THE PENNSYLVANIA STATE UNIVERSITY
SCHREYER HONORS COLLEGE

DEPARTMENT OF FILM-VIDEO AND MEDIA STUDIES

MUSIC INDUSTRY DEMOCRATIZATION: BRITISH INDEPENDENT RECORD LABELS IN 2012

MELINDA KARTH
SPRING 2013

A thesis
submitted in partial fulfillment
of the requirements
for baccalaureate degrees
in Media Studies and Psychology
with honors in Media Studies

Reviewed and approved* by the following:

C. Michael Elavsky
Assistant Professor of Media Studies
Thesis Supervisor

Dr. Susan Strohm
Senior Lecturer of Advertising
Honors Adviser

* Signatures are on file in the Schreyer Honors College.

ABSTRACT

In response to music industry concentration, British independent record labels in the 1980s successfully, though briefly, established an autonomous network that allowed for them to produce and distribute music without major record company assistance. In addition to gaining access to the commercial market, these entrepreneurs also strived to achieve something more profound: music industry democratization. Ultimately, it was believed that such 'democratization' could be achieved by diminishing major record company control over the market, introducing new sounds and voices to the public, and defending the rights of creative workers. Thus, by developing their own sets of practices and ideologies, these independents worked to protect the business and creation of music. Nonetheless, while their attempts were initially successful, the independent infrastructure has since struggled to maintain autonomy in an increasingly concentrated music market. This pattern of struggle, though, has recently shifted, as independents have begun to achieve notable success in the commercial market, causing many to claim that music industry democratization has finally been realized. This generalization, however, dilutes the meaning of 'democratization' to nothing more than commercial market access, thus ignoring other issues, such as the rights of creative labor. Therefore, in response to this generalization, this thesis intends to examine the actual practices of independent labels in 2012 to consider if the pursuit for industry democratization is still being strived for. To accomplish this, studies on independent artists and record labels will be conducted, as well as examinations on external influencers that affect the independent sector, such as government policy. Ultimately, the goal of this project is to gain a better understanding of the practices, motivations, and struggles of British independent record labels in 2012 in order to evaluate their contributions to the British music sector.

TABLE OF CONTENTS

Introduction 1

Chapter 1 Development of the British Independent Music Infrastructure......................... .5

Political economy and deregulation 5
Artist exploitation.. 12
Development of the U.S. American independent music sector 14
Development of the British independent music sector 18

Chapter 2 British Independent Music Post-2000... 28

Revitalizing the British independent music sector 29
Popularizing independent artists through NME.. 31
The ‘indie’ aesthetic and the illusion of independence... 35
Democratizing the music industry with The Arctic Monkeys 39
The development of a ‘tiered’ independent music sector: Breaking ranks 44
The decline of British indie in the 2000s 46
Independent labels post-indie popularity 2012: A case study of Cooking Vinyl 47
Cooking Vinyl: Budget marketing 49
Cooking Vinyl: Record contracts.. 52
Cooking Vinyl: Song ownership rights 57
Cooking Vinyl: Artist autonomy 58
Cooking Vinyl: Icebreaker and funding 61

Chapter 3 Current Obstacles for Independents in the Digital Era 67

Physical distribution 69
Online distribution... 73
Online distribution: Piracy, government intervention, and copyright control......... 74
Online distribution: Negotiating power through licensing 81
Online distribution: Streaming and Spotify 82
Marketing 77
New revenue streams... 90
New revenue streams: 360 contracts 91
New revenue (and marketing) streams: Vevo 93
U.K. government funding for SMEs 97
U.K. government funding for SMEs: The Enterprise Finance Guarantee............. 100
Music industry democratization: A global perspective 103

Conclusion... 108

REFERENCES.. 120

Introduction

Though considered a form of entertainment, music has repeatedly demonstrated that it can also serve as a space for public commentary. For example, it is not unusual to observe music artists criticizing social wealth divides, job unemployment, and the commodification of culture. However, despite this defiance, music often ends up circulating *through* the system of capitalism, rather than actually challenging it. In other words, politicized music can play a role in furthering the exploitation of creative culture and labor while also appearing to oppose it. Nonetheless, a few instances where creative workers have effectively confronted corruption and social injustices are worth noting, one such example being the British independent music sector. In sum, during the early 1980s British entrepreneurs were able to effectively, though briefly, challenge music industry concentration by establishing an independent music sector that worked autonomously from the corporate sector. More specifically, this infrastructure was created to challenge major record companies' exploitation of creative labor by providing artists with creative autonomy, fair working conditions, and job opportunities. Ultimately, all of this was 'achieved' through the independent business network they had established. Moreover, beyond this physical network, independents also developed a collective ideology that promoted collaboration, egalitarianism, and creative freedom, but rejected commercialism, competition, and the status-quo.

Nonetheless, while this infrastructure was initially effective, it eventually imploded at the end of the 1980s, as independents struggled to maintain a system of collectivism and equality in an increasingly neoliberal market. Thus, as a result of pressures to conform to the competitive market, some independents began to adopt conventional business practices, such as tiered salary programs, so that they could grow their companies. Consequently, the collective independent ideology that had previously existed in the 1980s splintered, as some independents became oriented towards competition and individualism, while others remained more socialist. In other words, the independent sector became divided along lines of power, wealth, and market influence, thus shifting its original goal of democratizing creative businesses.

Throughout the 1990s, Britain's independent music infrastructure continued to move further away from its original purpose of creating alternative opportunities for creative laborers. In fact, it became common for independent record labels to form close partnerships with large music corporations. In other words, many independent record labels began to work closely with the businesses they had once resisted. As a result, a true and *effective* independent network failed to transpire in the 1990s, as more and more labels were absorbed into the corporate sector. This trend, however, appeared to stall in the early 2000s, as some British independent record labels became commercially popular, despite operating outside of the corporate sector. Ultimately, this was considered very unusual because media conglomerates have dominated the production and distribution of music for decades, therefore making it difficult for independents to work autonomously. Thus, because of this unusualness, many have suggested that these successes signal the onset of music industry democratization, as independents have rarely before been able to successfully compete with major labels. However, such a suggestion overgeneralizes the concept of 'music industry democratization' and fails to consider what it entails beyond market access.

Therefore, considering these complexities, this thesis seeks to analyze the current practices of British independent record labels to consider if they are still pursuing democratization, as well as how the concept of democratization has evolved. Specifically, to conduct this project, a political economy approach will be used in order to observe the interrelatedness between music business concentrations, power, product diversity, and creative workers' rights. For historical and background information, scholarly journals, books and doctoral theses will be utilized to educate the researcher on the development of British independent record labels, as well as the production and distribution of popular music. The data to be analyzed will be gathered from music industry trade publications, interviews, government and business documents, online news sources, music artists' websites and social media accounts, and reports from non-profit organizations and activist groups. From this data, a case study of British independent record label, Cooking Vinyl, will be completed in order to assess the current institutional practices of British independent labels. Likewise, smaller examinations of music artists The Arctic Monkeys and The Strokes will also be done in order to help the reader to better understand how implications beyond the internet can influence independent artists' successes. Moreover, examples of online distribution sites Spotify and Vevo will also be used in order to expose the current inequalities between major and independent labels in 2012. Finally, the researcher will conduct a brief analysis of major and independent label presence in other European markets to make this project's findings more generalizable.

In sum, the goal of this research project is to present an overview of how independent record labels are responding to recent industry evolutions, as well as to question if they are still pursuing industry democratization. Furthermore, in response to popular media's suggestion that 'music industry democratization' has taken place, this thesis hopes to provide readers with a more multi-dimensional definition of the concept beyond market access. More specifically, this project will examine and critique if and how independents are working to protect creative labor and cultural production in 2012. Ultimately, understanding how industry democratization operates outside of market access is important because such knowledge may expose prevailing disparities. In short, the knowledge gathered from this project is intended to provide the public, institutions, and academics with insight on how the current industry operates in order to encourage support for and action toward a more democratic music industry.

