange, silver and black were chosen for their bold, modern feel and its livery is based on the Southern Cross. The orange star in the logo represents the smallest star of the Cross, Epsilon Crucis, the only five point star in the Southern Cross as it is represented on the Australian flag. From the beginning, Jetstar’s brand positioning, as reflected in more casual staff uniforms and humorous advertisements featuring Australian comedian Magda Szubanski, has sought to differentiate itself from the Qantas Brand. Its recent alliance with Powderfinger, an award winning Australian rock band considered to have defined the soundtrack of a generation is a good example of brand alignment with a musical act. In September and October 2010, Jetstar became the official airline of Powderfinger’s ‘Sunsets’ farewell tour. In what

was pronounced as the biggest brand alignment with a musical act to date, Powderfinger and Jetstar came together to raise funds for their respective charities, each supporting disadvantaged children – The Yalari Foundation and StarKids (Powderfinger 2012). David Koczkar, Chief Commercial Officer of Jetstar stated, “Powderfinger are a great Australian band, and what better way to celebrate their farewell tour than to have another great Australian, Jetstar, flying them around Australia reaching more than 20,000 fans in more than 20 Jetstar destinations – and raising money at the same time” (Powderfinger 2012: para. 4). A national search was launched for an aspiring social media guru to travel around Australia as the official tour blogger. Over 50 days, Jetstar’s official tour blogger ‘Followed the Finger’ and produced daily blogs, video diaries, fan photos and twitter updates. The blogger interviewed the band and support acts, interacted with fans and locals and became a member of the tour support team. The band performed ‘spontaneous guerrilla gigs’ on some flights.

Powderfinger is considered a popular Australian band and Rock music is usually perceived as youthful, which assisted legitimising Jetstar as Australian but also in differentiating it from its parent brand, Qantas. Transnational youth marketers state that brand preferences correlate with musical taste (Lindstrom and Seybold 2003, as cited in Wang 2005). The joining of music culture, through the appearance of the artist, with a product or service in a commercial venture, brings new connotations to both artist and company while naturalising the relationship between the two. Music appeals to the mainstream, especially to youth consumers. The allegiance between Jetstar and Powderfinger serves the purpose of reaching a desired market or demographic. Powderfinger have shared many special moments with their fans “it says a lot about the attraction of the band and what they mean to Australia” (ABC News 2010), they are also seeking to capture some of the emotional connection between Powderfinger and the Australian public.

Components of the advertising campaign include:

- A Powderfinger performance mid-flight. Fans were asked to bid for the ticket with proceeds going to charities, each supporting disadvantaged children;
- A competition to become the official tour blogger and communicate life on the road with Powderfinger’s Sunsets Farewell Tour;
- Jetstar plane exterior painted with Powderfinger logo.

The partnership is also an example of the trend towards brand experience, where partnerships between consumers and brands are created through shared experiences. The gig mid-flight is advertised as a once-in-a-lifetime music experience, especially as Powderfinger are retiring and the event was believed to be an Australian first midflight concert. “With so many Australian fans wishing to farewell their much loved music icons, Jetstar and Powderfinger have created the ultimate experience for fans with a chance to be part of a truly unique intimate performance” (Atfield 2010) (Table 5).

Table 5 Jetstar and music connections

Role of the music (Keller 2003)	
Awareness (music assists in getting consumer attention and enhancing brand awareness)	“Powderfinger’s last-ever national tour was always destined to be memorable. Now, the Aussie rock favourites are making their last bang even louder by teaming up with Jetstar to offer fans a once-in-a-lifetime music experience. The Brisbane-based quintet will be performing a show mid-air for fans on a Jetstar plane – 30,000 feet above sea level”
Brand attributes/benefits (music support brand elements)	Powderfinger are a well-known Australian band
Images	“This aircraft wears a special Powderfinger decal”
Thoughts	“Powderfinger you rocked hard. You’ll be missed by Australia as a whole but especially by us Queenslanders(. . .)thanks for the good times” “Very cool, Powderfinger you rock!!”
Feelings (music creates positive emotional response)	“Powderfinger is my favourite band, & they will be missed. Thank you for all these years of music. Music won’t be the same without you”
Attitudes (music encourages positive attitudes towards and consumption of the product)	Powderfinger are a Queensland based band as is the history of the airline Jetstar capitalising on the sentimental nature of Powderfinger’s last tour Jetstar seen to be in allegiance with Australian musicians Leverages off the cool, youth market of Powderfinger fans
Experiences	“This is the only time this is ever going to happen” “This experience would be a dream for any music lover” “This is by far one of the best experiences of my life, & if you’re wondering – no I did not pay \$10,000 for a ticket. I’m not that rich. Not even \$1,000!! I seriously was just happy to be on the plane” “The winner of the <i>Follow the Finger</i> competition will score an <i>Almost Famous</i> -like experience (. . .) spending two months on the road as part of the band’s entourage and attending all 34 performances”

4.3 Offspring: Weaving Music into the Core Fabric of a ‘Brand’

While not a traditional product brand, the Australian television show Offspring provides an interesting example of how music can be used across the various media platforms to communicate core ‘brand personality’ messages and to develop a dialogue and emotional connection with a target audience (or consumers).

Importantly this case illustrates the potential of music to connect to the thoughts, feelings, attitudes and experiences of brand consumers. *Offspring*, on Network, is a TV drama set in the suburb of Fitzroy in Melbourne, and centres on 30-something obstetrician Nina Proudman (played by Asher Keddie). The story follows Nina's struggle to deal with her family, her hunt for a decent love life and her tendency to over-think and fly off into fantasy. The show is described as stylistically fresh and visually exciting (Oswald et al. 2011). *Offspring* mixes conventional narrative drama with flashbacks and fantasy sequences and showcases the vibrant world of Fitzroy, Melbourne, where Nina and the extended Proudman family go about their unpredictable daily lives. Fitzroy's population of 9,430 is evenly split in terms of gender, but has almost double the state (28.5 %) and national (27.7 %) proportion of residents aged between 20 and 39 (49.3 %). Residents of the suburb are also much more likely to have never been married (59.5 %), when compared to state (34.7 %) and national (34.3 %) figures, and to have a university or tertiary-level education (28.8 %, vs. 15.2 % and 14.3 % respectively). Finally, while only 23.5 % and 22.5 % of dwellings at state and national level are semi-detached/row/terrace houses or flats, 95.9 % of dwellings in Fitzroy fit this description (ABS 2011).

Fitzroy is one of Melbourne's first suburbs and is currently inhabited by a wide variety of ethnicities and socio-economic groups and is known for a culture of bohemianism, being the main home of Melbourne's Fringe Festival. Its commercial heart is Brunswick Street, which is one of Melbourne's major retail, eating, and entertainment strips. Fitzroy is also a hub for live music in Melbourne, and plays host to several prominent venues – some of which feature in the show (Fitzroy Victoria 2012).

The 'brand personality' of the show is very much aligned with Fitzroy and its residents and *Offspring*'s location shooting in Fitzroy's streets, bars, and cafes give it an authenticity that helps keep its whimsical fantasy sequences in check. It has also led fans to explore the area with new eyes. "It brings an area you love to life," says the blogger known as *MelbournianGirl*, who admires the way it captures Melbourne's cultural identity: less slick, more grunge. "Fitzroy's got a lot of character. It's nice to see bars and cafes you've had a drink in now on the television (...)" (Timeout Melbourne 2012). The blogger has featured *Offspring* locations in her blog, including The Union Club Hotel which is ground zero for many of the show's most dramatic moments. Nina's brother Jimmy works there and her sister's boyfriend Mick, played by musician Eddie Perfect, regularly performs there to give episodes a musical kick. In the latest season, Rosanna, a musical partner for Mick, was introduced and is played by Claire Bowditch, an independent Australian musician. The duet 'You Make me Happy' performed in the show at the Union Club Hotel by 'Mick and Rosanna' has been released by Bowditch as a single and is available on iTunes. The song was also included on the *Offspring* Volume 3 Soundtrack which was named Album of the Week in June 2012 by Cameron Adams in the Herald Sun and earned the show a mention for its wise choice of music by "dodging big names in favour of the right songs by mainly Australian

Table 6 Offspring and music connections

Role of the music (Keller 2003)	
Awareness (music assists in getting consumer attention and enhancing brand awareness)	“Okay so I’m addicted to this video and now this song. I bought the song at 3 am this morning and I’ve already listened to it 42 times”
Brand attributes/benefits (music support brand elements)	Local musicians feature in the show as characters Live music performances Local Fitzroy music venues like the Union Club Hotel feature in the show Independent musicians provide the soundtrack to the show’s pivotal scenes Songs from the show are available on an Offspring CD or from iTunes
Images	“Stylistically fresh and visually exciting”
Thoughts	“I love the song for the opening credits, its original” “This song paired with this video makes me so sad! They have such a beautiful, passionate and intense relationship! Ah I love it”
Feelings (music creates positive emotional response)	“Love the music in the show”
Attitudes (music encourages positive attitudes towards and consumption of the product)	“Love the song and the show. I am addicted” “Albums really reflect the show” Frequent requests from Offspring online community for names of songs and artists featuring in the show “What is the name of the song when they break up”
Experiences	YouTube clips were posted by avid fans which featured a montage of scenes from the show set to songs they have chosen as fitting, even though they do not feature in the soundtracks or on the show “This video is A-freaking-mazing! Nina + Patrick (I so hope they work everything out in the finale)” “Such a fitting song for their break up. I really feel her pain when I see Nina in tears”

artists you should know if you don’t already” (Ten 2012). Offspring’s website featured a Q & A session with the show’s Music Supervisor and Soundtrack Co-ordinator, Jessica Moore which featured questions that were solicited from the show’s 69,000 loyal Facebook fans. Many posts express a love for the music in the show:

Bouquet to you Jess, love the music in the show, would love a playlist for each episode nearly as much as I’d love a shopping list for Asher’s wardrobe. The Angus Stone song Bird on the Buffalo that was on during the closing scene of the last episode is my current favourite song, he’s dancing is dead sexy in the film clip! (Ten 2012)

Jessica claims that the favourite thing about her job is exposing artists who are completely independent. The process of choosing the songs for each episode involves reading the scripts, watching the first cuts of the scenes and discussing with the producers and directors the tone and intended statement of the scenes. There are several memorable scenes from the show linked to particular songs and the online community on the Offspring website often includes requests from viewers wanting to know song titles and artists. There are now three season soundtracks available on iTunes and many review comments refer to how the albums really reflect the show, while others ask why a song they love from a particular episode and scene is not included, further evidence of the impact the music in the show has on its viewers. In fact there are several YouTube clips posted by avid fans which feature a montage of scenes from the show set to songs they have chosen as fitting, even though they do not feature in the soundtracks or on the show (Table 6).

Offspring is an insightful example of how music has been used as a key tool in creating brand community and strengthening the emotional bonds of a target consumer to a 'brand.' Offspring's purposeful inclusion of musicians as characters and live music performances, along with careful matching of songs which showcase independent musicians to pivotal scenes, plays a crucial role in locating the show in both the geographic and socio-cultural landscape of Melbourne's Fitzroy, which in turn connects the series to its prime target audience of urban, professionals in their 1930s. The use of music (and fashion) add to the authenticity of the show and facilitate the link between both the audiences' actual and ideal selves.

5 Conclusion

Increasingly brands are searching for new strategies to foster emotional links with consumers. This requires a focus not just on aligning the brand attributes and benefits of a product with customer needs, but on evoking thoughts, feelings, emotions and experiences. One strategy to achieve this is to link the brand to other 'entities' that leverage brand knowledge and foster emotional bonds. Given the symbolic consumption role of music and its centrality to daily lives, it has been argued that music has real potential to facilitate the development of emotional connections. The three case studies presented illustrate the role that music can play in fostering brand knowledge transfer at all levels, at developing emotional ties between the brand and the consumer and between consumers in the brand community, in defining and differentiating brand personality, and in weaving the brand into the thoughts, feelings, emotions and daily experiences of consumers. However, it is important to note that congruency with both brand image and self-identity are core to the success of any attempt to use music as the emotional link between brands and consumers.

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Australian Music and Aussie Team Sports: How the Experience Economy and the Score Interact

Philip L. Pearce

Abstract As the reach of the experience economy expands into multiple facets of contemporary business new synergies between forms of leisure emerge. One such conjunction is that between music and sport, both popular features of Australian recreational life but now increasingly interwoven contributors to the good times of many Australians. The popularity of three sports in Australia – rugby league, Australian Rules football and cricket – are chosen as examples of nationally popular spectator sports. The increased role of Australian music in enhancing promotion, in shaping game day experiences and extending the social appeal of the three sports are highlighted.

1 Introduction

There are several forces which together create experiences for consumers and audiences in the contemporary world. Harris (2005), amongst others, has suggested that music and the business of music strongly influence consumers' experiences and expenditure in a range of leisure settings. Bryman (2004), in particular, has noted that in the leisure, events and tourism context the use of wholesome, simplified musical styles and themes, especially those relating to nostalgia and belongingness, are frequently used. It can be argued that these themes and styles are designed to create positive feelings among consumers which may boost their engagement with the leisure activity as well as help loosen their wallets and purses.

In this chapter the social, experiential and business role of music, and most especially Australian music, will be considered in the context of one of Australia's chief national leisure preoccupations – the world of spectator sport. Several kinds of

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influence will be considered for three of Australia's best attended and most popular sports. The areas of influence will be the promotional benefits of music, the on-site or at the game involvement of music and the extended or collateral use of music to define sporting involvement (cf. Schmitt 2003). The sports to be considered as case studies are rugby league, Australian Rules football, and cricket. The sports will be reviewed in turn and the ways in which music amplifies and reflects the sports will be considered. Additionally, for each sport some distinctive forces reflecting the interrelationships among music, business and the experience economy will be identified and analysed.

2 Rugby League

Readers unfamiliar with the game of rugby league may be surprised at its importance in Australia compared to other internationally well known winter team sports such as rugby union and football (In Australia and New Zealand the latter is commonly known as soccer). "League" is usually described as the third most popular spectator sport in Australia (Heads and Middleton 2008). This popularity is exceeded only by the other two sports reviewed in this chapter- Australian Rules football and cricket. The premium level of the sport in the country is referred to as the NRL competition (National Rugby League) and consists of 16 teams (14 of these teams are located in the states of New South Wales and Queensland). The grand final is the culmination of the seasonal competition, but arguably the annual rivalry between Queensland and New South Wales, which is referred to as the State of Origin, is equally important and popular. There is also solid spectator support for international matches between Australia and the limited handful of countries which also play this sport. England and New Zealand are the two most important international competitors.

In terms of our interest in music and the ways in which the experience economy draws together socio-cultural elements to create distinctive consumer opportunities, it is pivotal to observe that rugby league has strong working class traditions. Importantly, it is also critical to note that rugby league is undoubtedly an extremely brutal and physical sporting contest. The format of the sport requires a nearly straight line of 13 players from each team to engage in repeated sequences of front on clashes with the opposing line of players. The athletes who succeed in the sport are therefore typically muscular, mostly heavily built and of moderate height; all attributes which are necessary to withstand the physical pounding which their bodies must endure. There has been a rising professionalism in the management and presentation of the sport since its last major administrative overhaul in the mid 1990s. Along with a more settled roster of teams, the sport is now marketed and managed in a systematic basis by the one body which takes a broader view than the decisions once engineered by two state leagues.

Music contributes to the sport in several ways. As national television audiences for the sport grew in the 1990s the administrative bodies launched annual

Table 1 Annual Rugby League promotional songs

1985–1988	Thin Lizzy (Ireland)	The Boys are Back in Town
1989	Tina Turner (USA)	What You See Is What You Get
1990–1995	Tina Turner (USA) sometimes with Jimmy Barnes (AUS)	Simply the Best
1997	Frankie Goes to Hollywood (UK)	Two Tribes
1998	Chumbawamba (UK)	Tubthumping also known as “I get knocked down, I get up again”
1999	Thomas Keneally(AUS)	Blow That Whistle (poetry)
2000	Tom Jones (UK)	What a game
2001	No artist	Motor car racing sounds
2003–2007	Hoodoo Gurus (AUS)	What’s my scene, adapted as That’s my team
2008	No artist	Centenary celebrations and images
2009	Wes Carr (AUS)	Feels like Woah, adapted as Feel It
2010	Children Collide (AUS)	Social Currency
2011–2012	Bon Jovi (USA)	This Is Our house

Source: Compiled by the author from multiple web sites

promotional campaigns to entice television audiences and boost game attendances. In promoting the sport the role of music lies in amplifying the rugby league culture of tough, hard working and competitive Australian men. Rock music, anthems of struggle and endurance and tough minded pop items prevail. Table 1 indicates the dominant material used in the campaigns.

Controversially one of the first artists to appear in this series of efforts was the American Tina Turner. Her performance of “Simply the Best”, first released in 1989 but subsequently performed in duet form, was used as the promotional campaign by the New South Wales rugby league. The accompanying video features Turner in a figure hugging short black dress mixing with heavily muscled players in a set of seemingly impromptu clips. Additionally, the heady clashes of players tackling one another forms an accompanying part of the vision particularly linked to the words “better than all the rest”. In some of the subsequent years where the same song was used, local rock icon Jimmy Barnes also sings with Turner. The inclusion of Jimmy Barnes defused, in part, the issue of using American or international performers and songs rather than home grown Australian talent to promote the sport. Jimmy Barnes own song “Working Class man” has sold 500,000 copies and after John Farnham, Barnes’ albums are the second ever highest selling Australian productions (O’Donnell et al. 2010). His work has enduring appeal among both younger and older fans. Its themes of belongingness, resilience and even acceptance of a social position reverberate through the sport and working class Australian culture.