Chapter One

Development of the British Independent Music Infrastructure

In response to increasing neoliberal tendencies, like-minded British entrepreneurs established an autonomous independent infrastructure of music production, distribution, and retail outlets to counteract music and creative labor exploitation. Ultimately, these independent businesses saw it as their mission to provide the British public with a collective forum for public discourse, as well as a safe haven for creative laborers in the pursuit of fair working conditions and creative autonomy. Moreover, these independent labels were striving to provide innovative and diverse music to the British public as an alternative to the, arguably, mass-produced and predictable music of major corporations. Thus, it was through these collective efforts that a politically-charged independent infrastructure was created to challenge the commercialization of music. However, despite these initial collaborations, this infrastructure eventually imploded under the weight of capitalism, among other influences and obstacles. Therefore, this chapter explores these developments within the British independent infrastructure in order to present readers with a foundation that will prepare them to understand subsequent, more current investigation on similar issues.

Political economy and deregulation

In the field of media studies, "political economy examines how the communications industry maintains and reproduces a concentration of wealth and power, and how processes of integration, diversification and internationalization function to reproduce the economic status quo in capitalist society" (Gracon 2010, p.87). Ultimately, these power imbalances and wealth concentrations can be attributed to the embrace of neoliberalism by western nations, as the neoliberal mentality has led to policy changes that allow for and encourage consolidation and conglomeration. Consequently, it has been through the promotion of capitalistic ideologies that governments have been able to justify deregulation procedures that benefit a select few businesses, while the majority are impeded. Nonetheless, the ideology of capitalism remains popular because of the democratic appearance of its central argument: relaxing market regulations will create a more competitive and self-ruled atmosphere. In other words, it is argued that, in an unregulated market, the strongest and 'best' businesses will be 'free' to nurture their abilities without government limitations. Yet, in actuality, these free market practices often hinder the development of new and innovative entrepreneurships from transpiring.

Ultimately, several key business strategies have emerged out of deregulation, one of which is company diversification. By definition, diversification is a "practice where a corporation diversifies its products or business to maintain economic stability" (Gracon 2010, p.89). Generally speaking, this strategy is appealing to corporations because it allows for them to improve growth, as well as reduce profit risks by investing in diverse endeavors (Chang 2003). In other words, by integrating a wider range of businesses into one major company, large losses can be countered by the gains that are made from separate business ventures. Therefore, if a particular business sector fails to produce adequate returns on investments, a company can use the earnings it receives from another sector to 'rescue' its overall finances. Thus, as Chang (2003) suggests, products can be expanded beyond their traditional markets and be distributed to new outlets, therefore giving corporations new market advantages and profitability. For example, if a media company has DVD, video game, and music distribution divisions, it could experience revenue from all three outlets if a recorded song from its repertoire were licensed across all of these platforms. Thus, by adding similar or unrelated ventures to its already existing corporations, a company can expand its revenue streams, as well as improve its market visibility across different platforms in the process. Furthermore, if corporations are fortunate enough to be able to add related businesses to their repertoire, they can engage in synergy. Similar to diversification, synergy is a "practice where companies [can promote]…their activities across a growing number of outlets, [which creates] a synergy between individual units and [establishes] recognizable brands" (Gracon 2010, p.89). Thus, by linking similar businesses to the same projects, their efficiency, it is argued, can become twice as effective. For example, British 'boy band' and *X-Factor* contestant, One Direction, has made a total of over £100 million in less than two years due to practices of synergy ("One Direction," 2012). Specifically:

"The majority of One Direction's earnings come from huge endorsements and merchandising deals with Nokia phones, Pokemon games and Hasbro toys. [Moreover, in September, the group] became the global face of Pepsi in a deal worth £11 million, [which is not included in the above estimate]" ("One Direction," 2012, para.2).

It should be noted, however, that, while the 'band' does receive large financial bonuses for its efforts, Sony Music, as well as Sony's *X Factor* affiliate label, Syco, are entitled to keep the majority of the revenue that One Direction earns (“One Direction,” 2012, para.2).

To further dissect business diversification, it needs to be acknowledged that two general types exist: horizontal integration and vertical integration. The two differ in that “horizontal integration is when one company purchases another company within the same thematic area,” while “vertical integration [is] when various modes of the production and consumption process are owned by the same company” (Gracon 2010, p.88). For example, a record company that purchases a distribution channel has vertically diversified its business. Considering this, it becomes obvious why vertical integration is important to a company: it allows it to bypass the middle man and, therefore, cut excess expenses (“Vertical integration,” 2009). Additionally, it gives businesses more control over the initial creation of their products, as well as how products are eventually sold (“Vertical integration,” 2009). Contrastingly, horizontal integration is when a corporation acquires similar businesses at the same stage of production, usually in the same industry (Gracon 2011). For example, a record label buying another record label would be considered horizontal integration (Gracon 2011). Though the two practices differ, major media corporations typically engage in both. In contrast, these business integration styles have been less common among small entrepreneurships, meaning that business diversification is an advantage that major corporations have over most small companies.

Ultimately, recent trends of integration, concentration, and major media company domination can be attributed to current policy shifts towards deregulation. However, while it is true that neoliberal philosophies help to explain modern business practices, it should also be noted that “a small number of large corporations [dominating the music industry] is [nothing new]” (Negus 1996, p.2). Rather, concentration practices have existed since the music industry’s earliest days when only six companies dominated the U.S. market in the 1960s (Negus 1996). In fact, it was in the 1960s when, for the first time, record companies became vertically integrated by acquiring manufacture and distribution companies (Azenha 2006), which has resulted in their control over music distribution (Wasko 2011). Ultimately, record companies work to control music distribution because, as Wasko (2011) argues, “a strong distribution network ensure[s] that an album will end up at retailers and [into] consumers’ hands” (p.349). In other words, “control over distribution [means] control [over] the market,” which means control over the success of an artist (Wasko 2011, p.349). This is important to keep in mind when analyzing how record companies’ motivations may shape online music distribution.

Despite these early accounts of market concentration and production ownership, Hesmondhalgh (2007) suggests that business practices for media companies changed most drastically in the 1970s when governments and businesses realized how profitable the cultural industries could be (Hesmondhalgh 2007). Consequently, U.S. and European businesses began pressuring their national governments to ease restrictions to certain markets in hopes of gaining access to them (Hesmondhalgh 2007). Obliging to these requests, policy makers began relaxing media industry regulation, arguing that a free market would encourage the creation of quality media products, healthy competition, and cultural industry growth. In other words, it was believed that fewer laws would enable the best companies to prosper and the weakest ones to rightfully die off. This philosophy was particularly appealing to Western countries, as these societies often fear government involvement in their lives, believing it will lead to a loss of individual freedoms (Hesmondhalgh 2007). Consequently, most Western societies have embraced the 'free' market concept and, therefore, have encouraged governments to weaken market regulations (Hesmondhalgh 2007).

On the surface, because of its emphasis on 'freedom,' deregulation appears to favor the cultural industries, as an open market should, logically, allow for new and creative businesses to enter the sector. However, because governments don't perceive all businesses to be economic equals, special allowances may be made for the corporations that contribute the most money to the country's economy (Hesmondhalgh 2007). In other words, these special allowances may give certain businesses permission to dominate the market. Considering these potential consequences, some researchers prefer the term "re-regulation" to deregulation, as deregulatory policies don't necessarily weaken regulations, but, rather, restructure them to protect "the interests of large, private corporations and their shareholders" (Hesmondhalgh 2007, p.109). In sum, deregulation in the 1970s and 1980s allowed for big companies to increase their market power over small businesses. In regards to the music industry, already dominating record labels were, for example, given permission to own the entire value chain of music production, which, ultimately, led to industry concentration (Hesmondhalgh 2007).

However, despite increasing business concentration throughout the 1980s, the government continued to favor market freedom in the 1990s. As a result, power imbalances between major and independent record labels grew as media industry concentration increased (Hesmondhalgh 2007). As previously stated, such concentration was made possible by the British government's continued emphasis on deregulation, which"[enabled some] companies to claim bigger market share[s], streamline operations, and explore new revenue streams" (Kot 2010, p.7). For example, as Negus (1996) suggests, being under a diversified transnational company allows a major record company to endure market slumps, as its revenue isn't limited to one product's performance. Hence, major record companies can offset losses with gains from other business ventures. However, while company integration gives corporations advantages, it has the potential to disadvantage the public by limiting the amount of product diversity in the market (Gracon 2010). For example, because they are vertically integrated, dominant music companies can 'control' artist visibility in the marketplace, as distribution ownership guarantees access to retail markets (Wasko 2011). Consequently, popular music globally has become US-centric, as those controlling distribution networks largely operate from America (Burkart 2005). Likewise, a homogenous music market has developed because record labels entice their distributors to promote a select number of artists in exchange for album sale profits. Ultimately, these close relationships are advantageous for labels because they encourage distributors to stick to specific and organized promotional campaigns for their artists (Cook 2003). Thus, considering the advantages that come with vertical integration, it is unsurprising that 2012's most dominate record companies, Universal Music Group/EMI, Sony, and Warner Music Group, all own production, distribution, and marketing companies (Gracon 2010).