Despite the early inclusion of Barnes as a co-performer, the league’s administrators often opted for international artists to promote the sport. One of the other promotional icons of the sport is the song “Tubthumping” by the British group Chumbawamba. It contains the lines “I get knocked down, I get up again” and was used in 1998. The phrases are a simple but effective descriptive rendition

of much of the action in the game, although in its original context the song dealt with more political and confronting abuses of power. A departure from the early style of using predominantly international artists and creative talent was the work of Thomas Keneally. Keneally a noted international author who, among many other literary achievements wrote the book and film script *Schindler's List*, is a keen rugby league fan. His contribution was in the form of poetry and was only used for the one season.

The longest running promotional effort has been that of the Hoodoo Gurus- a major 1980s Australian rock group. Their 5 year span of success with the theme "That's my team" remains a well recognised fan favourite. A less enduring effort, but one recognising emerging Australian music, is represented by the song "Feel It" which supported the 2009 season promotion. It is a song co-written and performed by the Australian Wes Carr, a winner of the television show identifying musical talent known as *Australian Idol*. The base song "Feels Like Woah", from which the rugby league commercial was adapted, peaked at number 14 on the ARIA charts. Carr's efforts represented a slight broadening of the rugby league genre with a stronger country sound in his music.

The tolerance for some diversity was highlighted when the Melbourne Indie band *Children Collide* became the sound of 2010. Further and also in 2010 the Grand Final was used to celebrate Australian music. In that year the line up for the annual pre-game and half time entertainment featured a more expansive mix than before. Performers included Australian rock band *You Am I*, and local singer Jessica Mauboy but also an ensemble of the Sydney Children's choir, the Gondwana National Indigenous Children's Choir and the Glebe Public School Choir (Glebe is a notable working class area of Sydney). Jessica Mauboy "Get em Girls" was recorded with US rap superstar Snoop Dog and was in line with the assertive action oriented themes of the best rugby league music. The "You Am I" super group includes ex *Hunters and Collectors* singer Jack Howard and ex *Jet*, *Stevie Nicks* as well as other noted local vocalists. Their style too was pure rugby league macho. Rolling Stones covers "Brown Sugar" and "Start Me Up" were the group's song choices. The choirs however were a novel feature but not too much creative risk was involved. The Sydney children's choir sang the national anthem while the indigenous presence in the game and local suburban roots of the Glebe choir assisted the acceptance of the other two groups

Despite bold assertions by the then NRL chief David Gallop that rugby league supports Australian music, there was a quick return to international influences (NRL Supports Australian Music (2010)). The song from Bon Jovi "This is our House" was sold to the NRL for a 3 year period as the musical voice of seasons 2011–2013. Public reaction has been at best mixed and much of it openly critical of the American influence, especially when it was revealed that "our house" is a US term for the home field and that the song had been expressly written for any international sports body and had already been widely used in Canada and the United States to promote their National Football Leagues.

In all of these efforts there is one particularly noteworthy case that can be explored further to highlight the intersection of Australian music, experiences and

the world of sport. At the end of the 2008 season the image of rugby league was in tatters. A sequence of public scandals involving players produced a public relations nightmare for administrators. Perhaps the most serious of these image blows was the allegation that players at a team camp had been involved in group sex and possibly rape. Additionally one of the game's highest profile players confessed to drug use. These public relations disasters were also set against a background of multiple individual acts of gross public behaviour and fighting resulting from alcohol abuse. Even the committed fans and spectators began to ask questions. Do I want to support people who molest women? Can I have my children emulate stars who defecate and urinate in public and whose lives seem to regularly spiral out of control? Several sponsors withdrew their support from clubs when the worst offenders were prosecuted. In the world of sponsoring sport in Australia money is tight and the competition intense in the Sydney market particularly as the AFL (Australian Football League) has expanded into the heartland of once exclusive rugby league territory. Clearly the 2009 promotional campaign had to be a powerful one.

The choice of Wes Carr as the artist for the 2009 promotional efforts was somewhat novel. Carr had a high public profile due to his recent success as the winner of *Australian Idol*. While sporting long hair and a beard he presented a fresh, quietly spoken modest style and his music was more lyrical country rock than heavy metal. The commercial "Feel It" based on reworked lyrics from Carr's hit single "Feels like Woah" was a transformation in style and public appeal. The imagery of blood stained warriors of muscle men and seductive women, a trend started by Tina Turner's efforts with the sexual undertones of "Simply the Best", were banished. Instead the skill of the game and the story telling style of Carr as an upbeat balladeer were used to depict the rise of young boys from grassroots football to the stadiums of the professional game. The final image shows a father shepherding his son to the game in a family motif of togetherness. "Feel It" captures the rush of the experience of watching the speed of the running try and the surge of youthful hope. Women in the imagery are mothers and sisters, not seductive sex objects.

It is infinitely complex trying to disentangle the forces which contribute to shifts in public attitudes but the image of rugby league did appear to recover from its darkest times in 2008 to a moderately successful season in 2009. This is not to suggest that other issues did not then present themselves including corruption and rule tampering about salaries at an administrative level. Arguably, however, the 2009 season was a success and the crowds did not desert the game. Music, in this case Australian music relating to experiences, played a large role – like a bridge over troubled water.

3 Australian Rules Football

Australian Rules football is the most popular winter sport in the country. In 2012 the national competition consisted of 18 teams from five states with the greatest concentration of teams from Victoria. “Aussie rules”, as it is widely known, is also by far the dominant code in South Australia and Western Australia. The appeal of this sport which was developed and is played on a cricket size oval is widespread throughout the community and attracts professionals, white collar workers and trades people with equal success. Women spectators are well represented in the crowds. The size of the playing area and the strategies of the game with two teams of 18 players, all of whom are on the ground at any one time, mean that that a diversity of roles and consequentially player styles and body types can succeed in the sport. There is room in the sport for finesse and high levels of skill as well as strength, endurance and speed.

The AFL, more than the NRL, has shown enduring support of Australian music with only infrequent use of international music figures to promote the game and to provide entertainment. The Grand Final, held on the last Saturday in September, is a key occasion for music based entertainment. Australian talent in the form of Jimmy Barnes and INXS have been star performers. There are now competitions and much canvassing for performers to be chosen to play for the Grand Final crowds. Emmy Mack, the front woman for the New South Wales band “Smokin Mirrors”, comments:

As a hard rock band trying to find an audience in a music scene that seems to have gone soft, playing to a stadium full of footy fans would be an absolutely explosive opportunity for us” She added “Footy fans love their high octane guitar-driven rock music- like GunsN’Roses, AC/DC or Van Halen- and that’s exactly what we aim to deliver. (Undercover [2012](#))

Unlike the material presented about rugby league, there has been less of an oscillation between importing music and using Australian artists for these big event purposes. In fact the AFL spotlight has been a point of popular recognition for established Australian talent. Table [2](#) documents the music based performances at the AFL Grand Finals.

Of the two recent examples of using international performers, Lionel Richie in 2010, was broadly seen as a successful import, while the 2011 performance of Meatloaf, thought to be a likely winner amongst football fans, was widely seen as a failure. He later apologised to fans as he reported being unable to hear the music to accompany his efforts. The comments which followed his performance even included the CEO of the Australian Football League suggesting that “the meatloaf was off”. The ability to perform well in front of a football crowd, many of whom are simply eager for the game to start, does not guarantee a boost to the popularity of the performers. The conditions are difficult for musicians since the grounds are large, the sound systems not always perfect and for thousands of spectators the artists will be hard to see.

Two songs are central to the AFL story and its link to music. Up there Cazaly (The Two Man Band and Mike Brady) and Holy Grail (Hunters and Collectors) are

Table 2 Artists appearing at the AFL Grand Finals

1977 Barry Crocker	1978 Keith Michell	1979 Mike Brady and John Farnham
1980 Peter Allan	1981 Jon English	1982 Rolf Harris
1983 Glenn Shorrock		
1984 Slim Dusty	1985 Diana Trask	1986 Olivia Newton-John
1987 Daryl Somers	1988 Noel Watson	1989 John Farnham
1990 Normie Rowe	1991 Daryl Braithwaite and Angry Andersen	1992 Joan Carden
1993 Maroochy Barambah, Archie Roach and Yothu Yindi	1994 The Seekers and Debbie Byrne	1995 Tina Arena
1996 A collection of past singers	1997 Marina Prior	1998 Mark Seymour sang <i>Holy Grail</i>
Rob Guest sang <i>This is The Moment and Advance Australia Fair</i>	Jane Scali and Michael Cormick sang <i>Waltzing Matilda</i>	
1999 Human Nature		
2000 The Idea of North, Trish Delaney-Brown, Megan Corson, Andrew Piper and Nick Begie, Mike Brady, Russell Morris and Rick Price	2001 Vanessa Amorosi	
2002 Killing Heidi, The Whitlams, Kate Ceberano, The Human Tide. Mark Seymour sang <i>The Holy</i>	2003 Christine Anu, Gorgi Quill	2004 Guy Sebastian
The Ten Tenors, David Hobson	2005 Silvie Paladino, Delta Goodrem, Michael Buble and Dame Edna Everage performed <i>I Still Call Australia Home</i>	The Whitlams performed <i>No Aphrodisiac</i> , Kath and Kim and the Australian Girls Choir
2006 Brian Mannix, John Paul Young, Sean Kelly, Daryl Braithwaite and Shane Howard performed <i>Advance Australia Fair</i> and a medley including <i>Up There Cazaly, One day in September</i>	The Horses Irene Cara sang <i>Flash Dance(What a feeling)</i>	Young Divas sang <i>You're the Inspiration</i>
2007 Natalie Bassingthwaight sang <i>Advance Australia Fair</i> , Jet performed <i>Are You Gonna Be My Girl</i> and <i>Rollover DJ</i>		
2008 Powderfinger performed <i>Baby I've got you on my mind</i> and AC/DC's <i>It's a Long Way to the Top</i> . Ian Moss performed an electric guitar version of <i>Up There Cazaly</i>	2009 Mark Seymour performed <i>Holy Grail</i> on stage, followed by Jimmy Barnes singing <i>No Second Prize</i> . John Farnham then sang <i>You're the Voice</i> joined later by Seymour and Barnes	
2010 INXS, Lionel Ritchie performed at the Grand Final replay		
2011 Meat Loaf		
2012 Paul Kelly, Tim Rogers, Temper Trap		

Source: http://en.wikipedia.org/wiki/AFL_Grand_Final

special in the AFL musical lexicon because they have featured multiple times in AFL grand final performances and they have been used repeatedly in television and promotional efforts about the game. An analysis of their story and style repays attention for our interest in how music shapes the public's sporting experiences and helps define the score for the business and the commercial world.

The song title "Up there Cazaly" pays homage to the high flying deeds of a player (Roy Cazaly) from a much earlier era (1917–1934). Most fans would have limited knowledge and no recollection of that particular figure but the song and its rousing chorus celebrates the excitement of the action and embodies core values for spectators. A pivotal part of this imagery is that involvement in football is described as a deeply personal and well justified choice as a way to spend leisure time;

Well you work to earn a living
 But on weekends comes the time
 You can do whatever turns you on
 Get out and clear your mind

Me, I like football
 And there's a lot of things around
 But when you line 'em up together
 The footy wins hands down
http://www.lyricsmode.com/lyrics/m/mike_brady/up_there_cazaly.html

The words suggest that football adds purpose to everyday existence; it epitomises escape from the humdrum work world. Nevertheless there is an appreciation that persistence and effort to remain a faithful supporter are required:

Now there's a lot more things to football
 Than really meets the eye
 There are days when you could give it up
 There are days when you could fly
 You either love or hate it
 Depending on the score
http://www.lyricsmode.com/lyrics/m/mike_brady/up_there_cazaly.html

The song creates the expectation that a dedicated fan will persist through hard times as well as embrace the team's success. This unusual feature of sports spectating- the willingness to stick with an unsuccessful service or experience is central to maintaining acceptable crowds and the financial viability of a national competition (Hoye et al. 2009: 4–5). “Up there Cazaly” has been used to celebrate the sport for over 40 years.

A second and equally powerful accompaniment to the AFL musical repertoire is the contribution made by the Hunters and Collectors song “The Holy Grail”. Unlike “Up there Cazaly” this work was not written to describe football but instead has its roots in characterising the struggle of the Russian army in Napoleonic times. Its motifs of commitment and endurance in the face of adversity have become embedded in the AFL culture:

I was in the biggest army,
 The world has ever seen
 We were marching as one,
 on the road to the holy grail.
 Started out,
 Seeking fortune and glory
 It's a short song, but it's one
 Hell of a story, when you
 Spend your lifetime trying to get
 Your hands on the Holy Grail
<http://www.elyrics.net/read/h/hunters-&-collectors-lyrics/holy-grail-lyrics.html>

The extent of this musical-football fusion is revealed in the now common reference to the AFL Premiership trophy as the Holy Grail.

There are other ways in which music influences the football world. In common with rugby league and team sports in many cultures there are team songs which are usually sung only when the team wins. The popularity of these songs in the AFL world has been enhanced in two ways. The players chant the words of these songs after their victories and the stadium amplifier systems also broadcast the celebrations of success. More precisely, the song is celebratory for those fans

whose team has won. Additionally, television coverage in Australia now commonly concludes game day broadcasts by showing the team celebrating with their victory song in the dressing rooms. These team songs often reflect vintage tunes and earlier musical genres, partly because some of them have their origins in musical styles dating back to the early twentieth century. Even for the teams which have been formed more recently the musical scores underlying the songs are often built less on modern works but set fresh words to earlier and popular melodies.

Two examples illustrate the forces at work. The AFL team St Kilda, a long standing but not particularly successful Melbourne seaside club has “When the saints go marching in” as its theme song. It is an adapted version of the once gospel song now better known jazz classic with versions by Louis Armstrong and Fats Domino. The version used by football teams tends to be an upbeat Dixie style rendition rather than the original slow funeral march; the latter hardly being suitable for any successful team. The same song is also used by the Sydney based rugby league club St George and undoubtedly as a team song in many other lower grades of the football where the team colours, or team name prompts an affiliation with the term saints. The consolidation of this song for the AFL club followed its popular use after the club’s one successful premiership cup performance in 1966. Undoubtedly many live in hope that the saints will again come marching in as supreme victors.

The expansion of Australian football into a truly national competition as opposed to separate state leagues commenced over 25 years ago. The Adelaide Football club, one of the teams to join the national league in the last 20 years, has as its theme song “The pride of South Australia”. Its lyrics reflecting local ownership and pride is based on the tune of the “Marines’ Hymn” the official song of the United States marine corps. It is the oldest official song in the United States military. The sense of ‘patriotism’ is reflected in some of the lines:

Admiration of the nation
Our determination shows.
We’re the pride of South Australia
We’re the mighty Adelaide Crows.
(http://www.lyricsmode.com/lyrics/f/fable_singers/#share)

The way in which these football songs relate to crowd and supporter enthusiasm is perhaps best illustrated by stirring victories. When Adelaide won its first ever premiership the thousands of Adelaide fans who had travelled interstate to see the match became famous for singing the song in the heart of Melbourne for hours after the victory. Cialdini et al. (1976) christened this kind of fan behaviour “basking in reflected glory” and clearly singing about the glory ensures the reflection has a healthy ongoing glow.

The AFL in 2011 instituted a special “Rock at the G” approach where the major sporting ground the Melbourne cricket ground –the “G”– was the venue for rock performances for certain games. It was not entirely successful as the recurring technical issue of all being able to hear and see the performances, while improving, still posed challenges. Nevertheless live music returned to the AFL in 2012.

The AFL and Radar Music implemented *Live at the Footy* over 13 nights at the MCG and Etihad Stadium, a program which had live bands play pre-game/half-time sets. Spiderbait were the first band to be involved. Ben Amarfo, the General Manager of Southern Cross Austereo Melbourne points out that the conjunction of AFL and live music is a natural one: “Triple M has been the exclusive FM radio partner of the AFL for over 14 seasons and our whole pitch is about producing an entertaining call that appeals primarily to our core audience – people under 55. As an FM broadcaster, when we’re not calling the footy we are passionate about being the home of the best in rock music. So, to be able to finally combine our two passions – footy and rock music – is a dream come true for us. And to be able to promote home-grown talent is an even greater thrill for us.” Jolly (2012).

At the time of writing this chapter the 2012 AFL Grand Final has recently been played. The support of Australian music continued with the London based but globally popular band The Temper Trap flying “home” to perform at the event. Other Australians Paul Kelly and Tim Rogers also participated. In addition to the pre-game entertainment, a half time performance was offered and a free open to the public rock concert followed the game. These recent efforts confirm the continuing links between local music and sport in this distinctively Australian context.

4 Cricket

Cricket is Australia’s dominant summer sport in terms of audience attendance, television ratings and breadth of community appeal. The appeal is largely at the level of Australia’s involvement in national competitions with three versions of the game currently in vogue. The oldest and most traditional form of the game which may extend for up to five playing days is the longest version and matches between countries are referred to as test matches. A second form of the game is designed to be completed in 1 day and typically contests between countries are in a best of three, five or seven game format. In the last 10 years a newer and even shorter form of the game has grown in popularity. It is referred to as 20/20 cricket and can be completed in about 3 h. This version of the sport has been heavily influenced by the development of a major competition within India where international players are paid well for participating in an intra Indian competition known as the IPL (Indian Premier League). All three levels of the game are popular with solid crowd attendances across Australia. Music and its use are linked to all three forms of the sport.

One of the national characteristics often ascribed to Australians is an irreverent sense of humour (Knightley 2000). In this approach few topics are sacred and there is an ability to sometimes gently, sometimes less politely, mock traditions and people. There are some notable and enduring local successes linked to the feel and history of the game. The 12th man (Billy Birmingham) is a good illustration of this humour-music fusion in the sporting context. For test cricket in particular the length of the game is for many people an enduring puzzle if not a trial. How can a single

game last for 5 days? The answer lies in the number of innings and the tactical battles within a game which to enthusiasts are intriguing but to a results oriented audience seem dull in the extreme. Irrespective of the level of interest in the game it is commonplace during the Australian summer for cricket matches on television to be a background to life with public places showing the matches and many homes tuned to the big games. A consequence of this attention is that the game's commentators are familiar voices to the public. Billy Birmingham's CD parodies of the commentators and their quirks have achieved substantial sales. CD sales for the 12th Man have been placed on four occasions in the top ten selling albums of the year. Perhaps the only other popular humour which rivals Birmingham's chart success is the spoken work of Austen Tayshus who provides sequences of Australian words and expressions to create comic effects. The work was also written by Birmingham.

Other cricket related efforts involving humour also exist and have had some popular appeal. Greg Champion who was the best known commentator on a sports radio program entitled "Cooodabeen champions" produced a local hit with "I made a hundred in the backyard at Mums". This song successfully appealed to the thousands of Australians with their own suburban experiences of playing the game in personal family battles. Champion's other musical sporting efforts poke fun at the sporting culture and taken as a whole provide a gently teasing set of images of fans and players in both cricket and Australian football. Earlier in 1976, the all Australian pop group Sherbert recorded a hit with the cricket expression "Howzat" and this avowedly pop rendition mixing relationship and cricket metaphors had chart success.

Test cricket has stimulated other forms of musical expression. There is a small cadre of eulogistic songs celebrating the greatest batsmen of the game – Don Bradman. In 1987 Paul Kelly recorded 'Bradman':

He was more than just a batsman
He was something like a tide
He was more than just one man
He could take on any side
They always came for Bradman 'cause fortune used to hide in the palm of his hand

The lines "more than a batsman" represent the importance some generations of Australians have attached to his sporting success and in particular to the national team's cricket performances. As a tag line in the song the evolution of cricket also figures in Kelly's song:

He was longer than a memory, bigger than a town
His feet they used to sparkle and he always kept them on the ground
Fathers took their sons who never lost the sound of the roar of the grandstand
Now shadows they grow longer and there's so much more yet to be told
But we're not getting any younger, so let the part tell the whole
Now the players all wear colours, the circus is in town
I can no longer go down there, down to that sacred ground
(<http://www.lyricstime.com/paul-kelly-bradman-lyrics.html>)

Cricket even more than the other football codes already discussed has undergone radical change in the last 30 years. While the longer form of the game still exists and engages many, the other two modified versions of the sport have been a commercial success as they provide a better television format and a more concentrated spectacle for audiences. The suitability of cricket for television has produced a long list of jingles and promotional material. Advertisements for beer have been continuously linked to watching the one day game and celebrating success throughout this period. One refrain in particular has dominated. The song “Come on Aussie, come on, come on” was first used when commercial forces led by the newspaper owner Kerry Packer helped modernise the image and forms of the game in the late 1970s. It is a song which has been re-used and modernised several time with a recent rendition by Australian Idol success Shannon Noll keeping the song alive for a Gen Y audience. Unusually perhaps, it was Number 1 in the Australian charts in 1979 (Australian Kent Music report) and then as high as number 2 in 2004 (Australian ARIA Singles Chart). The names of the sporting performers can be changed but the refrain is unremittingly simple and now occupies a classical position for many sporting fans:

They've beaten all the rest you know
 And proven they're the best you know
 The greatest team to wear the baggy green
 Pigeon's pounding down like a machine
 Dizzy's scarin' batsmen – lookin' mean
 Gilly's gettin' wickets
 Punter's clearin' pickets
 And Warney's just the best we've ever seen
 Come on Aussie, come on, come on
 Come on Aussie, come on
<http://www.lyrics007.com/Shannon%20Noll%20Lyrics/C%27mon%20Aussie%20C%27mon%20Lyrics.html>

The success of the song reaches beyond cricket and is used at various times in other sports, including tennis and soccer, when Australian teams and performers seek and are given support by enthusiastic groups of Australians.

The Australian cricket world has been increasingly influenced by events in India. India with a population of one billion people is now the centre of financial power in world cricket and the game is arguably that country's biggest sporting obsession. Australian cricketer Adam Gilchrist (2008: 173) in his autobiography writes “India. . . while it was frightening there was something about it that I really loved. I found it intriguing almost addictive. . . I just soak up all the sights and smells and excitement, the pure joy so many people take in our game. There's nowhere like India to show you how much happiness you can give people by playing your sport.” India is, of course, also famous for its Bollywood musicals and the links between this music and cricket are strong. Not only do some of the Bollywood stars have substantial ownership of the individual teams but the team songs are pure Bollywood style spectacle.

This influence has penetrated the Australian 20/20 competition which is developing as a part of the summer entertainment scene in Australia. Individual players

take their turns to bat for their team accompanied by their favourite music. Team highlights and incidents are celebrated with musical bursts from the stadium's amplifiers. This is a world of spectator experience which is far removed from the staid applause of the test cricket era of earlier decades. It is a musically enriched, loud and structured entertainment highly consonant with Bryman's (2004) notions about fusion within the experience economy.

5 Synthesis

The identification of music's role in sport arguably follows guidelines first outlined by Ritzer (1993) when he systematically identified ways in which McDonalds brought systems and top down managerial control to the cheap, fast food sector. The processes included maximising efficiency, quantifying production inputs, ensuring predictability of outputs, employing technology control, and as much as is socially acceptable, the off-loading of externalities. These kinds of processes are relevant to our discussion of music. The top down control is evident in the selection of music to promote and accompany events. Certain kinds of music with styles and themes consonant with the sports are consistently preferred. While choices seem to differ across the sports in the preference for Australian versus international performers, the dominant choice is of successful Australian artists. There is an attempt to be efficient and predictable here too, with sporting executives systematically trying to support contemporary tastes and link them to the game rather than being at the forefront of supporting new musical endeavours. In the AFL world for example, established stars rather than new talent are used. Proven success stories and themes are employed repeatedly. As technology improves, the adequacy of the broadcasting systems is making it increasingly realistic to bring music to 80,000 people who are only there incidentally for the songs and the performers. The trend though is to market the football games as a hybrid event. This direction is emerging as evidenced by the AFL football developments involving rock music and the strong entertainment (including music) components of the 20/20 cricket.

In other ways, too, the technology is boosting the spectacle whether that is for the audience at the ground or at home. For the football codes at the major stadiums television coverage is richly supported by both the year's promotional music and the team songs. In terms of the issue of off loading externalities the sporting executives are prepared to criticise and comment on less than impressive performances.

In addition to recognising the influence of management to create well defined experiences, other commentators have elaborated on Ritzer's perspectives and developed further insights. These more recent insights have been built on studies of shopping experiences, sporting contests and travel experiences (cf. Harris 2005: 50–56).

Bryman in particular has noted four themes for attention: merchandising, hybridisation, emotional labour and theming. Hybridisation has already been

highlighted, but the emotional labour and theming stressed in Bryman's accounts expands our understanding of the song lyrics and the involvement of spectators in the sporting experiential landscape. By using Australian performers and desirably those whose emotional range and song lines resonate with the core football values-togetherness, struggle, endurance and persistence – there is a happy marriage of the music and the sport. Merchandising builds on this emotional connection. It is common for thousands of spectators in the football codes as well as at the cricket matches to wear items signifying their team loyalty and identity. Sponsors profit from close links with specific teams and may use the club music or extracts from that music for commercial advertising. Sport and public affiliation with sporting teams reduces the anonymity of modern lives and the music business underscores this connection. The Holy Grail may be a football anthem but encouraging consumption may also be read as the holy grail of the business of sports promotion, accompanied and supported by the melodies and music of modern mass marketing.

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The Valuation of Music in Australia: A Chart Analysis 1988–2011

Peter Tschmuck

Abstract In this chapter the ARIA charts are analysed to understand what musicians and music genres are appreciated most in Australia from 1988 to 2011. With the help of several indices a cycle of popularity of Australian music is highlighted. Therefore we can distinguish four different periods in the Australian popular music business. In the era of Australian superstars a few artist such as AC/DC, INXS, John Farnham and Kylie Minogue charted high from 1988 to 1995 despite a dominance of international repertory. A generation shift to younger acts such as Powderfinger, Silverchair, Grinspoon, Savage Garden, and The John Butler Trio shaped the period from 1995 to 2002 with less chart successes of domestic artists. However, in 2002 the Australian pop music market entered the so called “Golden Age of Australian music” with great chart successes of Australian artists, which was triggered by casting shows on the one hand and the emergence of new innovative indie labels on the other. Since 2008 however, we can observe less charting Australian artists, but of a new generation of acts which indicates a second transition period in the Australian popular music market.

1 Introduction

The chart is an indicator of the popularity and the commercial success of a song, album, musician or band. There has been, however, the temptation to manipulate the charts to affect the music consumers’ purchase decision and to legitimate the investment in a specific act. Despite all these objections, it makes sense to analyse the charts to get an insight into the music consumers’ taste and how they value

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music. Further, we can highlight industry structures by measuring the shares of independent and major record labels in the charts and analyse the relative chart success of different labels in a longterm perspective. Nevertheless we have to bear in mind that the charts do not represent the music market and not even the recorded music market with all its niches, genres and sub-genres. The chart architects of course try to anticipate the fragmentation of the recorded music market by defining special genre charts, but they also represent only the tip of the iceberg of songs that cannot enter the top 100 or so, but are still consumed and might have a greater artistic impact than a chart topper.

Since it is nearly impossible to analyse all the music that is consumed within a period of time, we have to rely on the songs that enter the charts. Thus, the year's-end singles and albums charts, which are published by the Australian Recording Industry Association (ARIA) since 1988 on the Internet, have been analysed to get an impression of how the music tastes of Australian music consumers have changed over the time, and how Australian artists could benefit from consumer purchase decisions.

In a second part of this chapter the chart success of independent and major record companies is measured to highlight trends and to define different chart periods. The main conclusion is that the emergence of Australian independent labels at the end of the 1990s provided the basis of a boom of domestic acts who charted very successfully. On the other hand, the analysis shows that the major labels – except Sony Music Entertainment – have not been so engaged in developing Australian artists but rather, have promoted international repertoire for the Australian market.

Sony Music is an exception insofar as it operated an independent sub-label, Murmur Records, to discover and to develop domestic musicians in the early 1990s. Murmur Records, which was later folded into Sony Music Australia's headquarters, established a tradition of domestic A&R that fostered Australian artists who would chart successfully in the first decade of the twenty-first century. When Sony Music merged with Bertelsmann Music Group to form Sony-BMG in 2004, it inherited BMG's engagement in the popular casting show "Australian Idol", which supplied the ARIA charts with Australian newcomer acts. Some of the "Idols" could establish themselves as local stars, who were successful even with their third and fourth album releases. Thus, Sony Music's engagement in domestic A&R and its participation in "Australian Idol" and in other casting shows went hand in hand with the rise of independent Australian record labels to fuel the boom of Australian acts in the 2000s that can be described as the "Golden Era of Australian music".

2 Australian Musicians in the ARIA Charts, 1988–2011

Before analysing the relevance of Australian music in the ARIA singles and albums charts we have to define 'Australian' music. In ARIA terms all releases by musicians with an Australian or New Zealand origin count for the domestic

‘Australian’ repertoire. If the Bee Gees¹ release a new “Best of” album in the US it is counted as domestic ‘Australian’ repertoire, as along with releases by the indie rock band Evermore, who originated from Feilding, New Zealand, but are now based in Melbourne. Similarly Kylie Minogue, Olivia Newton-John, and AC/DC are counted as Australians even if their records were produced and initially released outside Australia. It is questionable if such a broad definition is useful. From an economic perspective it would make more sense to include only those releases in the domestic repertoire which were mainly produced in Australia. However, from a consumer’s perspective the origin of the artist might be a motivation to buy a record. For the purposes of this book and our interest in the experience economy this broad definition is pivotal. As discussed in several other chapters, notably those concerned with sport, festivals and brand identity, the use of Australian music as defined in this way is often a key to the responses of consumers. It appears that national affiliation of the artists rather than their immediate or even long term residential location constitutes a defining cognitive and emotional force which influences the audiences’ reaction to the appropriateness of the music for the setting and their liking for the work. Therefore, we still rely on the ARIA definition of domestic Australian repertoire for the analysis, but we have to keep in mind that in some cases the only ‘Australian’ aspect of a record is the artist’s Australian origin or his/her Australian background.

We initially look at the chart performance of Australian acts to measure their ‘success’ in the ARIA charts. Therefore, we differentiate between singles and albums charts and have to bear in mind that only the top 50 singles and albums were listed from 1988 to 1996. The list was extended to the top 100 titles from 1997. In order to compare the domestic share over the years, we have to firstly restrict the analysis to the top 50 charting titles. With this long-term perspective we can identify four periods of chart success by Australian musicians (see Fig. 1).

The period from 1988 to 1995 was dominated by Australian superstars such as John Farnham, Kylie Minogue, INXS, Crowded House, Midnight Oil, Jimmy Barnes and AC/DC with high domestic single and album shares until 1992 before dropping significantly in 1993 for singles and 1995 for albums respectively.

In 1988, the new wave rock band from Sydney INXS had their heyday with their sixth studio album “Kick” topping the ARIA albums chart and gaining worldwide popularity. “Kick” outperformed the very popular “Dirty Dancing” soundtrack and the “Freight Train Heart” album of the former Cold Chisel singer Jimmy Barnes. Further, six albums by Australians charted in the top 20: the Stock-Aitken-Waterman produced debut album “Kylie” of the later pop-icon Kylie Minogue (#17), “Whispering Jack” by John Farnham (#10), which held the number one position in the albums chart for 25 weeks, another multi-platinum Farnham album – “Age Of Reason” (#13) – and “Temple of Low Men” by the Melbourne indie rockers Crowded House. The impact of Australian artists on the charts diminished in the

¹ The Bee Gees are a special case since Robin, Maurice and Barry Gibb were born in the U.K., but they grew up in Australia where they started their musical career with the help of popular radio DJ Bill Gates.

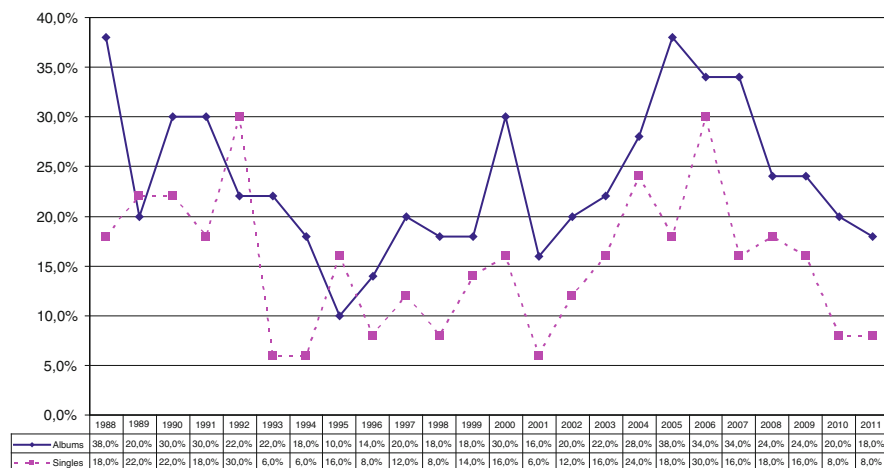


Fig. 1 The domestic share in the single and album charts, 1988–2011 (Source: After <http://www.aria.com.au/pages/aria-charts-end-of-year-charts.htm>)

following years until 1995. In 1989, the Melbourne rock band 1927 was second in the end-year's chart with their multi-platinum album "...ish". However, just nine other domestic acts entered the top 50 albums chart and 11 the singles chart respectively.

In 1990 and 1991 the Australians performed better in the albums charts. John Farnham's "Chain Reaction" was the best selling album in 1990. The progressive rock band Midnight Oil from Sydney ranked third with "Blue Sky Mining". The former Cold Chisel singer Jimmy Barnes followed with "Two Fires" at #4. Twelve other Australian acts entered the top 50 too such as AC/DC ("The Razor's Edge", #17), INXS ("X", #29) and John Williamson ("JW's Family Album", #42). In 1991, the most successful Australian act was Daryl Braithwaite, who topped the year's-end-chart with his third studio album "Rise". Further, four albums of Australian artists re-entered the album charts – Jimmy Barnes "Two Fires" (#5), John Farnham's "Chain Reaction" (#19), INXS' "X" (#39) and AC/DC's "The Razor's Edge" (#41). The singles chart of 1991 mainly reflects the albums chart. Six songs from successful albums could be found in the top 50.

Despite a significant drop of the domestic albums share to 22 %, the first four chart ranks were captured by Australian acts in 1992. Number one was the Australian cast of the musical "Jesus Christ Superstar" – with John Farnham in the title role of Jesus and Kate Ceberano as Mary Magdalene. Second was the hard rock band Baby Animals from Perth with their eponymous debut album. Jimmy Barnes followed with his fifth studio album "Soul Deep" and Johnny Diesel completed the top 4 with his new album "Hepfidelity". However, only seven further albums by Australians entered the top 50. In 1993, we find the usual names in the charts. John Farnham ranked at #8 in the year's-end-chart with his fifteenth studio album "Then Again ... And More". Jimmy Barnes followed at #15 with his hard rock effort

“Heat”, and also charted with “Flesh And Wood”, an unplugged album made together with his former Cold Chisel bandmate Don Walker. In 1993, the domestic share in the singles chart sharply dropped to 6 % and just three Australian acts entered the chart.