While it could be argued that media conglomerates are capable of promoting and creating diverse music, risk taking, ultimately, is not in their nature. In fact, as Chan (2003) argues, media conglomerates usually operate cautiously in order to avoid market uncertainties, especially when investors become involved, which is typical. In short, because “multi-nationals [are] effectively run by their [shareholders], media companies are pressured to produce steady quarterly returns to justify shareholders’ investments” (Kot 2011, p.7). Thus, the burden to make money and produce results is now ever-present for media conglomerates, which affects the choices that they make (Kot 2011). For example, because of their relationship with corporate investors, record labels “tend to sign bands [that have] a popular and marketable aesthetic” (Gracon 2010, p.64). Put simply, by focusing their efforts on a ‘sure thing,’ labels can systematically estimate and control the erratic nature of consumer taste, which leads to, hopefully, more profits. As a result, however, a narrow range of ‘proven’ artists may end up dominating the popular music market.

Artist exploitation

Besides economic and consumption implications, music industry concentration can also negatively affect music artists through exploitation. This is problematic because artists depend on record labels to oversee the production, distribution, marketing, promotion, and copyright of their music (Gracon 2010). Furthermore, labels are, supposedly, responsible for creating fair recording contracts for artists in order to protect them from job uncertainties. Thus, the recording contract, in sum, embodies “the relationship between the commercial company and its creative artists,” as it outlines how profits are divided between the two (Hesmondhalgh 1997, p.260). Therefore, because it greatly affects an artist’s livelihood, it could be argued that a fair recording contract is paramount for an artist’s success, both professionally and personally. In fact, few artists have the knowledge, expertise, or capital to effectively manage their careers without the help of a record label. Thus, this demonstrates another reason why artists depend on record labels: they provide them with advances, or funds, that cover living expenses and recording costs (Cook 2003). Moreover, besides operating as a lending bank, Wenham (2009) suggests that record labels can also contribute to artists’ albums by arranging collaborations and partnerships with quality video and music producers. Therefore, it could be argued that record labels act as a lifeline for those who aspire for a music career.

However, “the system of large advances paid by major corporations may be deceptive, in that they are effectively loans out of which musicians must pay for many of their costs. [Thus, this] often gives inexperienced musicians and managers an unrealistic sense of their financial position” (Hesmondhalgh 1997, p.261). Therefore, the opportunity for an artist to be exploited by a record label is substantial. For instance, Donnelly (2007) has found that “the record label is [generally] entitled to receive 85% of [an artist’s] net income, [while] the recording artist [usually] receives the remaining 15%. [Likewise,] any funds that [are] advanced to the artist [must be] repaid solely out of the artist’s 15%” (p.2). Needless to say, recording contracts can foster contention between musicians and record labels. Furthermore, as part of the recording deal, music artists are usually required to give record labels ownership of their master recordings or copyrights from their back, current, and/or future catalogues, depending on the deal (Berry 2010). Therefore, despite artists' dependence on record labels, the relationship between the two is often manipulative, as record labels are often driven by profit incentives (Wenham 2009).

Development of the U.S. American independent music sector

While the music industry has been and is currently dominated by a few, international conglomerates, a periphery of independent labels has managed to develop outside of this concentrated center. Ultimately, the true definition of what makes a label 'independent' is debatable. However, as Gracon (2010) suggests, an independent label is any company that operates autonomously from large, corporate entities. Thus, using this criteria, financial self-sufficiency is a hallmark of being independent. Furthermore, independence is also classified by distribution. Specifically, independent record labels are expected to avoid using distribution services that are owned and controlled by major corporations, which is why they, typically, establish autonomous networks (Gracon 2010). Consequently, to clearly define 'independence' as an institutional practice in this thesis, two characteristics, independent distribution and financial autonomy, will be used to classify what makes a record label independent.

Though this research focuses on British independent record labels, Ogg (2010) argues that these businesses actually originated in the U.S. with Indiana record label, Gennett (Ogg 2010). Considered to be the first independent record label of its kind, Gennett established a template for future independent record labels by embracing tight budget operations and self-sufficiency (Ogg 2010). Moreover, Gennett also worked to introduce new genres of music to the public by promoting styles that had been rejected by the dominant music industry (Ogg 2010). For example, Ogg (2010) argues that, because of Gennett, emerging genres, such as R & B, were able to spring up throughout the United States following World War II (p.26). In other words, early U.S. independents were instrumental in helping to bring new genres to the market.

Despite these democratic principles, however, early independents also engaged in artist exploitation, thus making them similar to major labels in this respect. For instance, according to Ogg (2010), independent labels were legendary for not paying their artists, particularly African Americans, adequate royalties and performance salaries. This mistreatment was partially a result of segregation, as white men were the only people allowed to receive the credit needed to start a business in the 1960s (Ogg 2010). Therefore, most independents were owned and operated by white men. Consequently, the contributions that these labels made towards industry democratization are dichotomous, as they helped to diversify the market, but continued to further artist exploitation.

The 1980s, however, proved to be more liberating for American independent record labels, as they began to desire offering artists more democratic working conditions. In other words, these labels began to look at their companies as more than infrastructure alternatives, but as safe havens for creative labor, as well. Moreover, they also began to refer to themselves as a collective network. These sentiments of collectivism largely developed through mail communication, as the geography of the U.S.

in the 1980s encouraged small business to remain isolated. Nonetheless, American independents were able to unite disgruntled music industry workers across the country against corporatism in music.

Therefore, it can be argued that early U.S. independents made great contributions towards industry democratization, as they successfully united marginalized voices. However, despite these advances, the truth remains that "[their] actual economic impact[s]…in the [U.S.] market-place" were minimal (Lee 1995, p.13). In other words, though American independents of the 1980s successfully established a communal ideology, they failed to create a physical infrastructure that could accommodate independents' commercial activities. Thus, without a well-structured system for distribution and production, these small businesses remained reliant on major corporations. Ultimately, this reliance cannot be overlooked, as corporate ownership can influence how successful an independent is in the market. For example, because of financial hardships, culturally significant American independent label, Wax Trax, was 'forced' to join corporately owned business, TVT, in a manufacture/distribution deal in 1993 (Lee 1995). Once in control of Wax Trax, TVT's owner, Dan Gottlieb, opted to "take portions of Wax Trax's sales receipts [for himself]" and to withhold "money from [the independent when] he did not approve of [its practices]" (Lee 1995, p.19).

Thus, because running a record label is expensive, Lee (1995) argues that, in order to establish an independent business, entrepreneurs need lots of money. However, music industry concentration has made it difficult for independents to maintain steady profits, as they are not equally competitive with dominate major labels. As a result, many independents have gone bankrupt or, like Wax Trax, have partnered with major corporations to form ‘label imprints.’ In short, the primary difference between a ‘true’ independent label and a label imprint is how each is financed, monitored, and owned. More specifically, label imprints are owned by major media corporations and, therefore, are financed and monitored by shareholders. ‘True’ independents, in contrast, have no direct affiliation with media corporations. Though these differences appear miniscule, they are fairly significant. As King (2012) points out, major corporations, through shareholders, can buy their imprint artists ads in highly circulated music weeklies, while independent labels cannot afford this luxury. Therefore, because label imprints are cared for by major corporations, they can maintain profits, stay in business, and dominate the music market.

Moreover, in the 1990s major labels also began to purchase independent distribution services in hopes of controlling and profiting from the independent sector. As a result, the four primary distribution services used by U.S. independents in the 1990s became owned and controlled by major record labels. To specify, these companies included “Fontana (owned by Universal Music Group), ADA (owned by Warner Music Group), RED (owned by Sony BMG) and Caroline (owned by EMI)” (Dunn 2012, p.218). In sum, buyouts like these are problematic because distributors can control an artist’s success in the market. As, mentioned previously, major labels collaborate with distributors to make sure that their artists are highly promoted in retail outlets. In contrast, these distributors have little incentive to promote independent artists, as they are owned and compensated by major labels. Consequently, because of major labels’ control over distribution, the public has experienced limited access to independent artists, while independent artists have experienced limited market exposure.