In 1994 and 1995, the albums chart followed the negative trend of the singles chart. The domestic album share dropped to 18 % in 1994 and even to 10 % in 1995. In 1994, nine Australian acts entered the top 50. The 12th Man (aka parodist Billy Birmingham) was most successful with “Wired World Of Sports II” at #8 in the year’s-end-chart. In 1995, the number of Australian acts in the albums chart shrank to just five. The only positive aspect was that the singer/songwriter and musical theatre actress Tina Arena topped the albums chart with her comeback album “Don’t Ask”, which was certified ten times platinum in Australia. Apart from Tina Arena it is worth mentioning that the grunge band Silverchair from Newcastle (NSW) debuted with “Frogstomp” at number one and ranked #7 in the year’s-end-chart. Whereas just three Australian acts entered the singles chart in 1994, the number rose to eight in 1995. It is striking that it was mainly newcomers such as Silverchair, the Melbourne singer/songwriter Merril Bainbridge, the Queensland pop singer Peter Andre and the former “Jesus Christ Superstar” cast member, Dani Hines, who saved the Australian honor.

It appears that 1995 was the watershed year for the Australian music business. New acts appeared on the scene and replaced well-known and established acts. The years from 1996 to 2002, thus, marked a period of transition, in which newcomer acts such as Powderfinger, Silverchair, Grinspoon, Savage Garden, Kasey Chambers, Vanessa Amorosi, Human Nature, The John Butler Trio and others had their first chart successes.

In the period from 1996 to 1999 the domestic album share steadily increased from 14 % to 30 %. However, we must consider that ARIA expanded the singles as well as the albums charts from the top 50 best-selling releases to a top 100 list in 1997. This improved the chances for Australian artists to enter the charts. In 1996 – the last year of the top 50 charts – two out of seven chart ranking Australian acts were newcomers: Silverchair charted again with “Frogstomp” (#36) and the Brisbane-based alternative rock band Powderfinger had their first commercial success with their second studio album “Double Allergic” (#44). The remaining charting Australian artists were established ones: Crowded House (“Recurring Dream – The Very Best Of”, #6), John Farnham (“Romeo’s Heart”, #10), Jimmy Barnes (“Hits”, #12) and Tina Arena (“Don’t Ask”, #19). In the singles chart all four charting songs were from newcomers: The New Zealand band OMC, the Brisbane dance singer Gina G, Peter Andre and the Brisbane rock music duo Darren Hayes and Daniel Jones, better known as Savage Garden, had their first number one hit with “I Want You”. In 1997, 21 Australian artists entered the brand new top 100 albums chart and ten even charted in the top 50. Four acts were newcomers – Savage Garden, Human Nature, Silverchair and Spiderbait – and the remaining six were more or less established. The singles chart of 1997 reflected more or less the albums chart. Savage Garden charted with three songs from their eponymous debut album. The Sydney vocal pop group Human Nature also had three top 100 entries

from their debut album "Telling Everybody". Silverchair charted with two songs from their second album "Freak Show" and the alternative rock band Spiderbait had a hit from their breakthrough album "Ivy And The Big Apples".

In 1998, 25 Australian albums entered the top 100 and nine charted in the top 50. After the breakthrough with her international hit "Torn" Natalie Imbruglia went to number one with her debut album "Left Of The Middle" and ranked #5 in the year's-end-albums-chart. Further newcomers of the year were the bands Regurgitator ("Unit", #20), The Whitlams ("Eternal Nightcap", #23), The Living End ("The Living End", 29) and The Superjesus ("SUMO", #37). They all charted in the top 50 and marked a generational shift in the Australian music scene.

In 1999, again the new generation of bands such as Savage Garden ("Affirmation", #4), The Living End ("The Living End", #13), Silverchair ("Neon Ballroom", #16), Powderfinger ("Internationalist", #17) and Human Nature ("Counting Down", #29) outperformed established acts such as John Farnham, Olivia Newton-John and Anthony Warlow combining with their "The Main Event" album (#24), Kate Ceberano and Wendy Matthews. The Australian share in the singles top 50 increased to 14 % in the same year. Sixteen Australian artists charted in the top 100 and seven even entered the top 50. The most successful Australian singles act was the house music duo from Melbourne Madison Avenue with their techno hit "Don't Call Me Baby" at #7 in the year's-end-chart.

In 2000, the year of the Summer Olympic Games in Sydney, the domestic share in the ARIA albums chart jumped from 18 % to 30 %. It is, therefore, no surprise that the album of the "Opening Ceremony" of the Olympic Games ranked at #18 in the year's-end-chart. In this year, however, four Australian acts captured ranks two to five, only outperformed by the "No. 1s" album by the Beatles. All of them were more or less relatively new in business; Powderfinger ("Odyssey Number Five", #2 and "The Internationalist", #48), Savage Garden ("Affirmation", #3), Vanessa Amorosi ("The Power", #4) and Killing Heidi ("Reflector", #5). Further newcomers of 2000 were the electronic music duo Madison Avenue with their debut "The Polyester Embassy" (#29) and the country singer/songwriter Kasey Chambers with her first album release "The Captain" (#41).

Thus, we can sum up that a new generation of Australian artists ruled the charts in 2000. However, in 2001, the domestic share in the albums and singles charts dropped significantly to 16 % and 6 % respectively. An explanation could be that the newcomer bands, which were formed in the mid and late 1990s, did not release any new singles and albums. Thus, Powderfinger charted again with "Odyssey Number 5" (#7) as in the year before, as well as Vanessa Amorosi with "The Power" (#54) and Savage Garden with "Affirmation" (#71). However, three relatively new acts entered the top 50: Singer/songwriter Alex Lloyd with his second album "Watching Angels Mend", which went double platinum in 2001, the teenage pop singer from Sydney, Nikki Webster, with her debut album "Follow Your Heart" (#32) and the post-grunge band from Melbourne Something For Kate with their fourth studio album "Echolalia" (#34).

The period from 2002 to 2007 was the "Golden Age of Australian" music. The domestic album share steadily increased from 20 % in 2002 to an historic all-time

high of 38 % in 2005, with a slight drop to 34 % in 2006 and 2007. In 2002, we find 21 Australian acts in the top 100 and 10 in the top 50 of the albums chart. The Australian chart entries represented a mix of well-established stars such as Kylie Minogue (“Fever”, #4), John Farnham (“The Last Time”, #26) and The 12th Man (“The Final Dig?”, #19) and more or less younger acts such as Kasey Chambers (“Barricades & Brickwalls”, #3), the rock band George from Brisbane (“Polyserena”, #8), Silverchair (“Diorama”, #18), Alex Lloyd (“Watching Angels Mend”, #27), Grinspoon (“New Detention”, #33) and The Whitlams (“Torch The Moon”, #49).

In 2003, 11 Australian acts were listed among the 50 best-selling albums and 23 charted in the top 100. Singer/songwriter Delta Goodrem topped the albums chart with her debut “Innocent Eyes”. Powderfinger charted with their fifth studio album “Vulture Street” (#4) and the winner of the first series of “Australian Idol”, Guy Sebastian, had great commercial success with his debut album “Just As I Am” (#5). Besides John Farnham, Kasey Chambers and Silverchair, the alternative rock newcomer band from Melbourne, Jet, entered the top 50 with “Get Born” (#48). The singles chart of 2003 was ruled by Delta Goodrem with five songs from her debut album in the top 20. However, the best-selling single of the year was “Angels Brought Me Here” by “Australian Idol” winner Guy Sebastian, which was certified four times platinum.

In 2004, Australian artists contributed nearly half of the top 20 best selling albums. The first three chart ranks were captured by Australian newcomers; Jet topped the chart with their debut album “Get Born”, the runner-up of the first series of Australian Idol (2003), Shannon Noll, was second with his debut “That’s What I’m Talking About” and at #3 followed the singer/songwriter Pete Murray with his debut album “Feeler”. The John Butler Trio ranked at #5 with their third studio album “Sunrise Over Sea” and Delta Goodrem had two chart entries with her second album “Mistaken Identity” (#13) and again with “Innocent Eyes” (#16). The Melbourne singer/songwriter and actress Missy Higgins ranked #15 with her debut album “The Sound Of White” and Guy Sebastian (“Just As I Am”, #19) as well as Kasey Chambers (“Wayward Angel”, #20) completed the top 20. Beyond this mark we can find a further 16 albums by Australians. All in all, the domestic share in the top 50 rose to 28 %. The domestic share in the top 50 of the singles chart was also high with 24 %. Twenty five Australian acts entered the top 100 and 12 the top 50. Shannon Noll had the top selling hit of the year and four other contestants from “Australian Idol” also entered the top 50: Paulini, Casey Donovan, Cosima and Guy Sebastian.

In 2005, the domestic album share rose to its highest since 1988. Thirty albums by Australians entered the top 100 and 19 the top 50. Missy Higgins’ “The Sound Of White” was the top-seller of the year outperforming Kelly Clarkson, Michael Bublé, Gwen Stefani and the Black Eyed Peas. Although international artists occupied #2–16, 18 Australian acts ranked between #17 and #50. We can find several newcomers such as the winner of the second series of “Australian Idol” (2004), Anthony Callea, with his self-titled debut album (#17), the former Powderfinger frontman Bernard Fanning with his solo debut “Tea & Sympathy”

(#24), the Sydney rock band Thirsty Merc with their eponymous studio debut, the Brisbane twin sister band The Veronicas with their debut "The Secret Life Of . . ." (#46) and the Sydney hard rock band Wolfmother with their self-titled debut album. Despite the highest domestic albums share, the singles share dropped to 18 %. Just nine Australian singles entered the top 50, most of them being single releases from charting albums.

2006 was a very successful year for Australian artists. The domestic albums share increased to 34 % in the top 50 and 34 albums by Australians entered the top 100. In the top 10 alone were seven Australian acts. Close behind top-seller James Blunt and Pink ranked Human Nature with "Reach Out: The Motown Record". Fourth was Wolfmother with their self-titled debut album. The runner-up of the second series of "Australian Idol" Damien Leith charted at #5 with his debut album "The Winners Journey". The Melbourne electronic pop band Rogue Traders, the Western Australian alternative rock formation Eskimo Joe, the comedian The 12th Man and the twin sister duo The Veronicas also entered the top 10. In addition several newcomers charted in 2006: The New Zealand indie rock band Evermore, cross-over performer from Adelaide David Campbell, the third winner of "Australian Idol" (2005) Kate De Araugo, the actress and singer Stephanie McIntosh and the alternative metal band from Brisbane The Butterfly Effect. After a weaker previous year, the domestic singles share increased to 30 % in 2006. Fifteen Australian acts ranked in the top 50. Most successful was the dance music duo from Melbourne, TV Rock, who had the second best-selling single of the year. The dance girl group of former Australian Idol contestants The Young Divas ranked #8. They were followed by the Youth Group at #9, by another "Idol" Lee Harding and the winner of "Australian Idol" 2006, Damien Leith at #11.

2007 was the last year of the "Golden Years of Australian music", with a domestic album share of 34 % in the top 50. Seventeen releases by Australian artists ranked among the 50 top-selling albums and 37 in the top 100 – the highest number ever in the observed period. Except for the eponymous debut album of the Sydney dance band Sneaky Sound System, all other albums in the top 50 were not debuts. Missy Higgins charted highest at #3 with her second studio album "On A Clear Night". Powderfinger ranked #6 with their sixth studio album "Dream Days At The Hotel Existence", followed at #7 by John Butler Trio's fourth album "Grand Domestic". Silverchair had a chart success with their fifth and last studio album "Young Modern" at #9. The third studio album "Delta" by Delta Goodrem charted at #13 and Guy Sebastian's fourth studio album "The Memphis Album" charted at #22.

The few newcomers in the album chart of 2007 might indicate a diminishing degree of innovation in the Australian music industry. If we calculate the average and median age of the ten top-charting Australian artists – measured in years from their first record release – we can observe that from 2002 to 2005 the median age of the charting Australian acts decreased from 7 to 3 years. The average age of the ten top charting Australian artists also significantly drop from 10.5 to 3.7 years. However, in 2007 the median age increased to 9 years and the average age to 7.5 years respectively. Thus, we can identify a close relationship between the domestic album

share and the average and median age of Australian acts that entered the album charts from 2002 to 2007. The singles chart of 2007 also foreshadowed the decrease of the domestic share in the following years. Just eight songs by Australians ranked in the top 50, which accounted for a domestic share of 16 %.

The year 2008 marks the end of the “Golden Age of Australian music”. Fewer Australian acts entered the charts and the domestic share decreased. The number of releases by newcomers also went down and it is striking that the heavy metal legend AC/DC had the best-selling album with their fifteenth studio release “Black Ice”. The most successful newcomer in 2008 was the Sydney singer/songwriter of Italian-Albanian descent Gabriella Cilmi. Her debut album “Lessons To Be Learned” ranked #13 in the albums chart. An unexpected success was Geoffrey Gurrumul Yunupingu’s debut album “Gurrumul” at #21. Yunupingu was a blind, indigenous Australian musician from the Elcho Island, who sang in the Yolngu language. He played drums, keyboards, guitar and didgeridoo and performed all his songs by himself.

In 2009, the domestic albums share remained stable at 24 %. Twelve Australian albums entered the top 50 and 29 the top 100. The debut albums by The Empire Of The Sun (“Walking On A Dream”, #18) and Jessica Mauboy (“Been Waiting”, #20) re-entered the albums chart. The only real newcomer album that charted in the top 50 was “My Dream – Mio Visione” by the classical tenor Mark Vincent. In the singles chart only two newcomers charted a hit in the top 50; The New Zealand singer/songwriter and multi-instrumentalist Ladyhawke, and the winner of the seventh series of “Australian Idol”, Stan Walker.

Although 29 albums by Australian acts charted in the 2009 top 100, only ten could enter the top 50 in 2010, resulting in a domestic album share of 20 %. The folk siblings Angus and Julia Stone had the highest chart entry with their second album “Down The Way” at #7. The winner of the second season of “The X Factor Australia” in 2010, Altiyan Childs (aka Altjian Juric) charted with his self-titled debut album at #19. The alternative rock band from Perth, Birds of Tokyo, with their self-titled third studio album ranked #24. After a gold certification for their third album “Flying Colours” in 2008, the Sydney based hip hop band Bliss n Eso had their definite commercial success with their platinum certified fourth studio album “Running On Air” (#37). The Papua New Guinea born but Australian raised singer/songwriter Megan Washington charted at #43 with her debut “I Believe You Liar”. In the singles chart of 2010, the Australian acts performed a good deal worse than in the albums chart. For the first time since 1988, no Australian artist entered the top 30 and just four songs by Australian acts could be found in the top 50: Yolanda Be Cool and Dcup with the international sampling hit “We No Speak Americano” (#34).

It seems that currently the Australian music business is at a stage where the established performers consolidate their success. Well-established acts rule the charts and if newcomers enter the chart their survival rate is very low. This impression can be supported by analysing the singles and albums charts of 2011. Just nine albums by Australians ranked in the top 50 – a domestic share of 18 %. The Belgian-Australian singer/songwriter and multi-instrumentalist Gotye (aka

Wouter De Backer) had his first commercial success with his third studio album “Making Mirrors” at #4. The most successful newcomer of the year was Reece Mastin, winner of the third season of “The X Factor Australia”, with his self-titled debut album at #15, which was certified two times platinum in Australia. The second newcomers of the year were the Sydney indie rock-folk band Boy and Bear with their debut album “Moonfire” (#23). The rest of the charting Australian acts were more or less established such as Cold Chisel, Damien Leith, Geoffrey Gurrumul Yunupingu, Angus and Julia Stone and the Western Australian rapper Draphth with his fourth studio album “The Life Of Riley”. In the singles chart of 2011 Gotye prevented the Australian artists from a flop with the second best selling song. Just three other Australian acts entered the top 50: Reece Mastin, the Melbourne female DJ and dancer Havana Brown (aka Angelique Meunier) and Guy Sebastian. Since there are only two newcomers in the top 100 it is rather questionable as to whether the period of low domestic singles and albums shares will be over soon. Instead we can observe a highly competitive environment for Australian artists who have no guarantee of a sustainable commercial success and longterm success in the charts.

To refine the analysis we have to consider that it makes a difference if Australian acts ranked in the top 10 or only in the last third of the charts. Further an analysis should take into account the change from a top 50 to a top 100 chart list in 1997. Therefore an index for domestic albums and singles chart success was calculated by valuing chart position number one with 50 points until 1996 and with 100 points respectively from 1997 onwards and the last chart position with 1 point. If all chart ranks are captured by domestic repertoire this would result in an index of 100. If no Australian title is in the top list the index equals zero. Thus, we have a measure for relative chart success of Australian repertoire. In 2011, for example, 22 Australian titles were ranked in the top 100 albums chart. Adding up the different ranks makes up 1,017 points out of a maximum of 5,050 points. 1,017 divided by 5,050 and multiplied by 100 results in an index of 20.14 for the domestic repertoire in 2011. On this basis we attain a modified picture of the domestic share in the single and album charts as pointed out in Fig. 2.

Compared to the pure domestic share calculation, the index shows an historic all-time high in 1988 but with a similar downturn until 1995. A modest recovery followed from 1996 to 2001, which led to a steady increase of the domestic repertoire index from 2002 to 2007. However, from 2008 the index significantly decreased to a lower level – similar to the mid-1990s. Apart from some minor differences, the index analysis confirms the overall picture by the domestic share calculation. Thus, we can identify four periods of chart success by Australian artist from 1988 to 2011:

1988–1995: The era of Australian superstars

1996–2001: The period of the first generation shift (period of transition)

2002–2007: The “Golden Age of Australian music”

2008–2011: The second period of transition (a second generation shift?)

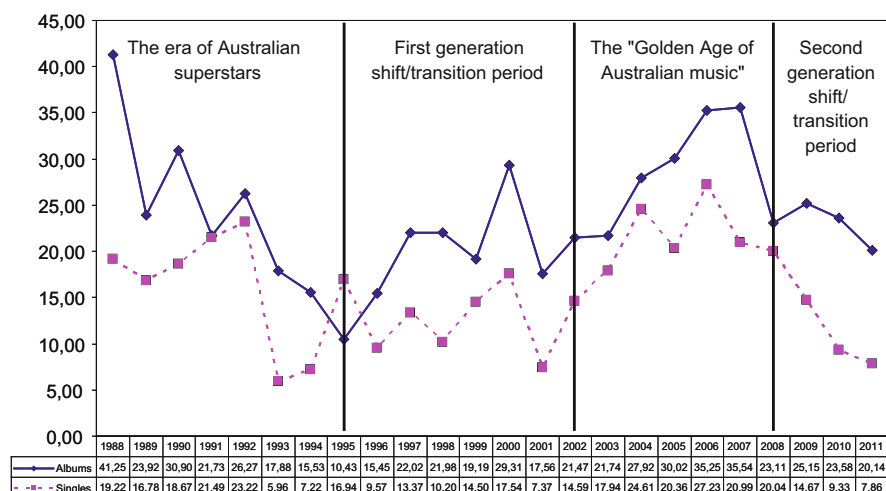


Fig. 2 The indexed domestic repertoire in the album and single charts, 1988–2011 (Source: After <http://www.aria.com.au/pages/aria-charts-end-of-year-charts.htm>)

Finally, the index method also helps us to measure the longterm chart success of Australian artists. In Table 1 the top 30 Australian singles and albums artists are mapped.

Table 1 shows that half of the top 30 singles artists also chart in the top 30 albums list. While Kylie Minogue is (unsurprisingly) the most successful singles artist, John Farnham is by far the top Australian albums act. However, the comparison also highlights that all top 10 albums acts had their heydays either in the superstar era or in the first transition period from 1996 to 2002, whereas in the list of the top 10 singles artists we can find several acts that charted highly in Australia’s “Golden Age of music” such as Delta Goodrem, Guy Sebastian, The Veronicas, Shannon Noll and Vanessa Amorosi. This could be evidence for the hypothesis that in the digital revolution, which has affected the music industry since the millenium, the album driven market turned into a singles market, since the music consumers now have the choice to cherry pick individual digital songs instead of buying relatively expensive albums with mainly unwanted filling tracks.

3 Label Success in the ARIA Charts, 1988–2011

In this section the success of major and indie labels operating in the Australian recorded music market is highlighted for the years 1988–2011. In a longterm perspective the index of the labels’ album chart successes (for the method see index of artists’ chart success) shows five different periods with relatively high index values for independent record labels, but also periods with rather low index

Table 1 List of the top 30 Australian singles and albums artists, 1988–2011

Rank	Index	Singles artist	Rank	Index	Albums artist
1	0.8110	Kylie Minogue	1	1.6489	John Farnham
2	0.7351	Delta Goodrem	2	1.3586	Jimmy Barnes
3	0.5646	Silverchair	3	0.8232	Powderfinger
4	0.4468	Savage Garden	4	0.7869	Kylie Minogue
5	0.4068	Guy Sebastian	5	0.6710	The 12th Man
6	0.3870	The Veronicas	6	0.5806	Silverchair
7	0.3284	Shannon Noll	7	0.5701	Human Nature
8	0.3152	Vanessa Amorosi	8	0.4675	INXS
9	0.2632	Human Nature	9	0.4541	Crowded House
10	0.2563	John Farnham	10	0.4392	AC/DC
11	0.2451	Peter Andre	11	0.4307	Kasey Chambers
12	0.2418	Merril Bainbridge	12	0.4280	Tina Arena
13	0.2367	Tina Arena	13	0.4026	Guy Sebastian
14	0.2288	Jimmy Barnes	14	0.3979	Midnight Oil
15	0.2222	Ratcat	15	0.3804	Delta Goodrem
16	0.2137	Jessica Mauboy	16	0.3317	Pete Murray
17	0.2127	Kate Ceberano	17	0.3243	The John Butler Trio
18	0.2096	Evermore	18	0.3137	Daryl Braithwaite
19	0.1815	Missy Higgins	19	0.3069	Savage Garden
20	0.1732	Daryl Braithwaite	20	0.2974	Johnny Diesel
21	0.1732	Frente	21	0.2929	Damien Leith
22	0.1675	Rogue Traders	22	0.2682	Missy Higgins
23	0.1536	O.M.C.	23	0.2549	The Black Sorrows
24	0.1535	Anthony Callea	24	0.2500	The Veronicas
25	0.1471	Melissa	25	0.2401	The Living End
26	0.1460	Killing Heidi	26	0.2384	Shannon Noll
27	0.1411	Holly Valance	27	0.2328	Kate Ceberano
28	0.1411	Natalie Bassingthwaite	28	0.2228	Eskimo Joe
29	0.1405	CDB	29	0.2228	Jet
30	0.1405	Wendy Matthews	30	0.2104	Wendy Matthews

values for the indies. Thereby, the indie labels not only include Australian labels but also foreign labels that distribute their records either by Australian subsidiaries of the majors or by independent distributors.

3.1 Major Label Background

The major labels which are covered by the longterm analysis include a total of 11 labels. Although CBS Columbia was taken over by the Japanese electronic conglomerate Sony in 1988, the US major was still active as an independent affiliation on the Australian market from 1988 to 1990. It was then incorporated into the Sony Music Entertainment (SME) label conglomerate (see Tschmuck 2012: 175–176).

The German Bertelsmann Music Group (BMG) operated in Australia until 2003, when it entered a joint venture with Sony Music Entertainment – Sony-BMG (see Tschmuck 2012: 180). Since Bertelsmann sold its 50 % stake in the joint venture to Sony in 2008, Sony Music Entertainment (SME) succeeded Sony-BMG.

Similarly, the subsidiary of the Dutch electronic conglomerate Philips, PolyGram, as well as the US record major MCA operated as independent companies in Australia until 1998, when they were merged by their new owner, the Canadian distillery giant Seagram, to Universal Music Group (UMG) (see Tschmuck 2012: 179). The only two major record companies that were continuously active on the Australian recorded music market are the Warner Music Group (despite a change of ownership in 2004, when The Investor's Group acquired Warner from the Time-Warner conglomerate, but sold the company to Access Industries in 2011) (see Tschmuck 2012: 178) and EMI, which has the longest history of all majors in the Australian market dating back to the early twentieth century (see Laird 1999).

Further, we can identify the US major ABC Records (not to be confused with the Australian public broadcaster ABC) on the Australian music market, for the first and last time in 1988. Since Disney Records is part of the US media and entertainment conglomerate Disney Corp. it is also counted among the major companies as well as Australian based Festival Records, which was owned by the Australian media giant News Corp. In 1993, News Corp. also bought a 49 % stake in Michael Gudinski's influential and very successful Mushroom Records. Despite this minority stake Mushroom is counted as an indie label until News Corp. acquired the remaining 51 % in 1998 and merged its recording interests into Festival-Mushroom Records. In 2005, News Corp. sold the assets of Festival-Mushroom to Warner Music Australia, which incorporated the label into its structures. Against this background we can now interpret the longterm development of the indies and majors shares in the ARIA singles and albums charts (see Fig. 3).

3.2 *The Singles Charts*

The singles chart index for label success does not follow any trend and appears very erratic. After 2 years with relative high indies shares in 1988 and 1989 of 16.16 and 19.61 respectively, the indies share dropped to 9.10 in 1990. In 1991, it increased again to 13.96 to drop in the following year to 8.86. This is the pattern for the whole period: A very low indies share (e.g. in 1994 and 1997) is followed by a high share in the next year. However, we can identify a triannual period of relatively high indexes for the indies from 1998 to 2000 and a period of quite low index values for them from 2003 to 2006. Apart from that there is no regularity in the data. One explanation however, could be that a success in the singles chart does not last for long and enables other labels to succeed.

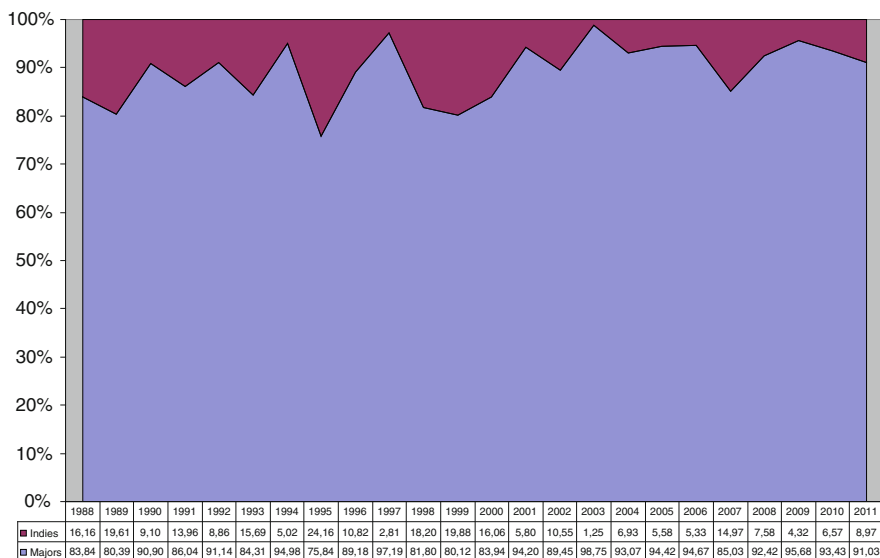


Fig. 3 The indies and majors shares in the ARIA singles chart by index values, 1988–2011 (Source: After <http://www.aria.com.au/pages/aria-charts-end-of-year-charts.htm>)

3.3 The Album Charts

In contrast, the albums chart index shows different trends (Fig. 4) and therefore we can define five different periods. From 1988 to 1990, the indie share was exceptionally high, the highest value for the whole observed period occurring in 1988. In 1991, the chart index for the indies significantly dropped and remained low until 1998. In the triannual period from 1998 to 2000 the indies captured a relatively high share in the albums charts. In 2001, however, the indies' share decreased again for 4 years. From 2005, we can observe a much better performance of the indies with an index of about a value of 10.00. In the following we try to find an explanation for this development by learning more about the labels' landscape in Australia from 1998 to 2011.

3.4 The Indie Label Landscape

The analysis of indie label successes in the ARIA singles and albums charts highlights, on the one hand the changing relevance of independent labels for the Australian music industry, and on the other, the role of indie and major labels for the success of domestic repertoire. At the end of the 1980s foreign indies such as Island Records, A&M Records and Delicious Vinyl, which were later bought by major companies, successfully charted with international acts. Apart from the

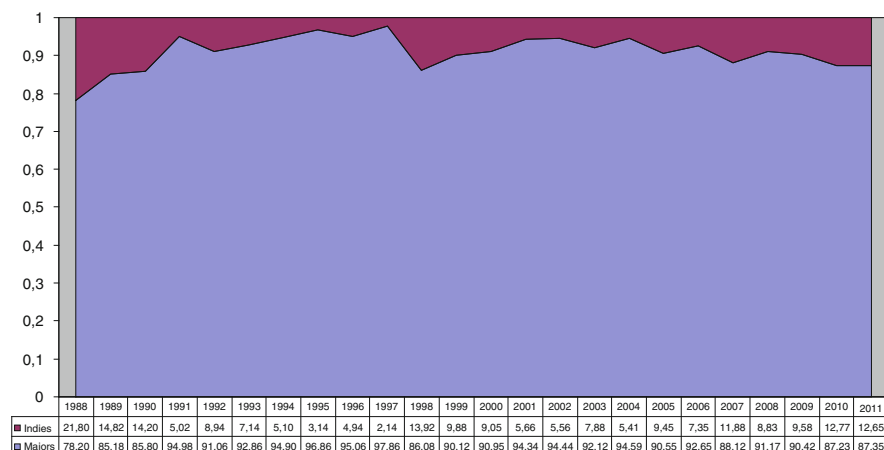


Fig. 4 The indies and majors shares in the ARIA albums chart by index values, 1988–2011 (Source: After <http://www.aria.com.au/pages/aria-charts-end-of-year-charts.htm>)

international indies, Mushroom Records, which was founded by Michael Gudinski and Ray Evans in Melbourne in 1972, was the dominant domestic indie label. Mushroom and its UK imprint PWL released the first singles and albums of the then unknown Kylie Minogue and thus launched her career as an international superstar. However, Mushroom also launched the solo career of the former Cold Chisel frontman Jimmy Barnes, of the pop and soul singer Kate Ceberano, of Skyhooks, Jason Donovan and Kylie Minogue's younger sister Danië Minogue.

Apart from Mushroom Records only a few other Australian indies were commercially successful in the late 1980s and early 1990s: Ron Tudor's Fable Records with the country musician John Williamson had some chart entries from 1988 to 1990 and Regular Records charted with the Sydney new wave band Icehouse in 1988 and 1990. Until 1998, when Mushroom Records was fully acquired by the Australian media giant News Corp. it was the only Australian indie label that entered the charts – mainly with Australian acts. It is striking, however, that Mushroom lost its momentum when News Corp. bought a 49 % stake in the company in 1994. As the then only Australian major label Festival-Mushroom mainly distributed international repertoire in Australia and released only a few singles and albums by Australian artists. In October 2005, however, Festival-Mushroom was wound up and its trademarks and master recordings were sold to Warner Music Australia, which repositioned Mushroom as a release vehicle for Kylie Minogue's records.

When Michael Gudinski sold Mushroom to News Corp. he and Warren Costello launched the new independent label: Liberation Music. Initially Liberation succeeded with releases of music from the popular Australian TV show "The Panel", but from 2005 on Liberation became the home label of Australian music legend Jimmy Barnes, the musical star Marcia Hines and the comedian Matt Tilley. In 2008, Liberation signed the popular country singer/songwriter Kasey Chambers,

who had left EMI, and released her fifth, sixth and seventh studio albums. Over the past few years Liberation has also had commercial success with newcomer acts such as the indie rock band The Temper Trap and the pop band Little Red.

In 1998, Modular Records, founded by the concert promoter Steve Pavlovic as a joint venture with EMI in Sydney, succeeded Mushroom Records as the most influential Australian indie label for the next decade. The first two album releases – the Living End’s eponymous debut album and Ben Lee’s third studio album “Breathing Tornados” – were immediate commercial and chart successes. In the following years Modular also launched the careers of the Melbourne electronic music group The Avalanches, the Sydney hard rock act Wolfmother, the Western Australian alternative rock band Eskimo Joe, and the Sydney electronic music duo The Presets. In recent years the New Zealand singer-songwriter and multi-instrumentalist Ladyhawke (aka Phillipa Margaret Brown) and the psychedelic rock band from Perth Tame Impala, had chart successes for Modular. Thus, Modular Records, which is now half owned by Universal Music Australia, accounted for the commercial and artistic success of several generations of Australian musicians and was essential in laying the foundations of the “Golden Era of Australian music” from 2002 to 2007.

Phantom Records, founded 1979 by the Sydney record store owners Dare Jennings and Jules Normington, also played a role in promoting Australian acts. Phantom released the first three albums of the Sydney indie rock band The Whitlams and had great commercial success with their third studio album “Eternal Nightcap” in 1997 and 1998, before the band left to sign with Warner Music Australia.

More important for the future development of the Australian indie music business were Shock Records and Vicious Vinyl. Shock was founded by David Williams, Frank Falvo and Andrew McGhee in 1988 to export Australian music. However, the label soon transformed into an independent distribution network that also marketed foreign indie labels (e.g. Epitaph Records, Cooking Vinyl and Fearless Records). Nevertheless, Shock Records was always a traditional record label too. In 1999, Shock had its first hit single by Joanne Accom (aka B.Z. Featuring Joanne). After several chart entries of international indie artists, Shock charted again with the New Zealand-Australian singer/songwriter, television and radio presenter Ricki-Lee Coulter in 2005 and 2007. However, Shock Records remained an independent distribution network to export Australian releases and to import foreign indie records. In contrast, Vicious Vinyl, formed by Andy Van and John Course in Melbourne in the late 1980s, was a mere record label that had its commercial breakthrough with the debut single of the Melbourne house music duo Madison Avenue, that also became a number one hit in the UK singles chart. In 2000, Madison Avenue’s second single charted highly again and their debut album “Polyester Embassy” was certified platinum. In the following years Vicious Vinyl had no chart entries, but in 2007 the label re-entered the charts with the Irish-Australian electro-house and dance music group The Potbelleez, who had a further chart success in 2011.

A very successful Australian indie label entered the market in 2001. The co-founder of Sony Music's powerhouse for Australian newcomer acts, Murrumbidgee Records, and manager of the alternative rock band Silverchair, John Watson, left Sony when Silverchair's record contract ended in 2000, and formed Eleven: A Music Company. However, Watson also signed other promising domestic acts such as Missy Higgins, paulmac, Kisschasy, The Dissociatives, Little Birdy and Gotye. Eleven had its first chart success with the Sydney musician, producer and music remixer paulmac (aka Paul Francis McDermott), who had a modest hit in 2001.

Eleven's commercial breakthrough came with Silverchair's fourth studio album "Diorama" in 2002, which spent 50 weeks in the top 20 and was certified triple platinum. In 2004, Missy Higgins charted for the first time with her EP "Scar" and in the same year her debut album "The Sound Of White" debuted at number one. In 2005, "The Sound Of White" was the best-selling album of the year. Missy Higgins' second album "On A Clear Night" was again a great commercial success charting at #4 in the year's-end-albums-chart of 2007. In the same year Silverchair's fifth studio album "Young Modern" ranked closely behind Missy Higgins at #8. In 2009, Eleven had a modest success with the Perth-based indie rock band Little Birdy. In 2011, however, Eleven was back in big business with the third studio album "Making Mirrors" of the Belgian-Australian indie rock musician Gotye (aka Wouter De Backer), which went number one in the ARIA albums chart and was certified three times platinum. The album also charted in 24 other music markets worldwide.