Ultimately, one reason why major labels began to invest in independent businesses is because the ‘rebellious persona’ of independent musicians became profitable in the 1990s. Thus, as consumers embraced U.S. American independent artists’ contempt for the status-quo, major labels, in turn, began to appropriate this ‘defiance’ for profit (Lee 1995). Consequently, a standardized and recognizable ‘alternative’ style of music evolved, which eroded the innovative nature of this music’s initial character. Of more importance, however, is the fact that, with this commercialization, the ‘independent aesthetic’ became absorbed into the corporate sector. In sum, considering the above analysis of U.S. American independent labels, it can be argued that, because many of these businesses were overtaken by major corporations, they, ultimately, failed to effectively democratize the music industry.

Development of the British independent music sector

As previously mentioned, Hesmondhalgh (2007) contends that the 1970s were a time of worldwide deregulation and business concentration. Therefore, it is unsurprising that, much like the U.S., six major record labels dominated the U.K. music market in the 1970s (Dunn 2012). However, unlike the U.S. sector, independent record labels in the U.K. developed in 1971 out of an independent record *stall* (shop) called Rock On (Ogg 2010). Despite this difference, Rock On was important to the British community because it sold niche imports and ‘underground’ music to the British public (Gracon 2010). In other words, Rock On was a place where people could access and discover music that existed outside of the increasingly concentrated retail market (Ogg 2010). In short, retail concentration, or the practice of dominate retail companies owning most of the market, is problematic because it minimizes the number of outlets selling music. In turn, this reduces diversity, as retail chains often carry only the most popular and recent artists due to limited shelf space. Moreover, retail concentration also allows for major record label distribution services to develop relationships with large music retailers, which then allows major labels to control the retail market (Gracon 2010). Therefore, Rock On was a pioneer for independent record labels because it initiated the independent practice of providing people with access to new music (Ogg 2010).

Following Rock On's example, independent record stores, such as Rough Trade, began to open in the London area. Established in 1976 by Geoff Travis, Rough Trade was, like Rock On, a particularly influential element of the budding British independent sector (Taylor 2011). Ultimately, what set Rough Trade and Rock On apart from each other was that Rough Trade sold records from recently established British independent record labels, while Rock On focused on importing American classics to the U.K. This difference made Rough Trade a beacon for the developing U.K. independent infrastructure of the 1970s, as these new labels had few distribution options at the time. Ultimately, this was because major record company distributors began to "drastically reduced their services to small retailers," choosing instead to prioritize media marketing and promotion (Hesmondhalgh 1997, p.258). As a result, "deliveries to small shops were cut and…surcharges were introduced on small orders" Hesmondhalgh 1997, p.258). Thus, because of these changes, Rough Trade became a centerpiece for the British independent community, committed to giving people "what they wanted," even if that meant extensive searches for rare records (p.67). Consequently, because of these sentiments, the shop developed a philosophy that politicized the idea of independence, which then extended to the growing independent British music sector (Hesmondhalgh 1999, p.35). Subsequently, "[the Rough Trade shop] became a public space…[where people could gather for discussions] about community action, decentralization,…[and] feminism" (Taylor 2011, p.105). Moreover, because the British media were largely controlled by major corporations, British independents created amateur 'fanzines' in order to promote independent artists and the independent ideology. In short, these self-made magazines, which were sold and distributed by Rough Trade and other independent shops, attempted to control how the sector was represented in the music market. As Geoff Travis of the shop recalls:

"[Fanzines] were written from inside the movement. [Therefore, their] writers were advocates of [independent] music [and not] just [people] trying to critique it. [As a result, these magazines became] a call to arms [that gave] people the ammunition to do their own thing" outside of the dominate sector (Taylor 2011, p.58).

Considering these intentions, a key difference between early independent American and British labels becomes evident. In sum, British independents were able to establish a mature infrastructure in conjunction with their politicized ideals, while U.S. American labels were not.

Ultimately, it was the collective goal of music industry democratization that held the British independent music sector together. More specifically, independents wished to make the music industry a site of egalitarianism for businesses and creative workers. Thus, as Negus (1996) acknowledges, ‘independence’ became a belief system defined by its opposition to major record label values and practices, which had become increasingly corrupt from the neoliberal market. As a result of this resistance, independents emerged in order to challenge business concentration and its effects on the market, including “decreased market access [and] increased [major label] control over [the] distribution, production, and…commodification of culture” (Hesmondhalgh 2007, p.110). In short, British independents “sought to create an infrastructure that could penetrate the market [and offer music variety that was made]… without capitalistic motives” (Hesmondhalgh 2007, p.110). In other words, those involved in the British independent music sector consciously worked to allow new voices, perspectives, and talents to emerge in the U.K.’s music market.

Furthermore, British independent record labels wished to provide those working in the music business with more democratic and fair opportunities, which contrasts with the practices of early U.S. American labels. In particular, this meant providing artists with creative autonomy and fair recording contracts (Hesmondhalgh 1997). In addition to music artists, independents also sought to give nonprofessionals the chance to work in the music industry. As, Geoff Travis contends, a major goal of Rough Trade was to provide “anyone who wanted to be involved in the music business [to] be allowed access [to it]” (Taylor 2010, p.104). Thus, those in the independent sector typically embrace non-musicians “from…art school background[s]” with limited understanding of musical technique or ability (Taylor 2010, p.134). Therefore, rather than favoring musical competence, independents instead tend to take pride in exciting, interesting, and innovative music (Taylor 2010). This unprofessional, "lo-fi" approach to music was also a result of technological advancements. Specifically, the development of cheaper recording equipment in the 1970s allowed independents to record music themselves (Ogg 2010). Thus, in addition to helping independents to create music without costly studio equipment, these technologies also contributed to the raw sound that has become synonymous with independent music.

As British independent music grew in popularity, Rough Trade's role as a distributor for independent record labels took on prominent proportions (Taylor 2010). Originally, the shop was simply a mail order business. However, people, both locally and overseas, began requesting to purchase stock from Rough Trade for their own independent shops, making it a pivotal player in dispersing local music beyond the English independent scene. As orders increased, Rough Trade set out to develop an *official* distribution system with the goal of democratically serving the needs of the now affluent British independent community (Hesmondhalgh 1999, Taylor 2010). Aptly named "The Cartel," this distribution network consisted of six, similarly driven independent record shops across the U.K., thus allowing independent musicians and companies to distribute product to a wide audience (Hesmondhalgh 1999). In terms of democratization, The Cartel established generous deals with its artists, often issuing them fifty-fifty contracts (Ogg 2010). Moreover, this system also chose to allow all artists to use its services, unlike corporate distributors, meaning that it never really turned anyone away (Taylor 2011). Ultimately, this meant that a much wider variety of music entered the British market (Taylor 2011). In sum, providing creative workers with these benefits was important to independents. As Geoff Travis, The Cartel's founder stresses: "If you were an artist and you produced a record, then what happened to that record after that point [should be in your control]" (Taylor 2010, p.104). Thus, The Cartel subverted the criterion that major labels had established for what records would enter the distribution system, as it embraced, *debatably*, artists of all types and from all backgrounds (Taylor 2010).

As The Cartel was being established, so was the Rough Trade record label. Similar to The Cartel, the Rough Trade label politicized independence like no other record label had before. Specifically, its founder, Geoff Travis, aimed to improve artists' experiences in the music business, as well as to afford nonprofessionals opportunities to work in music. Of particular significance, Travis made sure that "artists retain[ed] the rights to their masters rather than [giving] them [to the label] in posterity," which was a revolutionary concept at the time (Ogg 2010, p.183). Furthermore, following the model of The Cartel, "artists were allowed a 50-50 split after [the costs of] manufacture, distribution, and promotion had taken place" (Ogg 2010, p.183). In short, both of these tenets drastically differed from how recording contracts were typically constructed by major labels. Of equal importance was Rough Trade's committed effort to grant artists creative autonomy. Unlike major labels, which have shareholders to please, Rough Trade artists were given the freedom to release material at their own pace, rather than under the auspices of a schedule (Ogg 2010). Ultimately, this gave them more control over their artistic output, which is considered a privilege in the cultural industries.