In 2002, a new trend emerged in Australia's independent record label scene. Jarrah Records was the first artist driven label (ADL), to have a significant chart success. Jarrah was a joint venture of the folk rock band The Waifs and John Butler, the frontman of the alternative rock band The John Butler Trio. In the following years, Jarrah frequently charted with releases by the Waifs and The John Butler Trio. Jarrah had its greatest commercial success with The John Butler Trio's third studio album "Sunrise Over Sea", a number one hit in the albums chart of 2004 and ending up at #5 in the year's-end-chart. In 2007, The John Butler Trio repeated their success with "Grand Domestic". The band's fourth studio album was again number one in the albums chart and the seventh best selling album in 2007. The sixth album of the John Butler Trio "April Uprising" was less successful ranked at #20 in the ARIA's years-end-albums-chart, however it also entered the US Billboard 200 in 2010.

Jarrah Records was the model for other artist driven labels (ADLs) that were launched in the following years. The contestant of the first series of "Australian Idol", Cosima DeVito released her debut single as well as her debut album on the label CDV – an acronym of her name. However, CDV was short-lived and DeVito later signed with Independent Records. More successful were the Sydney-based Australian dance music group Sneaky Sound System, who self-released their debut single "Ufo" on Whack Records in 2007, which became an immediate commercial success. In the same year Sneaky Sound System's eponymous debut album was also released on Whack Records and charted for 61 weeks. Eventually the album was

certified double platinum. Sneaky Sound System's second album "2" was less successful, but also entered the albums chart in 2008.

Similarly the Adelaide hip hop group Hilltop Hoods formed their own record label Golden Era Records in 2009, after leaving their longtime home Obese Records. The Hilltop Hoods fifth studio album "State Of The Art" was released in 2009 and immediately charted highly, spending 2 weeks at number one and certified double platinum in 2010. In the year's-end-chart of 2009, "State Of The Art" ranked at #12 as the best selling Australian album release of the year. In 2012, the next album "Drinking From The Sun" went again to number one and was certified platinum.

Another do-it-yourself band that had a modest chart success in 2009, was the progressive rock band from Perth Karnivool, who self-released their second studio album "Sound Awake" on Cymatic Records. The album ranked at #82 in the year's-end-album charts and received a gold certification. A recent successful example of a self-released album is "The Life Of Riley" by the Western Australian rapper Drapht (aka Paul Ridge). After leaving Obese Records, Drapht decided to set up his own record label The Ayems. Initially he released the single "Rapunzel", which went to number 16. Then "The Life Of Riley" was released and debuted at number one. It was the 42nd best selling album of the year.

In summary, the phenomenon of artist driven labels is neither a fad, nor a domain of well-established artists. Sneaky Sound System is a good example of how newcomers can independently release and market their music. Thus, we can expect more commercially successful self-releases on artist driven labels in Australia in the near future.

However, ADLs are only one aspect of the vibrant independent label scene that emerged in Australia in the mid-2000s. Whereas in the years before only one or two Australian indie labels could compete in the recorded music market, the number of commercially successful indies significantly increased from 2004. In 2004, Central Station Records had a hit with the girls dance act Slinkee Minx. Dream Dealers Records, which was founded by the former singer and television personality Mark Holden, charted highly with Joel Turner and The Modern Day Poets. In 2005, Inertia Records, which was founded by Ashley Sellers in Sydney in 2000, had its first chart success with Ben Lee, who had left Modular Records to sign with Inertia.

An important label for Australian artists was Dew Process founded by Paul Piticco in Brisbane. Dew Process successfully released the solo debut album "Tea & Sympathy" by Powderfinger's lead singer Bernard Fanning in 2005. The album went at number one in the albums chart and spent 58 weeks in the top 50. In 2006, "Tea & Sympathy" was the thirteenth best selling album of the year. In 2008, Dew Process had another chart success with the "The White Noise" album of The Living End, who had left EMI in the year before. The album went to number one in 2008 and was certified platinum in the same year. In 2009, we find Dew Process again in the albums chart with Sarah Blasko's third studio album "As Day Follows Night" at #39 of the year's-end-chart. Dew Process had already released the first two albums by this Sydney indie rock singer/songwriter, and while both were certified platinum neither entered the year's-end-albums-chart. However, Sarah Blasko's fourth studio

album “Seeker Lover Keeper” (with Sally Seltmann and Holly Throsby) did enter the year’s-end-albums-chart at #38 in 2011.

Additionally, several other labels had singles chart entries in the period from 2005 to 2011: Flash Point with The Wrights and King Kylie with Tamara Jaber in 2005; Ivy League Records with the Youth Group in 2006, the world music label Skinnyfish Music with the blind musician Geoffrey Gurrumul Yunupingu from Elcho Island in 2008, 2009 and 2011, the hip hop label Obese Records with The Hilltop Hoods in 2008, before they launched their own record label, Sunday Morning Records with the pop punk band Short Stack, Sweat It Out with Yolanda Be Cool and Dcup and their international smash hit “We No Speak Americano”, Monkey Puzzle with the pop and jazz singer Sia Furler and Illusive Records with the Sydney hip hop group Bliss N Eso.

As we can see, Australian indie labels have made important contributions to the Australian music market over the decades. Labels such as Modular Records, Liberation Music, Vicious Vinyl, Jarrah Records, Shock Records and 11 played a crucial role in providing the basis for the “Golden Era of Australian music” from 2002 to 2007, when the charts were ruled by domestic acts. Possibly, the recently established indie labels might play the same role in the next few years.

3.5 *The Major Labels Landscape*

The Australian subsidiaries of the international major label conglomerates also contributed to the domestic repertoire, but to a different extent. Further, the chart success of a particular major varied over time, depending on merger activities and a changing competitive environment (see Figs. 5 and 6).

In the period from 1988 to 1995, none of the major companies could dominate in the singles and albums charts. The number one position in the singles chart went from Columbia (1988) to Warner Music (1989), further to EMI (1991) then to PolyGram (1992, 1993), to BMG (1994), and last but not least to Sony Music (1995). However, in the albums chart, Warner Music was the main force from 1989 to 1993, after Columbia was bought by Sony in 1988. Head-to-head with the world’s market leader PolyGram, the US major was either the most successful label in the albums chart (1989, 1990, 1992, 1993) or at least the second one (1991). Since 1995, however, Sony Music was the driving force in the singles as well as in the albums charts. Sony was either the most successful label or the second best – except in 2002, when it was outperformed by Universal and EMI, and in 2003, when it was third behind Universal and BMG in the albums chart.

After Seagram had bought PolyGram to merge it with MCA Records to Universal Music Group, a second main force entered the Australian recorded music market. Universal was the direct competitor to Sony, ranking either first or second and only exceptionally third (2005 and 2006 in the albums chart). In this context, Warner Music was most of the time the third most successful major company, but in some years was outperformed by EMI and also by BMG. However, when BMG

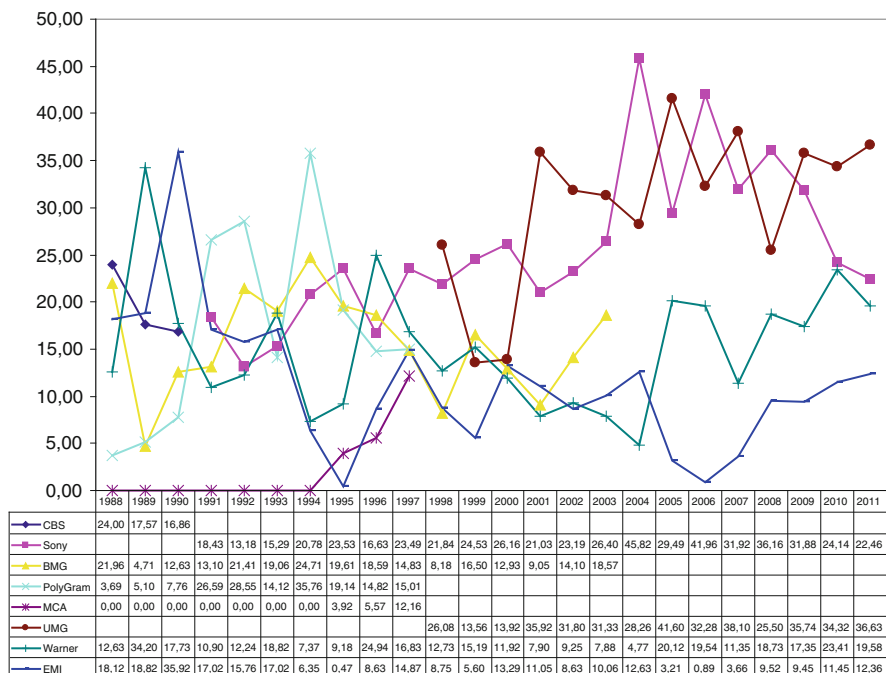


Fig. 5 The singles chart performance (by index) of the major labels in Australia (Source: After <http://www.aria.com.au/pages/aria-charts-end-of-year-charts.htm>)

entered the merger with Sony Music to form Sony-BMG in 2004, the albums market stabilized. From 2004 to 2010 Sony was the undisputed market leader, followed by Universal, Warner and EMI. In 2011, Universal Music Group was able to capture again the number one position from Sony Music in the albums market. In the singles chart the number one position changed annually between Sony and Universal until 2009, when Universal Music outperformed Sony for the next 3 years.

In their fight for chart success the major companies relied more or less on Australian repertoire. In the 3 years of its chart existence, CBS Columbia charted annually with two albums by Australian artists in the top 50: In 1988 with Midnight Oil's "Diesel and Dust" and the self-titled debut album by Noiseworks; in 1989 with the Melbourne pop singer Daryl Braithwaite and the Melbourne blues rock band The Black Sorrows and in 1990 with Midnight Oil's "Blue Sky Mining" and the New Zealand-Australian pop singer Margaret Urlich with "Safety In Numbers".

Warner Music's albums chart success from 1989 to 1993 also relied on releases by Australian acts. In 1988, Warner Music had the top selling album of the year with INXS' "Kick". In 1989, Warner had the second best selling album "... ish" by the Melbourne rock band 1927. In the following years Warner had further commercially successful albums by AC/DC ("Razor's Edge"), INXS ("X"), Cold Chisel ("Chisel") and the former Rockmelons lead singer Wendy Matthews ("Lily").

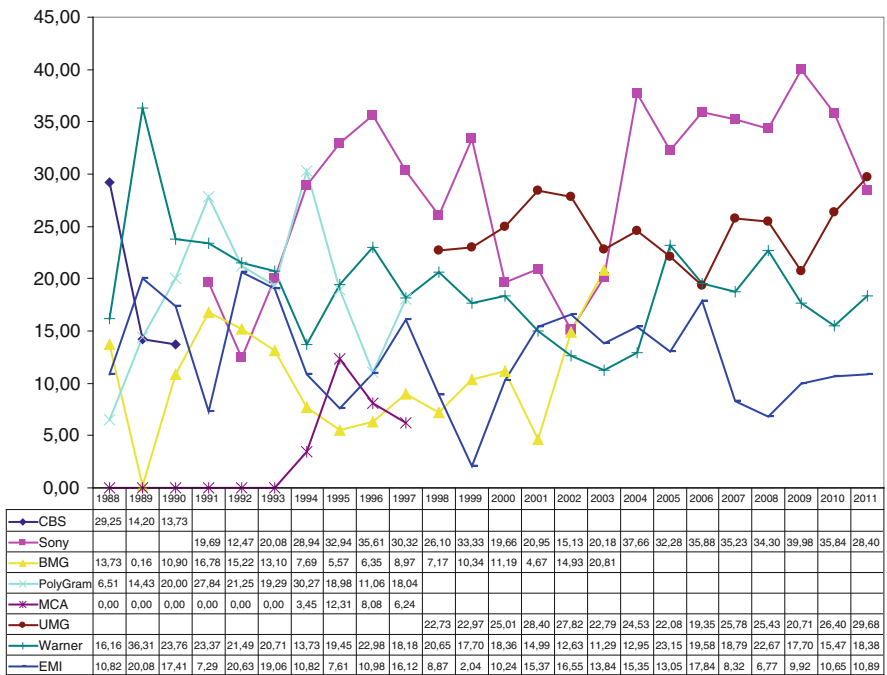


Fig. 6 The albums chart performance (by index) of the major labels in Australia (Source: After <http://www.aria.com.au/pages/aria-charts-end-of-year-charts.htm>)

The direct competitor of Warner in this period was PolyGram, which had only a few charting Australian artists in their roster: the pop and soul singer Kate Ceberano, the Screaming Jets, the Ratcats and The Cruel Sea. PolyGram’s only top selling Australian album was the Australian Cast of the musical Jesus Christ Superstar in 1992 with John Farnham and Kate Ceberano. However, in 1994, PolyGram released the debut album of the Brisbane alternative rock band Powderfinger. Although the album did not chart Powderfinger had a second chance. Their second studio album “Double Allergic” was a great commercial success in 1996 and 1997. It remained in the top 20 for 7 weeks and was certified double platinum. Besides Powderfinger, PolyGram also launched the career of the alternative rock band Spiderbait, whose third studio album “Ivy And The Big Apples” was their commercial breakthrough with a double platinum certification in 1997.

The pop and rock music legend John Farnham, however, was Australia’s main seller of Bertelsmann Music Group (BMG), which ranked between #4 and #6 among the major labels until its merger with Sony Music. However, in 2003, BMG was second best, since it contracted the winner of the first series of “Australian Idol” Guy Sebastian (“Just As I Am”, #5). BMG also released the compilation album of all 12 finalist of the casting show (#30).

Apart from John Farnham, BMG charted only with a few other Australian acts: Vanessa Amorosi, Natalie Imbruglia, Nikki Webster, Bachelor Girl and Merril Bainbridge.

Although EMI was most of the time not as successful as its competitors, the label was a very active force for Australian acts. Until 1998, EMI successfully released the albums of Crowded House, The Rockmelons, Peter Blakeley, James Reyne, Johnny Diesel, James Blundell, The Seekers, Chocolate Starfish, the Finn Brothers, The Divinyls, and the comedian The 12th Man.

However, the most important label for developing Australian artists was Sony Music, which entered the Australian market in 1991. In the same year Sony Music already had the best selling album of the year – “Rise” by Daryl Braithwaite. However, it took 4 years to make Sony Music the most successful major label in the singles and albums charts, in 1995. Initially, Sony relied on international artists and a few former Columbia stars – Noiseworks, The Black Sorrows and Midnight Oil. However, with the foundation of Murmur Records by John Watson and John O'Donnell as an imprint to release domestic artists in 1994, Sony Music became a stepping stone for the careers of several newcomers. In 1995, the high school band Silverchair² debuted with “Frogstomp” at #7 in the year's-end-chart. The album also entered the top 10 of the Billboard 200 and 2.5 million copies of the album were sold worldwide. In the same year Sony Music also had the best-selling album of the year with Tina Arena's third studio album “Don't Ask”. In 1997, Sony had success with another newcomer act. Sony released the debut album “Telling Everybody” by the Sydney vocal pop group Human Nature, which earned a triple-platinum status and ranked #11 in the year's-end-chart.

Sony's Murmur Records charted with the debut studio album “Slightly Odway” by the Perth-based newcomer band Jebediah in 1998, which peaked at #7 in the albums chart and received a double-platinum certificate. Murmur Records also launched the career of the Melbourne alternative rock band Something For Kate, who debuted commercially less successfully in 1997. In 2001, however, Something For Kate broke through with their third studio album “Echolalia” and charted at #34 in the year's-end-chart. Nevertheless Murmur Records folded into Sony's head office in 1999 and Something For Kate was their only remaining act until the band released the final album of their contract in 2007.

From 1999 to 2001 Sony Music had string of commercially successful releases by the children's musical group Hi-5, which was formed by Helena Harris for a popular Australian children's television series. In 2002, Sony released the solo debut album by the former Savage Garden frontman Darren Hayes, which peaked at #3 in 2002. The next year saw the commercial breakthrough of the 18 year old singer/songwriter Delta Goodrem with her debut album “Innocent Eyes” which topped the albums chart and spent a total of 29 weeks at the top spot. Further, five songs from the album went to number one and all songs ranked in the top 20 of the year's-end-singles-chart making Delta Goodrem the most successful female

² In 1995, the band members were 15 years old and were still attending high school.

musician in Australia ever. In the following years Delta Goodrem was a cash cow for Sony Music. Her second album “Mistaken Identity” (2004) and her third one “Delta” (2007) also charted highly and gained multi-platinum status in Australia.

When Sony Music Entertainment (SME) merged with Bertelsmann Music Group (BMG), the new label profited from BMG’s engagement with the casting show “Australian Idol”. In the period from 2004 to 2007, when the last series of “Australian Idol” was broadcast, Sony-BMG ruled the Australian charts, but was also a driving force in the “Golden Years of Australian music”. Sony-BMG not only released one-hit singles and albums³ by the contestants, but also launched sustainable careers of some of the “Idols”. The winner of the first series, Guy Sebastian, released five studio albums until 2009, all of which were commercially successful. Shannon Noll, the runner-up of the first series, entered the charts with his four studio albums and with several single releases. Damien Leith, the winner of the 2006 contest, also charted well with four albums until 2011, and the runner-up of this series, Jessica Mauboy also had three successful albums in the charts. Last but not least, the winner of the seventh and last series of “Australian Idol”, Stan Walker, also succeeded with three albums in the charts. In summary, Sony-BMG had two best selling singles by “Australian Idols” in 2004 and 2005,⁴ three top 20 albums and a further 43 entries in the singles and 27 entries in the albums charts from 2004 to 2011. However, from 2008 the chart effect of casting shows considerably diminished. Sony Music Entertainment, which was also involved in the “X-Factor” and in “Australia’s Got Talent”, had only a few minor hits with participants such as Reece Mastin, Tammin Sursok, Jack Vidgen, Random and Altiyan Childs.