Though the benefits of being on an independent record label were immense, there were drawbacks, as well. This was especially noticeable for popular Manchester band, The Smiths, in the 1980s. Unlike previous Rough Trade bands, which received limited national attention, The Smiths were a true British phenomenon. Such exposure, however, revealed the boundaries of independent labels to effectively nurture and provide for 'superstar' acts. As Travis notes, "[Rough Trade] hadn't had a group [as] dedicated to being successful [as The Smiths]" and, therefore, became overwhelmed with how to accommodate the band (Taylor 2010, p.243). Ultimately, as an independent label, Rough Trade could not promote The Smiths in the same ways that major labels could, particularly in regards to large recording advances and distribution services (Taylor 2010). Moreover, the band's guitarist, Johnny Marr, acknowledges the hardships of being an independent artist reliant on self-sufficiency:

"By 1986 …my role in [The Smiths] was particularly difficult…because we had just [gotten] so big. I was writing…producing…performing music…[as well as] getting our gear from one place to another [and booking] assistants for the tours. [Many problems] would have been solved [if we'd had] an…overseer…on a business [or] personal level" (Taylor 2010, p.290).

Thus, the antagonism between the band's commercial success and the independent practices of its label continued to clash as it dragged the inexperienced Rough Trade into the neoliberal market. As a result, Rough Trade was almost forced to begin adopting traditional business practices, which it was, ultimately, unprepared to do.

Similarly, The Cartel's structure began to splinter, as well. To deal with these label and distribution ailments, Richard Powell, who had no experience running a record label but was business oriented, was brought in to manage Rough Trade (Taylor 2010). One of the first changes he made was to incorporate business management into Rough Trade's 'democratic' employee system. This meant establishing pay differentials within the company, which signaled that Rough Trade's ideology of egalitarianism was slipping (Taylor 2010). Of greater significance, however, was Powell's restructuring and renaming of The Cartel as Rough Trade Distribution. In sum, by reworking The Cartel, Powell successfully dismantled the sector's main independent distribution network. This was because, since its inception, The Cartel had worked as a collaborative effort between record shops, where one shop would pack records, while the next shop unpacked them (Taylor 2010). Ultimately, this network ensured that each shop was, more or less, considered an equal in the market; there were no significant hierarchies. However, under its new guise, Rough Trade Distribution became a *centralized* distributor from which all products were shipped (Taylor 2010). Economically speaking, this move was more efficient, as it bypassed tedious record swapping and allowed for product to be stored in a single space. However, centralized distribution negatively impacted democratization, as it prevented many of The Cartel's previous employees from participating in the distribution process. Consequently, a hierarchy between Rough Trade and the British independent periphery was established, which conflicted with the sector's original notion of independence.

Throughout the 1980s, Rough Trade continued to encounter more difficulties due to the company's economic growth and entrepreneurial inexperience. In sum, bad business practices, poor credit control, debt, and novice attempts at international distribution all contributed to the label and distributor's bankruptcy in 1991 (Taylor 2010). Unfortunately, as Rough Trade crumbled, the larger independent periphery did, as well. Thus, "smaller labels, the kind that had thrived and had been created under Rough Trade's off-the-street production and manufacture deals, were forced into closure along with the company" (King 2012, p.214). Consequently, as Ogg (2010) argues, "by the 1980s…independent labels were largely becoming dependent on the six major labels for distribution…[and/or] manufacturing needs" (p.49). This was because few other options existed as major record companies began to buy weakened independent labels, thus furthering industry concentration. In other words, label imprints began to replace the bankrupted independent businesses of the 1980s (Taylor 2010). As a result of this concentration, "the gap between transnationals and the independent sector [became] more pronounced" and is still widening today (Burnett 1999, p.59).

In sum, the push for Western capitalism internationally has had profound effects on every sector of the global market, including media companies. In the music industry, this has meant intense concentration in regards to record labels and distribution services, as well as the convergence of different business sectors under media conglomerates. Such longitudinal changes have, consequently, severely limited the ways in which independent companies outside of the dominant sector have been able to compete with major labels. Therefore, it can be argued that the struggles of independent labels cannot be attributed entirely to inexperience. Rather, external influencers, such as government policies and corporate practices, must be considered, as well. For example, it has been because of deregulation policies that dominating businesses have been able to freely exploit the market, which has made maintaining an autonomous network difficult for independents. Thus, understanding how these phenomena affect small businesses is important because such knowledge prevents generalizations from being made about the health, competence, and capabilities of the independent sector.

As outlined in the next chapter, the internet's potential to provide independent labels and artists with opportunities to pursue democratization is promising, though complex. Ultimately, this is because businesses, people, and institutions determine how technologies are used in society, as well as what they are used for (Azenha 2006). In other words, new technologies themselves cannot and will not automatically lead to social change. This is important to consider when discussing music industry democratization because dominate companies are just as likely to try and control the internet as small businesses are. Moreover, it needs to be reemphasized that industry democratization goes beyond overcoming barriers to entry, which the internet could, in theory, accomplish. Rather, issues of creative workers' rights, music diversity, and public discourse require more than the internet to be realized. Thus, because of these complexities, the following chapter seeks to explore the current British independent music sector of 2012 in order to consider how the pursuit of music industry democratization has been maintained, as well as altered and exploited.

Chapter Two

British Independent Music Post-2000

Throughout the 2000s, independent musicians have experienced an unusual popularity with the mass public in Great Britain, which, as a result, has led to the suggestion that music industry democratization has finally been realized. Specifically, it has been argued that the internet has lowered barriers to entry, thus allowing for independent artists to bypass major label dominance and corporate distribution channels. However, this claim grossly generalizes the recent affluence of a few independent labels to the entire independent sector, rather than considering each individual label's experiences in the current market. Additionally, as discussed in the previous chapter, music industry democratization goes beyond gaining access to the commercial market. Rather, true music industry democratization, according to the independent ethos, involves multifaceted aspects of change, such as protecting creative labor and preserving music diversity.

Thus, in order to consider these points, this chapter analyzes the current British independent infrastructure to question if music industry democratization, in a multidimensional sense, has truly transpired. To do this, the resurgence of independent music in the new millennium will first be evaluated. The purpose of this examination is to familiarize the reader with the current British independent music sector, as well as to highlight the ways in which the music press still plays a significant role in shaping consumer preferences, despite the internet. Expanding on this critique, the commercial appeal of the independent aesthetic will also be considered in order to explain the recent 'abundance' of independent artists in the commercial market. Following this overview of the current sector, the internet's role in independent music's recent popularity will be reflected on using Sheffield band, The Arctic Monkeys, as an example. Ultimately, the purpose of this case study is to counter suggestions that, because of the internet, an independent coup over the music industry has been realized. Finally, once the internet's limitations have been addressed, the operations of current independent record label, Cooking Vinyl, will be examined in order to determine if independents still strive for a multifaceted version of industry democratization.

Revitalizing the British independent music sector

While independent music's resurgence into the British mainstream in 2001 can, partially, be attributed to the internet, its popularity can also be credited to the U.K.'s music climate post-Britpop. According to Petridis (2001b), music in 2001 was nothing short of dismal. Rather than demonstrate the energy and character of Britain's previous music trend, Britpop, the new millennium began with much less promise. Specifically, artists at this time were criticized for being devoid of personality and inoffensive, which created a lack of enthusiasm amongst British music consumers (Petridis 2001b). For example, the 'best' rock act from the U.K. at the time was considered to be "Starsailor, a polite, Verve-influenced quintet so devoid of personality [that they were] faintly chilling" (Petridis 2001b, para.4). Thus, it was because of this "characterless scene" that Petridis (2001b) argues that the British music press began to "frantically [hype] young American bands" in hopes of reviving the public's excitement for new music (para.7). Moreover, in addition to fueling music sales in the U.K., it was also hoped that this enthusiasm would translate into sales for British music weeklies, as well.

To fully understand the close relationship between the British music press and the British music industry, one must first understand how each indirectly affects one another. Unlike the U.S., which lacks a true national music media, the British music press is well established and, therefore, has a symbolic, almost reciprocal, economic and promotional connection with the record industry (Ogg 2010). Specifically, the weeklies' main job, to sell magazines by creating interest in current music, also indirectly increases record sales, meaning that the former can be thought of as a free promotional tool for current music (King 2012). Consequently, it can be argued that the British music press has the ability to shape and influence the public's music consumption habits, as well as its perception of artists. Thus, according to the *BBC's* website, "the UK is unique in having a weekly music press [which, ultimately,] plays a very important role in the promotion of new music - as many agents, promoters and labels will testify" ("NME magazine sales continue to decline" 2011, para.8). Subsequently, because music weeklies have always been "the strongest voice[s] in [independent music]," these opinion leaders have helped to determine which new artists are predominately focused on in the U.K. (Fonarow 2006, p.26). Nonetheless, media cannot force the public to embrace music and, unsurprisingly, many readers rejected most of these dismal artists, which led to a decline in music weekly readership (Day 2001). For example, popular weekly, NME, experienced an "8.2% period-on-period decline" in early February [2001], as well as an "8%...drop [over] the [previous] six months" (Day 2001, para.14).