The casting shows’ contestants were not the only contribution of Sony Music to the Australian charts. The major label also succeeded with self-made acts such as Pete Murray, who topped the albums chart in 2003 (“Feeler”, six times platinum), in 2005 (“See The Sun”, four times platinum) and in 2008 (“Summer At Eureka”, platinum). The Melbourne electronic pop band Rogue Traders had two successfully charting albums – “Here Come The Drums” and “Better In The Dark” for Sony-BMG in the period from 2005 to 2007. The former lead singer of the band, Natalie Bassingthwaite, charted for SME in 2008 and 2009 as a solo artist, and had two hits in 2006 and 2007 with Shannon Noll in the singles charts. From 2006 to 2009 the stage performer and television presenter from Adelaide, David Campbell had annual chart entries with his albums “The Swing Sessions”, “The Swing Sessions 2” and “Good Lovin’”. In recent years, SME’s engagement to sign Australian newcomer acts has diminished. Apart from the contestants of casting shows, SME charted with only a few other acts such as the classical trained tenor Mark Vincent (“My Dreams – Mio Visione” and “The Great Tenor Songbook”), the Brisbane singer/songwriter Kate Miller-Heidke (“Curiouser”) and the Melbourne pop duo Gypsy and The Cat (“Gilgamesh”) from 2009 to 2011.

³For example by Kate DeAraugo, Anthony Callea, Wes Carr, Rob Mills, Natalie Gauci, Young Divas, and Dean Geyer.

⁴“What About Me” by Shannon Noll (2004) and “The Prayer” by Anthony Callea (2005).

The third column of Sony Music's success since 2004 were well-established superstar acts, who entered the charts with "Best Of" albums, but also with new releases such as John Farnham with "One Voice" (2004), "Together In Concert" with Tom Jones (2005), "I Remember When I Was Young – Songs From The Great Australian Songbook" (2005), "Essential 3.0" (2009) and "Jack" (2010). SME also released AC/DC's comeback album "Black Ice", which went to number one in the ARIA albums charts as well as in another 28 countries and earned multi-platinum status in Australia and in a further seven markets. In 2010, SME again entered the top 100 ARIA albums chart with AC/DC's soundtrack for "Iron Man 2", which ended up at #44 in the year's-end-chart. Finally, SME charted with the eleventh studio album "Switch" of INXS – another former Warner act – in 2006.

In contrast to Sony Music Australia, its main competitor Universal Music Australia (UMA) mainly succeeded in the charts with international repertoire. Just a few Australian acts of Universal can be found in the charts since the label entered the market in 1998. Universal Australia's top and longest selling act was the Brisbane alternative rock band Powderfinger. In the period from 1998 to 2010, the Brisbane band entered the albums charts with five studio albums and a "Best Of" album 12 times. Their third studio album "Internationalist" spent 100 weeks on the albums chart in 1998–1999. The next release "Odyssee Number Five" was the band's best selling album ever and charted from 2000 to 2002. In 2000, "Odyssee Number Five" was the second best selling album of the year and was certified eight times platinum. In 2003, Powderfinger's fifth studio album "Vulture Street" was released and again was certified platinum and spent 47 weeks in the ARIA albums chart from 2003 to 2004. In the same year, the band's first "Best Of" album "Fingerprints" also entered the top 100. After 2 years of chart absence, Powderfinger returned with their sixth studio album "Dream Days In The Hotel Existence", which debuted at number one in 2007 and earned three times platinum. Powderfinger's last album "Golden Rule", before the band disbanded after an extended farewell tour, charted in 2009 and 2010.

Besides Powderfinger, Universal mainly charted with well-established Australian acts such as Grinspoon (1998, 2004 and 2005), Spiderbait (2004 and 2005), Kate Ceberano (2007), Vanessa Amorosi (2008–2010), Icehouse (2011) and Lee Kernaghan (2011). Over the years Universal released only four charting albums by newcomers: the folk musician Xavier Rudd's second album "Solace" (2004), the first studio album "Tightrope" of the soap opera actress Stephanie McIntosh (2006), Megan Washington's debut album "I Believe You Liar" (2010) and the second full length album "Wrapped Up Good" by the country music trio The McClymonts (2010).

Warner Music, which was in most years the third successful Australian major company since 1998, relied mainly on international artists and established Australian musicians. In the period from 1998 to 2002, we find acts that had already charted in the early and mid 1990s. Warner's most successful album artists were Savage Garden, Cold Chisel, The Whitlams and Jimmy Barnes. The only three commercially successful newcomer bands of Warner were the Brisbane-based alternative rock band Regurgitator, the post-grunge band from Adelaide The

Superjesus and the Melbourne alternative rockers Taxiride. After 2 years of albums chart absence from 2003 to 2004, Warner returned in 2005 after buying the assets of Festival-Mushroom from News Corp. Thus, Kylie Minogue, Eskimo Joe and Gyroscope charted for Warner in the period from 2005 to 2010. However, the most successful Australian Warner act was the rock duo The Veronicas from Brisbane, formed in 1999 by twin sisters, Jessica and Lisa Origliasso. The Veronicas continuously charted from 2005 to 2008 with their two albums “The Secret Of . . .” (2005) and “Hook Me Up” (2007), which both were certified multi platinum. Other Warner acts that also charted from 2005 to 2011 were The Ten Tenors (2005), the New Zealand-Australian indie rock formation Evermore (2006–2007), the Sydney pop band Thirsty Merc (2007), the Melbourne singer/songwriter Gabriella Cilmi (2008) and the English born but Australian raised singer/songwriter Lisa Mitchell (2009–2010).

EMI as the fourth successful Australian major since 1998 relied on the one hand on well-established acts that charted over a longer period of time such as the Finn Brothers from New Zealand (1998, 2004, with tribute albums in 2005/2006 and 2010), the Melbourne pop band Crowded House (1999, 2007 and 2011) and the comedian The 12th Man (2001, 2002, 2006, 2007 and 2009) and on newcomers on the other. In 2000, the Sydney singer/songwriter Alex Lloyd had chart success with his debut album “Black The Sun” and again in 2001 and 2002 with his second album “Watching Angles Mend”.

EMI also launched the career of the country singer/songwriter Kasey Chambers, who had four charting albums from 2000 to 2006. “The Captain” (1999) was certified double platinum and the next three albums – “Barricades & Brickwalls” (2001), “Wayward Angel” (2004) and “Carnival” (2006) all went to number one in the albums chart and earned at least a platinum status. However, in 2008 Kasey Chambers left EMI to sign with Michael Gudinski’s Liberation Music. The Melbourne alternative rock band Jet was another newcomer band that was promoted by EMI. In 2004, Jet had the best selling album of the year with “Get Born” and charted again in the next 2 years in the ARIA top 100. In 2004, EMI released the eponymous debut album of the Melbourne ska and jazz band The Cat Empire, which ended up at #37 in the year’s-end-albums-chart. Their second and fourth studio albums – “Two Shoes” and “So Many Nights” also entered the top 100.

After four less successful albums for Capitol/EMI, the country rock singer from Queensland Keith Urban had his breakthrough in 2005 with “Be Here”. All the following studio albums – “Love, Pain & The Whole Crazy Thing” (2006), “Defying Gravity” (2009), “Get Closer” (2010) – and his best of album “Greatest Hits – 18 Kids” (2007) charted highly and were commercially successful.

In recent years, EMI has launched the careers of three other successful Australian artists. In 2008, the Sydney folk duo Angus and Julia Stone had a chart entry with their debut album “A Book Like This” and in 2010 their next album release “Down The Way” went to number one and charted again in 2011. The electronic duo Empire Of The Sun’s debut album “Walking On A Dream” peaked at #6 in 2008 and was certified double platinum in 2009. After two less successful albums for indie labels, the Perth-based alternative rock band Birds of Tokyo signed with

EMI. Their third self-titled studio album peaked at number two in 2010 and was eventually certified platinum. Compared to the other Australian major labels, EMI did not rely that much on its international repertoire and, therefore, Australian artists always played an important role in EMI's commercial and chart success.

In summary, Sony Music was the only Australian major company that essentially contributed to the "Golden Era of Australian music" from 2002 to 2007. Besides its engagement in "Australian Idol", Sony-BMG and later SME had a visible A&R policy for the Australian market. Sony Music launched the careers of several Australian newcomers in the early 1990s with its imprint Murmur Records. The other major labels were less active in fostering Australian artists. Thus, the Australian indie labels played a more important rule in promoting domestic repertoire than EMI, Warner and Universal and essentially contributed to the "Golden Era of Australian music" from 2002 to 2007.

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Enterprise Learning in Australasian Tertiary Music Education: The Status Quo

Ryan Daniel

Abstract The creative industries is recognized as one of the fastest growing sectors of the global economy. Music, and the industry sector built around this discipline of creative practice, is a major part of the creative industries and contributor to global experience economies. The music sector is broad, diverse and complex, indeed it has arguably become increasingly so as a result of the explosion in digital and web 2.0 environments. In addition, within the literature there are ongoing references to the particular challenges associated with securing viable and consistent employment in the music sector and regardless of musical style. As a result, there is ongoing debate in the tertiary sector in relation to if and how educators should respond to the arguments for business, entrepreneurial and/or enterprise learning within undergraduate music curricula. This chapter therefore reports on an analysis of current undergraduate music programs in Australasia in terms of the extent to which they focus on the development of entrepreneurial or enterprise skills.

1 Introduction and Context

The creative industries, in addition to gaining increasing attention in the literature, is recognized as one of the fastest growing areas of global economic activity (Carey and Naudin 2006; United Nations 2008; Flew and Cunningham 2010). Driven by those with a passion for creativity and innovation, the participants in this sector include individuals, collectives, small-medium enterprise through to large corporations and government departments. While in its relatively short history the creative industries concept has been contested in terms of definition, disciplines

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involved, economic size and contribution (e.g. Rae 2004; Flew and Cunningham 2010; Australia Council for the Arts 2011), there is general consensus that as a sector it plays a major role in both developed and developing economies (e.g. Rae 2004; Chaston and Sadler-Smith 2011).

While various definitions and descriptions have been put forward (e.g. Department of Culture, Media and Sport 2001; Hartley 2005), at its core the creative industries involves the generation of intellectual property through individual and collective creativity, and which has the potential to result in economic activity. While it is diverse and complex in nature, it is perhaps the flexibility and fluidity of the creative industries that represents its biggest advantage, indeed Ball et al. (2010: 2) argue that one of the key events in the first decade of the twenty-first century has been “the growth of the creative and cultural industries, as traditional industries have declined and micro-businesses have come to a new prominence in a sector characterised by a contract economy”.

Music, and the industry and sector built around this discipline of creative practice, is a major part of the creative industries and contributor to global experience economies (e.g. Rapaport 2003; United Nations 2008). Like the creative industries, the music sector is diverse and rich in terms of stakeholders and practice, with artistic and economic activity now well established across a range of styles including western art or ‘classical’, indigenous, jazz and popular music. New growth opportunities continually emerge as a consequence of the digital revolution and the increased access and interactivity that this has provided, indeed “the music sector in all its manifestations is a promising generator of economic growth, close to the top among cultural activities” (Guldborg and Letts 2005: iii). At the same time, the sector is clearly in a state of flux, with new digital markets for production and distribution emerging while some traditional forms and areas of practice appear to be in a state of decline or increasingly reliant on government subsidy or other forms of patronage. Ultimately however, whether it is grassroots popular music practices in garages to major festivals featuring the world’s most prestigious orchestras or popular music acts, the sector – and the various forms of activity within it – is a major player in the creative industries and experience economy.

In terms of the global experience economy specifically, music is a significant contributor both as stand-alone discipline and as part of various media settings. Music has an inherent power to move, to engage, to entertain; it is part of daily life and has meaning for every individual, be this as active or passive participant. For example, engagement with recorded music is increasing in both developed and developing countries, as evidenced by increasing sales of devices for storing music (e.g. iPod, iPhone), as well as the extent of growth in digital downloads, be this through legitimate sources or otherwise. Indeed the experience chain and trail in terms of recorded music is significant, with Darmer (2008: 111) for example referring to how the production of a recording (e.g. compact disc) is only part of the process, this also involving “the design, the management, the organization, the marketing and the usage of (how customers receive) the experience.”

In addition to the recorded music experience and participation chain, live music engagement, such as orchestra concerts, popular music festivals/events, or jazz performances feature strongly in contemporary life. Music plays a major part in various other forms of cultural activity, including screen-based media (e.g. television, film) and the performing arts (e.g. music theatre, opera, dance). Further, the act of making music is also a key experience sought out by people at all ages of life, be this informal practices such as the playing of an instrument with friends, through freely available software that aids in the production of music or sound, or through formal learning practices associated with schools and other institutions of learning.

2 The Challenge of Securing a Viable and Sustainable Career in Music

The music sector is broad, diverse and complex, indeed it has arguably become increasingly so as a result of the explosion in digital and web 2.0 environments (e.g. Draper 2009; Hong et al. 2012). Subsequently, within the literature there are ongoing references to the particular challenges associated with securing viable and ongoing employment in the music sector and regardless of musical style (e.g. Moorhead 1999; Bennett 2004, 2008; Draper 2009). For example, Coulson (2010: 264) raises the issue of the highly diverse nature of the work opportunities, with self-employment dominating and the fact that there is “no clear entry routes or next steps to a career in music.” Indeed, it is rare for a musician to be able to sustain a viable career in one area of activity for an extended period of time, with the majority of employed musicians undertaking a portfolio career or combination of paid work (Don et al. 2009; Coulson 2010; Australia Council for the Arts 2011).

In addition to the complexity and rapid change within the music sector, several authors refer to the fact that those seeking a career in music are often poorly prepared, be they trained at tertiary level or otherwise. Specifically referring to graduates of the western art or classical music tradition, Bennett (2004) argues that many are “largely unable to manage their own business or to effectively promote their product and skills” (p. 58). In a later study, Bennett (2008: 63) continues this theme and argues that musicians need to “possess effective business skills in order to create and manage opportunities for employment and career development.” In relation to the popular music area, Moorhead (1999) refers to the high attrition rate and those individuals or groups that never manage to achieve fame or wealth through airplay or live performance. Further highlighting the potential disconnect between aspiring musicians’ perceptions of the music sector or industry and the reality of both, Draper (2009: 13) refers to the fact that “many students maintain outmoded ideas of just what career musicians do and how they make a living”.

As a consequence of the generally agreed challenges that aspiring musicians face when establishing a viable and sustainable career, various authors refer to the need for musicians to be better prepared for the realities of the industry. For example,

Coulson (2010: 256) argues, “aspiring musicians need to understand the practices and rules of the particular music world they want to inhabit.” Tolley (2008: 1) refers specifically to tertiary institutions and the need for them to provide “an education that is accessible, innovative, and applicable to today’s fast-changing and multi-faceted music industry”, a view supported by Burt et al. (2007: 4) who argue that “tertiary music education needs to be focused on preparation for a diverse employment portfolio.” Others refer to the need for tertiary pedagogies and curricula to change given that “students need a far more nuanced understanding of social relationships and networks in order to thrive in a working world where innovation is prized” (Bridgstock et al. 2011: 115). Ultimately, higher education is tasked with the responsibility of “preparing nascent arts practitioners to self-navigate the fluid, diverse, and multi-faceted world of arts” (Hong et al. 2012: 77).

While it is clear that there are arguments and calls to better prepare musicians for the sector in which they seek to establish a career, the issue at hand here is more complicated and dates back many centuries (Hartley 2005). Essentially, it is about art for art’s sake (Caves 2001) versus commerce and the economic side of intellectual property and creative activity. While not a new debate, it is still relevant to those currently studying music at the tertiary level. As described by Moorhead (1999: 67), in the end all musicians “make a choice between these competing demands of art and profit.”

Like artists in general, many musicians struggle to see their practice in a commercial context. Beeching (2005: 15) argues that musicians “don’t view themselves as business people.” In a recent study exploring the characteristics of Indie musicians, Brown (2012: 14) identifies the fact that many “tend to view administrative business tasks as, at best, a necessary evil and quite stressful.” Further, some may see the commercial and business aspects of the industry as being the responsibility of managers or agents for example. On the other hand, the majority of aspiring and even some established musicians are often unable to afford representation, hence they must at some level act entrepreneurially or in an enterprising manner if they wish to create or sustain a market for their practice. Therefore, while the majority of musicians arguably commence playing, composing or recording simply because they have a passion for the art form, those that at some point make a decision to attempt to establish a viable and sustainable career must have the tools and the aptitude to do so. They must understand and be able to connect with audiences, networks and opportunities.

3 The Role of Tertiary Institutions in Preparing Students for the Music Sector and the Experience Economy

The training of musicians at the tertiary level is a well-established area of educational activity since the development of the modern conservatory in the nineteenth century in Europe (Don et al. 2009). The history and strength of tertiary music

education has been the development of high-level expertise in musical practice, which has traditionally focused on the art of performance or composition. Since the middle of the twentieth century however, tertiary training has expanded considerably to include courses and programs that focus on broader aspects of music, including musicology, ethnomusicology, technology, indigenous, popular and jazz styles. In recent decades, there has been increasing differentiation within the sector, with “clearer identification by individual institutions of their roles and responsibilities within their respective societies, as well as developments in school curricula” (Ritterman 2012: part IV, para. 3). For any aspiring musician, it is now possible to study at certificate or diploma level right through to Ph.D., indeed the latter can also now be pursued by creative work in many institutions world wide. Therefore, in the second decade of the twenty-first century, thousands of graduates emerge year by year from a range of programs and institutions around the globe.

While there is a strong tradition of training and graduating musicians at the tertiary level, in recent years there has been an emerging discourse relevant to the need for a greater focus on career preparation and industry readiness (Bennett 2004; Beckman 2011; Hong et al. 2012). In practice this has included references to themes or areas such as ‘music business’, ‘entrepreneurship education’ or ‘enterprise learning’ for example. While the concepts of business, entrepreneurship and enterprise are not new for many non-arts disciplines, in terms of the creative and performing arts these are considerably more recent and representative of an emergent area of discourse and practice (Carey and Naudin 2006; Beckman 2007). Indeed it is argued as having “only recently begun” (Hong et al. 2012: 68). In addition, there is considerable debate within the sector as to what these areas mean and involve as well as the fact that educational leaders interpret these terms differently (Carey and Naudin 2006), for example Burns (2005: 1) argues that the concept of enterprise is “notoriously ambiguous.” Certainly, this broad area of discussion is “the subject of some controversy within and among schools of the arts” (Hong et al. 2012: 69).