Thus, to boost business, the music weeklies quickly engaged in the intense promotion of new, unheard of artists whom they believed would fit the musical and ideological tastes of their readers. Consequently, many artists were tipped as the next big thing *prior* to even recording songs, which demonstrates that the weeklies mainly focused on artists' potential appeal with readers, rather than the quality of their music. Thus, considering that British music weeklies are funded by advertisers in search of specific target audiences, it is worth examining who music weekly advertisers are striving to reach, as this affects which artists the press chooses to promote. For example, *NME*, or *The New Musical Express*, promises its advertisers a target audience of 16-24 year old males, who wear "uniforms" of "woven shirts, narrow ties and vintage-style accessories" and listen to "downloaded Arctic Monkeys [tunes]" (IPC website 2012). To further assist advertisers, *NME* has assimilated its audience by creating video 'case' studies of its readers to inform advertisers of the lives and interests of the narrow demographic they cater to ("IPC advertising: Young men"). Thus, because of its relationship with advertisers, it can be argued that *NME* promotes artists that will attract their advertisers' desired audiences. Ultimately, this is problematic because *NME* has been considered a new music guide for decades, meaning that the public looks to it for information on current talent, though the weekly's representation of mew music is restricted.

Popularizing independent artists through NME

The ways in which music weeklies create and sustain artist hype can be examined through *NME*'s promotion of New York City band, The Strokes. The relationship between *NME* and The Strokes is important to analyze because it is what, arguably, reignited the U.K.'s interest in independent music. As *NME* writer, April Long confesses:

"The British Press [are] notorious for leaping on new bands and 'creating' scenes in order to [generate reader excitement]. [The] people at *NME*…called [The Strokes] 'the most important band to come out of New York in over 20 years' [to boost sales]…[which] was a bit of a gamble…but I think everyone is relieved to have some kind of alternative to the boring nu metal that's been pouring in from the States" (Ridenour 2001, p.68).

While it was previously stressed that "*NME* is known for [enthusiastically endorsing bands]," it should be acknowledged that "its championing of The Strokes [in 2001 was] unusually forceful" (Garrett 2011, para.8). According to past editor, James Oldham, this fanaticism was because:

"It was very hard to fill the paper each week... Even on an optimistic day, [we] were saying, 'OK, [this band has] got a couple of good tunes, but they're boring, have no personality and they look bad.' There was a real yearning for a savior. The two dominant trends were nu-metal-- Limp Bizkit and Linkin Park-- and British sensitive singer-[songwriter] groups like Travis, Embrace, and Starsailor" (Garrett 2011, para.10).

Thus, because of "the dire state of rock [music] at the time," there was a "unanimity and eagerness at *NME*" to push The Strokes into mainstream music (Garrett 2011, para.9).

To do this, *NME* positioned The Strokes as an alternative to current music by framing them as a familiar return to the mid-1970s New York music scene. Specifically, the music weekly assured readers that, because of the band's retro swagger, rebellious attitudes, and lo-fi production, The Strokes were the next Velvet Underground or Ramones (Ridenour 2001). For example, as one reporter described them:

"[The Strokes had a] look [about them that] hearkened back to a certain period before they were even born. They reminded me very much of the bands [that] I would see at Max's Kansas City in the late 70s" (Garrett 2011, para.12).

However, it should be noted that all of this campaigning preceded an official album release, meaning that *NME*'s proclamations of the band's greatness came before The Strokes had recorded anything that suggested this hype was justified. Recognizing the hollowness of the publicity surrounding his band, The Strokes' guitarist, Nick Valensi, lamented that: "It sucks…people [had] to read stuff about us in a magazine before they [even heard our music]" (Ridenour 2001, p.69). What this demonstrates is that the music press often promotes artists based on commercial appeal, rather than musical talent. Nonetheless, the band benefitted from *NME*'s blessing by selling out their entire U.K. tour before they had even arrived in England (Garrett 2011). Likewise, when the group's debut album, *Is This It*, did finally materialize, it placed number two in the U.K. album charts.

In contrast, the band's reception in the U.S. was lukewarm, which illustrates the role that *NME* played in initiating and sustaining The Strokes' success in the U.K. Notes Valensi:

"It took us two years to get [somewhat big in] New York-- countless shows and so much hard work and sacrifice in other areas of our lives. We were playing to nobody every two weeks,…up to 100 shows with fewer than 100 people in attendance" (Garrett 2011, para.8).

Thus, despite the championing of the band by *NME* in the U.K., *Is This It,* was released into "an eerie quiet…[in the U.S. and only managed a] midlist [position in the] Billboard charts" (Marzorati 2002). Acknowledging the album's mild performance, Gordon Raphael, the band's manager, believes that, if not for the U.K. media frenzy, The Strokes probably wouldn't have even mustered this position:

"Without [the] hype [of the British music press], the EP would have been in the fucking trash can within 25 seconds [at any American record company]. They liked the Prodigy and Nine Inch Nails. They would've said [The Strokes] was out of fashion" (Garrett 2011, para.11).

In addition to *NME* hype, The Strokes' popularity in the U.K. can *also* be attributed to another occurrence at the time: Geoff Travis's decision to resurrect the Rough Trade label. After years of working as a music agent, Travis, along with former Rough Trade employee, Jeanette Lee, decided to try the independent record label business again and by chance, signed a one-single deal with The Strokes *prior* to the band's *NME* popularity (King 2012). As King (2012) notes:

"Not [signing] the band to a long-term deal [was a gamble], but [The Strokes' building success] left no…doubt that [Rough Trade] was at the [center] of…a [pending] phenomenon" (p.535).

In other words, The Strokes and the newly resurrected Rough Trade reciprocally helped each other to establish themselves within the competitive world of commercial music. In short, because of Rough Trade's well-known 'prestige,' Travis was able to access the music press in ways that unknown independents could not. As Valensi stresses, "Geoff was able [to] move us way past [our previous struggles] just by…getting [us] an article in a fucking magazine" (Garrett 2011, para.8). Thus, because of his connections, Travis was able to place a photograph of the band in *NME* before the release of its debut album, which resulted in "[Rough Trade's] phone ringing off the hook" with interest (King 2012, p.536).

In sum, it can be argued that it was the band's association with the Rough Trade label, the *NME* hype surrounding it, and the state of British music at the time that, collectively, reignited the popularity of independent music in the U.K. Most importantly to note, however, is the insignificant role that the internet played in reintroducing independent music into the British mainstream. In other words, the successes of independent musicians had less to do with new technology and more to do with being in the right places at the right time. Despite this reality, however, many still insist on crediting the internet with the newfound visibility of independent artists in popular music.

The 'indie' aesthetic and the illusion of independence

Understanding how the public recognizes an artist as 'independent' without knowing the institutional position of his or her label is important, as label imprints complicate the definition of 'independence.' In short, because major labels have begun to partner with independent businesses, it has become difficult for people to decipher which artists work with corporations (e.g. label imprints) and which don't (e.g. true independents), as each embody similar, visual characteristics. Consequently, the general public often naively identifies label imprint artists as 'true' independent artists when, in fact, they are not. This misconception is problematic because it results in people mistaking corporately financed artists for independent artists, which may lead to an over exaggeration of the number of independent artists who have had commercial success. In other words, label imprint artists may make it appear as if an 'independent revolution' has taken place, when in reality many of these artists work with major labels behind the scenes.

As chapter one discussed, the idea of independence has shifted since the 1980s. Originally, independents had the goal of challenging major label practices through the establishment of an *autonomous* network of production and distribution (Hesmondhalgh 1997). However, in more recent years, this *institutional* position of 'independence' has become overshadowed by the independent *aesthetic*. This has largely been because of many independents no longer working autonomously from media corporations. As a result, the term 'independence' has taken on an alternative meaning. Thus, instead of describing an institutional position, some use 'independent' to describe "a genre, a sound, and a look;" in other words, a mark of character (Hesmondhalgh 1997, p.270). Ultimately, understanding the difference between independent as an institutional position and as an aesthetic is important because this knowledge deconstructs the recent successes of 'independent' artists.

As Fonarow (2006) argues, independent, or 'indie,' as an *adjective* or set of perceived characteristics indicates an effort to be youthful, self-made, original, and motivated by artistic expression (p.188). Moreover, those described as indie usually exhibit an opposition to commerce and the commercialization of music. Thus, they often make the claim that their music is 'real,' while the music of major label artists is "artificial and fake" (Fonarow 2006, p.28). For example, when questioned about his band's corporate partnerships, Kyle Falconer of Scottish 'indie' band, The View, claimed that his band had "turned…down [advertising deals] because [they] didn't want to sell [their] souls to the devil," meaning corporations (Nixon 2012). This demonstration of distrust for corporate culture has, ultimately, become a common hallmark of the 'indie' aesthetic for both independent and label imprint artists (Fonarow 2006, p.29).

Furthermore, the term indie has come to mean a recognizable sound, which Fonarow (2006) classifies as jangly, raw and under produced guitar pop with an art-school sensibility. In fact, indie musicians consider musical incompetence to be an admirable trait because, by demonstrating that they lack the desire to be commercially successful, their music is, somehow, more authentic. Additionally, a certain appearance has come to be identified as 'indie.' Specifically, indie musicians have been overwhelmingly male and visually recognizable by their slender and slight physiques, pale skin, child-like features, and androgynous clothing styles, which typically include charity shop items, mod-style suits, and skinny ties (Fonarow 2006). Thus, through these noticeable characteristics, 'indie' has been redefined as a recognizable identity beyond its initial institutional position. Consequently, corporations have increasingly appropriated this aesthetic, much like the commercialization of previous subcultures, to provide consumers with a way for them to differentiate themselves from the status-quo through cultural capital (Newman 2009).

However, it has not only been major labels that have appropriated the 'indie' aesthetic for profit. Recently, several independent labels have also commodified the politics behind independence. For example, London based group, The Libertines, was forced to change its "dated chamber-pop" sound in order to get signed, as few record labels felt comfortable working with commercial deviance (Thorton 2006, p.19). Thus, once the band began to imitate The Strokes at the suggestion of its manager, Banny Poostchi, independent record labels suddenly became more receptive. As Poostchi recalls:

"I didn't tell them to write like The Strokes,…[but to] write a bunch of songs that [were] similar to The Strokes and then [they would] get signed" (Thorton 2006, p.27).

Likewise, The Libertines' co-front man, Carl Barât, justified the band's stylistic change by arguing that the group "still showed the depths of [its members'] schooling," thus implying that it remained a genuine project (Thorton 2006, p.27). Regardless of intentions, this imitation worked, as Rough Trade quickly signed the band with the goal of positioning it as an English version of The Strokes. What this example, ultimately, displays is that the practices and ideologies of independent labels have changed in recent years. Specifically, there has been an increased focus on letting the commercial market guide label practices, as market successes have become particularly valuable to certain independents. Thus, because of these new sentiments, some independents have used the popularity of the indie aesthetic as a way to gain commercial victory and, as a result, have been able to expand their businesses. For example, because of the success of its 'indie' band, Franz Ferdinand, which placed number three in the 2004 U.K. album charts, independent label, Domino, was able to acquire a larger office and reduce its debt (King 2012). Ultimately, as a result of these shifting ideologies, a tiered independent infrastructure has ensued where some labels are much more dominant than others.

In sum, the popularity of the indie aesthetic has perpetuated the myth of music industry democratization. Motivated by the success of bands like The Strokes, major labels, as well as independents, have taken to crafting artists in similar fashion. Thus, by the mid-2000s, any guitar band demonstrating a comparable aesthetic was labeled an independent artist, despite perhaps having no association with an independent label. As a result, it has become difficult for the average person to distinguish true independent artists from corporate knockoffs. Consequently, the market has given the illusion that there has been an influx of independent artists, when, in reality, only a few artists in this movement have truly been associated with independent labels.

Democratizing the music industry with The Arctic Monkeys

No other band has embellished the democratizing abilities of the internet more than The Arctic Monkeys, as the band's meteoric rise to the top of the U.K. charts in 2005 has largely been attributed to this technology. In sum, the story surrounding the band states that it used P2P file-sharing and MySpace to market itself without any assistance from record labels (Berry 2010). Consequently, the British music weeklies have dubbed the Sheffield quartet the first MySpace band (Dockrill 2006), thus arguing that The Arctic Monkeys' commercial success signals "the beginning of a music industry putsch" where major corporations no longer control the market (Barton 2005, para.5). However, as the band's drummer, Matt Helders, claims:

"[When the band went number one in England] we were on the news and radio about how MySpace…[had] helped us [to become successful], but that's just the perfect example of someone who doesn't know what the fuck they're talking about…we actually had no idea what [MySpace] was" (Dockrill 2006, para.6).

In actuality, "the technologically crippled [band] couldn't even build [its own] website;" a friend had to do it for them (Hasted 2005, para.10). Therefore, it wasn't the band that utilized the internet to spread its music, but, rather, fans of the band. Specifically, "internet file-sharing and discussion [boards helped to build] a grass-roots movement of fans for The Arctic Monkeys' music" (Hasted 2005, para.7). As Helders recalls:

"We used to record demos and just burn them onto CDs and give them away at gigs. Obviously there weren't many demos available so people used to share them on the internet, which was a good way for everyone to hear [our music]" (Hasted 2005, para.10).

Thus, the core fan base that the band had built overtime allowed for "an almost folk-style passing of [its] music" to happen (Hasted 2005, para.7). Thus, it could be argued that the internet can serve as a virtual community for fans to distribute the music of unsigned or independent artists. However, The Arctic Monkeys example should not be generalized to a global scale, as other factors contributed to the band's success. In other words, just because this situation played out the way that it did for The Arctic Monkeys does not mean that a similar result would transpire in a different circumstance. For example, The Arctic Monkeys were particularly endearing to the British public because of the band's Sheffield regionalism. As Hasted (2005) of *The Independent* suggests:

"2005 [saw] British pop return to its natural home of provincial mundanity and private hopes, small specific moments of ignominy and transcendence, in a line that runs from Billy Liar and The Beatles to punk and Parklife" (para.4).

Moreover, earlier, British bands, such as Oasis, had become 'bloated,' overexposed, and distant because of corporate manipulation. As a result, localized bands, such as The Arctic Monkeys, were championed by the public for being "idealists" who worked to "[break] down the barrier between themselves and their fans" (Halders 2005, para.5). In other words, it was the face-to-face familiarity, as well as the band's locality, that endeared The Arctic Monkeys to the British public. This affection for regionalism can also be looked at as an attempt to oppose globalization and transnational media corporations. Notes Jude Rogers (2011) of *The Guardian*:

"[Singer] Alex Turner's use of observational lyrics from the bar stool [has allowed for him to project his] own argot rather than faux-Americanisms" (para.4)

Thus, it is more accurate to attribute The Arctic Monkeys' quick rise in popularity to press sensationalism, rather than to the internet. Specifically, the British music press introduced The Arctic Monkeys as fore bearers of a new music industry model where artists could bypass corporate channels, create music autonomously, and enjoy democratic working conditions (Perreau 2005). In fact, much like *NME*'s promotion of

The Strokes, The Arctic Monkeys enjoyed full-length features, photos, and the title of "Our Generation's Most Important Band™" from the music weekly (Jonze 2006, para.1). As a result of this promotion, "[the band sold] out the Astoria, a top London venue, with tickets touted for £100" before an official album release was made (Barton 2005, para.4). Thus, the press sensationalism surrounding The Arctic Monkeys backed the belief that major label dominance was ending in the internet era. Therefore, it can be argued that press sensationalism, as well as radio airplay, contributed most to The Arctic Monkeys' quick rise to success, not internet campaigns. For example, radio station, XFM, played the band's first single, "I Bet That You Look Good on the Dancefloor" over 250 times from September 2005 to October 2005, which averages out to be about one play every three hours (Barton 2005). Thus, because traditional industry platforms helped The Arctic Monkeys to become commercially successful, it is unreasonable to proclaim that the band operated entirely without corporate distribution channels.