There is ongoing debate in the tertiary creative and performing arts sector in relation to if and how educators should respond to the arguments for business, entrepreneurial and/or enterprise learning. At one end of the spectrum, Rae (2004: 493) argues, “educational policy fails to prepare people for entrepreneurial activity, the mix of creative and business skills of cultural entrepreneurship being learned from experience and peers rather than in the “inflexible” environment of educational institutions.” On the other hand, in relation to preparation for the music sector specifically, Jackson (2001) argues that “assistance in being entrepreneurial is essential”, a view supported by Rolston and Herrera (2000). Another perspective is that presented by Bridgstock et al. (2011), who question whether entrepreneurship education is even required if creative students are socially connected and through this network able to access the relevant expertise they require for career success. Clague (2011: 175) presents a pragmatic perspective when arguing, “simply adding a business course to the current music curriculum may not be enough.” Nevertheless, Kuuskoski (2011: 95) provides a compelling rationale for creating more enterprising or entrepreneurial graduates, referring to the fact that

“our modern, nearly border-free competitive market has increased the pressure on new graduates to creatively utilize their skills in order to survive in the professional world.”

There is certainly considerable evidence of growth in terms of what can be broadly referred to as enterprise learning¹ at the tertiary level in the northern hemisphere, including such major educational regions as the United Kingdom (Bruce 2002; Rae 2004; Bouette 2005; Carey and Naudin 2006) and United States (Tolley 2008; Beckman 2011). There is evidence of quite extensive practice in the United States tertiary sector for example, with numerous authors referring to the growth in courses and programs in this area (Hull et al. 2010; Frederick 2006; Tolley 2008; Beckman 2011; Dempster 2011). What is of further significance is that this growth has occurred across different musical styles, including traditional classical as well as popular music, despite aversion to this concept in some circles (Cabo 2011; Miller 2007). While resistance remains, Tolley (2008) argues that a decline in enrolment in some traditional music schools in the US has in fact influenced the push to create more industry relevant music programs and graduates prepared for the complex world of work they will ultimately join and need to navigate.

4 The Teaching of Enterprise Learning Within Australasia: Views from the Field

In terms of systematic research that explores the practice and outcomes of enterprise learning as applied to tertiary music education in Australasia, there is limited literature to date. While there has been a recent increase in focus on career paths for musicians (e.g. Bennett 2009), as well as preliminary research exploring the role of enterprise learning as it applies broadly to the creative industries (Bridgstock and Hong 2011), specific research projects that interrogate this area as it applies to music are limited. While there are studies that investigate the value and impact of internships or career preparation for music students in the Australasian environment (e.g. Draper and Hitchcock 2006; Daniel 2010), there are a limited number of scholarly studies that refer specifically to the concepts that fall within the area of enterprise learning.

In an early paper relevant to the Australasian sector, Forrest (1999: 54) presented an overview of what was then a new degree at the Royal Melbourne Institute of Technology, designed to better prepare graduates for the music industry. The degree, a Bachelor of Arts with ‘music industry’ major, was designed to produce “responsible, creative, critical and employable graduates.” Continuing at present, it aims to connect students directly to industry through projects and industry placements. While written shortly after the launch of the new degree, the paper

¹ This term is used in the remainder of this chapter to refer broadly to music business, entrepreneurship, industry-focussed and enterprising skills etc.

provides an overview of the rationale for the degree and the intended outcomes. As was argued by Forrest (1999) at the time however, there is a need for follow-up research to explore the extent to which the degree is having an impact on employability and graduate outcomes. To date, there has not been any follow up research regarding this particular degree and its intended outcomes.

In a 2004 study, Bennett (2004) completed interviews with a sample of professional musicians (10) and employees from the cultural industries (13). While the sample only involved those living in one geographical area of Australasia (Western Australia), one of the interesting findings was in relation to what the cultural industries practitioners viewed as necessary skills for sustainable success. The two top-rated skill sets were entrepreneurship (21 %) and business skills (19 %). Similarly, in relation to the sample of professional musicians, the top rated area was business skills (25 %). While entrepreneurship was ranked fifth in importance by the musicians (11 %), Bennett (2004) raises the issue of whether musicians understood the concept of entrepreneurship in the same way as those from the cultural industries. Another key finding from the study was that when reflecting on the early part of their career post graduation, “respondents noted the initial absence of business and marketing skills as a particular disadvantage” (Bennett 2004: 59).

In an investigative study exploring the nature of entrepreneurship and entrepreneurship education, Frederick (2006: 51) compared the *status quo* in New Zealand with the United States. In a broad statement reflecting the tertiary sector in New Zealand at that time, Fredericks argued that despite the presence of “huge numbers of entrepreneurs (. . .) entrepreneurship education in this region has yet to come to grips with their needs.” What is also interesting is that Frederickson (2006) argues that it is often the students outside traditional business schools who are the most entrepreneurial, for example those in creative arts areas. Further, he refers to the various debates in the literature and the potential for the most effective teaching of this concept to occur outside a traditional business school and including various areas of the arts. While this study refers to a number of key models of practice in the United States, including a number that offer specific programs in enterprise learning, it offers no specific insights into the tertiary music situation in Australasia.

More recently, Bridgstock and Hong (2011) investigated issues around the concepts of enterprise learning and entrepreneurship within the creative industries faculty of one Queensland University. While a preliminary study and only involving the staff of a single institution, it resulted in some insightful findings and issues:

- Staff presented a range of views in terms of the relevance and need for enterprise learning, ranging from the critical need for it, to those that believe it is already in place, to concerns as to whether it is in fact necessary for artists;
- There was general recognition of the importance for creative graduates to be enterprising and/or entrepreneurial, although individual academics differed in the priority they afforded these areas within the curriculum;
- There was broad agreement that students need significant preparation for and awareness of industry issues and opportunities and that this should be embedded in programs, not just inserted as stand alone units; and

- While student understanding of the concepts was not strong, staff argued that current students and recent graduates acknowledge the importance of the principles of enterprise learning for their future career success and sustainability.

It is also the case that the Australasian region faces an additional challenge; it is geographically isolated from the major cultural locations of the northern hemisphere. In addition, there are significant distances between the major metropolitan centres within Australasia, which makes even more challenging the adoption of “international models of enterprise learning, which rely on geographic movement” between large cities (Bridgstock and Hong 2011: 50). While developments in technology in recent years have arguably helped limit the impact of geographical isolation (Moorhead 1999), it clearly remains an issue for Australasians seeking to establish a career in the global music sector, simply because of the distances within Australasia and costs when connecting physically with the rest of the world. One of the additional concerns for Australia in particular, is the damaging effect of ‘tall poppy syndrome’, with Cotchin (2006: 70) arguing that it “does nothing but provide a negative outlook to the opportunities in the business, and negates budding artists from pursuing their life long dreams.” Further, Simpson (2002: 18) states that there are differences in the Australian music environment and hence highlights the danger of assuming “what is written about the U.S. industry necessarily applies to the Australian business.”

Ultimately, given the current growth in the creative industries at the macro level, alongside the changing nature of economic activity and career patterns in the arts, it will be critical for tertiary institutions to look at new ways of ensuring music graduates are ready to navigate the complex future world of work. That is, what is critical is that musicians are led to understand that, in order to be successful, they will largely be “creating or identifying opportunities to provide a cultural product, service or experience, and bringing together the resources which enable this to be exploited as an enterprise” (Rae 2004: 493). This issue is indeed a very current one, in fact in recent coverage relevant to radical changes to the curriculum of one major Australian conservatorium, the Vice Chancellor of this institution argued that “successful twenty-first century music professionals engage in a broad range of activities as they build their careers [and they need to be] highly-skilled creative artists, who are business and technology savvy, with entrepreneurial skills” (“Major cuts to ANU School of Music”, 2012). Whether the tertiary sector in Australasia currently responds to this scenario remains unclear and also warrants further attention.

5 Investigating Current Practice: Enterprise Learning in the Australasian Tertiary Music Education Sector

Given the lack of published data relevant to the existence of enterprise learning in the Australasian tertiary music sector, a scoping study of this region was undertaken to establish a platform by which to draw preliminary conclusions. To achieve this,

the most logical and efficient method adopted was a desktop audit of the websites of all tertiary institutions in the region that offered undergraduate degree courses for musicians. Specifically, the desktop audit would seek to identify the existence of specific curricula or learning sequences aimed at preparing music graduates for the realities of the music sector and also, the experience economy. Further, given the potential diversity of understanding and/or use of terminology to reflect this broad strategy, a range of concepts that appeared in the literature were identified as being relevant search terms, including:

- Enterprise Learning
- Entrepreneurship Education
- Music Industry
- Music Business
- Experience Economy
- Entertainment Industry
- Work Integrated Learning
- Internships

An initial search was conducted to identify which tertiary institutions in Australasia offered degrees in music or majors within other programs, such as a Bachelor of Arts (music) or Bachelor of Business (music industry). Diplomas and certificates were not included nor were postgraduate programs in this particular audit. The relevant degrees were delivered by 30 institutions in Australia, six in New Zealand and none in Papua New Guinea, the latter offering very limited education in the arts at tertiary level. Double degrees were only included in the sample if they were in fact discrete or specialist awards as against the typical practice of aligning two degrees and extending the study over a longer period of time. For each of the identified institutions, a comprehensive search and analysis was undertaken to drill down to the structure of the degree and the individual subject level. While there was a significant investment of time in finding this information in some cases, the process was followed consistently and systematically through the full list of degrees. Detailed notes were kept for each, after which a table became an effective way of synthesizing the findings in terms of the overarching use of curricula that would require students to engage in enterprise learning. See Table 1 below.

At surface level the findings are initially interesting, indeed somewhat surprising that as many as 23 of the 56 (41 %) analyzed degree courses either offer no overt or specific subjects in the enterprise learning area, or they were not clearly discernable from what was presented in the relevant online information. Further, eight courses offered electives to students but did not require them to engage with this type of learning, hence a total of 31 courses (55 %) may arguably see students graduate without any specific learning about the realities they will face beyond the relative safety of the university environment. Of the 25 courses that do include curriculum

Table 1 Analysis of Australasian undergraduate tertiary music degree programs

Extent of inclusion of enterprising, business, entrepreneurial and/or industry oriented subjects or units	Relevant institution and degree(s)
Significant (at least 50 % of required subjects)	Aus: Australian Institute of Music : B.Music (Arts Management), B.Entertainment Management; Northern Melbourne Institute of TAFE : B.Music Industry; Queensland University of Technology : B.Entertainment Industries; Victoria University : B.Business (Music Industry), B.Creative Arts Industries (Music); Royal Melbourne Institute of Technology : B.Arts (Music Industry); Box Hill Institute of TAFE : B.Applied Business in Music Industry NZ: Nil
Some (typically 1–3 core subjects)	Aus: Australian Institute of Music : B.Music; Monash University : B.Music, B.Arts/ B.Music; Charles Darwin University : B.Creative Arts & Industries; Griffith University : B.Music Technology, B.Popular Music, B.Music; Queensland University of Technology : B.Music, B.Creative Industries; James Cook University : B.New Media Arts (Music/Sound); University of Southern Queensland : B.Creative Arts (Music); University of New South Wales : B.Music, B.Arts (Music); University of Tasmania : B.Music; Southern Cross University : B.Contemporary Music (Music Industry studies); Victoria University : B.Creative Arts Industries (Music) NZ: Auckland University of Technology : B.Creative Technologies
Small number of elective subjects available to students	Aus: Australian National University : B.Music; Melbourne Conservatorium of Music (University of Melbourne) : B.Music; Sydney Conservatorium of Music (University of Sydney) : B.Music, B.Music Studies; Southern Cross University : B.Contemporary Music (Professional studies); Griffith University : B.Music Studies NZ: University of Canterbury : B.Music; University of Otago : B.Music
No discernible subjects available or identifiable in web information	Aus: Australian National University : B.Professional Music Practice, B.Arts (Music); University of New England : B.Music, B.Arts (Music); Central Queensland University : B.Music; University of Newcastle : B.Music,

(continued)

Table 1 (continued)

Extent of inclusion of enterprising, business, entrepreneurial and/or industry oriented subjects or units	Relevant institution and degree(s)
	B.Arts/B.Music; Australian International Conservatorium of Music: B.Music; Victorian College of the Arts (University of Melbourne): B.Fine Arts (Contemporary Music); Australian Catholic University: B.Music; Edith Cowan University: B.Music; Queensland University of Technology: B.Fine Arts (Sound Design); University of Western Australia: B.Arts (Music studies), B.Arts (Specialist Music studies); Murdoch University: B.Media (Sound); University of Adelaide: B.Music; University of Tasmania: B.Time-based Media; University of Western Sydney: B.Music; Southern Cross University: B.Contemporary Music (Performance, Music Education); Wesley Institute: B.Music NZ: University of Auckland: B.Music; University of Waikato: B.Music; Massey University: B.Music

of an enterprising nature, 17 did so at what may be interpreted as a limited level (1–3 subjects over the degree duration). Ultimately, only eight degrees involved a substantial component of enterprise learning in the curriculum (14 %).

When looking more deeply at this picture, further issues emerge and which warrant discussion, for example in terms of the eight identified degrees that are strongly underpinned with enterprise learning. One of the initial points to be made is the fact that all eight are heavily oriented towards the commercial or mainstream music sector, more akin to the concept of entertainment, the latter term referenced in the title of two of these. In addition, all are relatively new, indeed the Northern Melbourne Institute of TAFE and Queensland University of Technology courses commenced in 2012. Hence, while these are new programs to the Australasian environment, they are perhaps recognition of either the growing entertainment industry in general, or the need for musicians to have a much greater understanding of the importance of non-musical skills for success. At the same time, they have such a significant emphasis on industry-oriented study that it may in fact not be possible for a musician to develop their practice to an extremely high level within such a program, thus possibly more intended for those who wish to practice as managers or agents for example.

The second row of the table and group of courses also warrants further discussion and consideration. Certainly, at the surface level each of these has a core requirement for students to engage in at least one subject that connects them

directly to the wider sector in which they are to operate, such as internships, professional practice studies (e.g. business), or projects partnering with or for industry. Typically occurring in the second or final year of study, these discrete subjects at the very least provide students with a basic introduction or overview of some of the key issues that await them on graduation. At the same time, it is possibly the case that in these courses the notion of being industry-oriented, enterprising or entrepreneurial is in fact dealt with much more widely, in that it could be hidden within the published curricula but made real within the learning environment and by academic and other teaching staff. Nevertheless, for a prospective student and/or parent investigating this group of degrees, it appears that the majority are based on traditional areas, be this in creative practice (performance, composition, sound design), theoretical, technical and/or historical areas.

Finally, the third row and fourth rows and groups of courses are those that, at surface level, appear to remain predominantly focused on the traditional practices associated with a music degree, and despite whether they focus on studies in classical, jazz or popular musical styles. Certainly, some have created elective opportunities for students but to some extent this communicates a message that it is secondary to the core focus being espoused and required within the core curriculum. While again, for both groups of courses, it may be the case that enterprise learning is hidden and staff do make these connections and provide opportunities for their students, in terms of what is being communicated it is certainly not the case. Indeed, for a large number of these courses there appears to be no requirement that students engage in any specific industry-oriented learning and experiences. It may in fact be the case that the leaders of these degrees are well aware of this situation, arguing that their focus is on music as an art form, rather than a commercial product.

6 Summary and Conclusions

It is important to recognize firstly that the desktop audit and analysis is in itself limited in terms of depth and also based on what was published in web pages at the time of the analysis. In reality, the specifics of what is occurring at the coalface in Australasian tertiary music programs could be substantially different to the picture presented here. The push to require students to contextualize their practice and be enterprising, entrepreneurial or learn about career management and planning may be hidden and embedded. Alternatively, it may occur beyond the curriculum in a series of initiatives and learning experiences which students are required to participate in but which are not part of the formal degree requirements. At the same time, as both a product of the Australasian tertiary music sector and now academic/researcher with substantive knowledge of the area through networks and connections, the author suspects the picture is quite accurate. That is, there are a number of degree programs that maintain a focus on the practice of music, regardless of style or process, with limited time dedicated to developing an understanding

of the broader context in which students will be required to operate, to develop a career and also to survive, not only artistically but financially.

On the one hand, and at the purely art for art's sake end of the spectrum, the *status quo* presented here is still a valid one, in that the training of highly skilled music practitioners is worthy in terms of how it develops a cohort of creative practitioners, artists and contributors to Australasian culture. The training of high-level performers, composers or sound technicians is necessary in order to sustain and grow the cultural workforce and artistic outputs. On the other hand, given the increasing need to justify and evidence the outcomes of public investment in education, the rising costs for those participating (the students), as well as the rapidly changing and developing industry which they will be required to join, it is arguably the case that there is a need for the Australasian tertiary music sector to place greater emphasis on the broader context in which students will need to operate. This is clearly an avenue for further research, in order to develop a greater depth of understanding of the views of the various stakeholders involved (academics, students, industry representatives).

There certainly appears to be a shift, indeed in the second decade of the twenty-first century many degrees now have at least some core subjects requiring students to connect their practice to the broader sector, which can only be of benefit to them. Further, new courses have emerged which are strongly focused on the entertainment experience and industry. At the same time, a number of courses still retain a focus on music as an art form, with what appears to be limited consideration of context, opportunity and career management strategies. Ultimately, only time will tell if tertiary institutions have responded to the realities of the music sector and achieved an appropriate balance between the development of music as a practice alongside the skills required to navigate a complex and changing area. This balance is critical to future-proof the careers of the graduates who it is hoped will make a positive and sustained contribution to local and global experience economies.

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