As a result of the band's popularity, record labels, both majors and independents, began pursuing The Arctic Monkeys. The irony of this corporate bidding war was that the band's main appeal was its defiance towards corporate culture (Rogers 2011). Thus, by bidding for the band, major labels were devaluing the institutional position that the band embraced, as they perceived The Arctic Monkeys' defiance as a marketing tool. Nonetheless, because the indie aesthetic had become commercially lucrative, major labels were intent on signing the band, which demonstrates their tendency to follow trends, rather than innovation (King 2012). As a result of this, many "second-and third division guitar bands" entered the music market, which created an overabundance of Strokes-like artists (King 2012, p.568). In short, this contributed to the illusion of music industry democratization.

Though the financial might of the major record companies left many independents unable to bid for The Arctic Monkeys, some were in the position to do so because of their newfound economic stability. For example, because of Franz Ferdinand's success the previous year, Domino records was able to enter the competition and eventually win The Arctic Monkeys. Ultimately, The Arctic Monkeys chose Domino because the label promised the group creative freedom (King 2012). As the band's drummer, Matt Helders, admits:

"I was tempted by the money on offer [from another label], because it meant I could give up my day-job. [But]…Lawrence…seemed like a genuine fan [of the band]. He decides who he signs, rather than some MD" (Hasted 2005, para.12).

Thus, personable experiences, fairer working conditions, and artistic autonomy are what draw artists to independent labels and encourage them to forgo the larger monetary rewards of major labels. Therefore, it can be argued that many artists still uphold the traditional independent ethos.

Unfortunately, because the commercial music press has positioned The Arctic Monkeys as pioneers of a more democratic music industry, major labels have been able to exploit this misconception in order to further industry consolidation. For example, as David Balto, an antitrust attorney for Universal Music Group, suggests: The internet has made it impossible for major record labels to dictate over any music sector (Sydell 2012).

Rather, he contends that: “A dynamic explosion of competitive alternatives [has taken place because of the internet],” therefore ending the major labels’ roles as gatekeepers (Sydell 2012, para.4). Similarly, a spokesperson for UMG claims that: “The music industry [is now] intensely competitive [because] barriers to entry have evaporated” (Martinez 2012, para.5). Thus, these views illustrate the potential dangers of generalizing the commercial visibility of independent artists, as these examples, such as The Arctic Monkeys, can be used to conceal inequalities that still exist. Therefore, the contexts in which new technologies are used must be understood in order to comprehend their potential impacts and implications on music (Azneha 2006).

The development of a ‘tiered’ independent music sector: Breaking ranks

While the visibility of independent musicians in the mainstream has made it appear as if new technologies have allowed for numerous independent record labels to prosper, this assumption is an illusion. Rather, “a small number of particularly powerful independent labels, [such as Rough Trade and Domino, have] slowly [developed] a second-tier monopoly below the majors” (Bignell 2011, para.7). In other words, indie music’s popularity has only benefitted a few independents. Consequently, as BB6 music DJ, Tom Ravencroft notes: “[You see] the same [independent record] label names [come] up all the time” on radio playlists (Bignell 2011, para.7). As a result, hierarchies have formed and have divided the collective nature of the U.K. independent infrastructure. In particular, the more dominant independent labels have acted in ways that further their self-interests rather than the interests of the independent community as a whole. For example, during recent talks regarding Universal Music Group’s proposed acquisition of major record label, EMI, independent labels became divided in their opinions of this impending super-label. These disagreements were surprising because consequences of the merger, such as "barriers to entry," "exclusionary effects," and diminished "diversity," were possible casualties for independents (Fortes 2012, p.12). Nonetheless, larger independents chose to support the merger, ultimately, because UMG made them an appealing offer (Fortes 2012). The proposal went as follows: if independents backed Universal's acquisition of EMI, Universal in turn would give the independent community first bidding on the $300 million divestments it was selling (Sisario 2012a). As a result, "[the] top independent figures [supported the merger, as they wanted]…to buy EMI's castoffs," while the less affluent members of the independent community opposed it (Sisario 2012a, para.8). Acknowledging this divide, Alison Wenham, the Association of Independent Music's (AIM) chief executive, argued that if larger independents continued to support the EMI acquisition, their approval would only benefit the new independent oligopoly, which would promote long-term hindrances for the rest of the independent community (Christman 2012b). Similarly, IMPALA's (The Independent Music Association) executive chair, Helen Smith, further acknowledged the consequences of breaking up the independent collective:

"[IMPLALA] takes the principle of treating all members equally very seriously. [Thus,] negotiating from a position of *collective* strength to benefit *all* members is what IMPALA stands for" (Sisario 2012, para.11).

Therefore, with this example, it can be seen that larger independent labels have recently demonstrated practices that go against the independent mission of promoting a collective community. Consequently, it can be argued that the music industry has not become democratized, but, rather, more complex and driven by capitalism.

The decline of British indie in the 2000s

All trends in music are cyclic. Therefore, the prosperity of one genre rarely lasts indefinitely. Ultimately, for indie music as a stylistic genre, public interest began to wane around 2007. To illustrate this, *Guardian* journalist, Rob Fitzpatrick (2011), outlined the declining album sales of Leeds indie rock band, Kaiser Chiefs. In 2005, Kaiser Chiefs sold two million copies of their debut album, *Employment* (Fitzpatrick 2011). However, the band's 2007 follow up album, *Yours Truly, Angry Mob*, only sold "800,000 [copies], [which was] a 55% drop in sales" from the previous album (Fitzpatrick 2011, para.1). By 2010, Kaiser Chiefs' third album, *Off With Their Heads*, could only muster sales of 200,000 copies, which was a 75% drop from album number two, and a 90% drop in sales from album number one (Fitzpatrick 2011). While the decline in album sales could be attributed to an influx in internet piracy, what this example also demonstrates is that music trends fluctuate and are unpredictable. In other words, such a steep decline in *popularity* cannot solely be attributed to online file-sharing (Robinson 2009). Consequently, as Robinson (2009) observed in 2009: "Looking at…the music critics' tips for [the coming year], an entire generation of new musicians have reaped the rewards of a media and record buying public looking for the opposite of [male] guitar bands. [Therefore, consumers are instead turning to] a nice new keyboard and…[a female vocalist]" (para.5).

Thus, it can be argued that, with the demise of 'indie' music's popularity in the new millennium (2000s), the potential for smaller British independent labels to become affluent from its popularity has also diminished. This is because no other genre in recent years stylistically utilizes the institutional position of independence, coupled with a specific appearance, to enhance its consumer appeal. Consequently, with their newfound financial stability, larger independent labels have continued to grow and dominant the market with their popular artists, while smaller independents have continued to struggle. For example, after twenty years of being in business, independent label, Hydra, was finally forced to shut down its operations in 2012 as a result of "running on empty for a while" (Houghton 2012). In fact, Hydra's situation became so alarming that the label had to reach out to the public for help, stating that "it is…unlikely [that the label will] be [resuscitated], [but that it would like to] follow through [with its] final round of releases…and [to] pay off [its] debts to [its] artists and manufacturers" (Houghton 2012, para.4). However, in order to do this, Hydra had to "[initiate] a massive sell-off of everything [it could] dig up and produce for the…6-12 months" following its announcement (Houghton 2012, para.4).

Independent labels post-indie popularity 2012: A case study of Cooking Vinyl

In contrast to the obstacles that smaller independents like Hydra encounter, larger independents have continued to reap the rewards of indie music's popularity in 2012. Thus, while the 'indie movement' has waned, its most popular artists, such as The Arctic Monkeys and Franz Ferdinand, have retained devoted fan bases. Therefore, independent labels, such as Rough Trade and Domino, have continued to build on their previous successes. Moreover, the financial stability of these larger independents has enticed popular and established artists to leave their respective major labels for independents. As a refresher, the ideology of independence can be defined as "a means of reconciling [with] the commercial nature of pop, [while obtaining] the goal of artistic autonomy for musicians," as well as democratic working conditions for creative laborers (Hesmondhalgh 1999, p35). Therefore, many artists choose independents in hopes of gaining fairer working conditions. Ultimately, it was these prospects that motivated popular British bands The Enemy and The View to leave their respective major labels (Warner and Sony) for well-established independent label, Cooking Vinyl. In regards to his band's decision to leave Sony Music, Kyle Falconer, singer for The View, claims that "it was a mutual [agreement between the band and the label]," as the band wasn't the label's "main priority" (Nixon 2012). This demonstrates how smaller acts on major labels often get minimal attention, as most of the company's money comes in from top-selling artists. The Enemy's singer, Tom Clarke, expresses similar sentiments as to why his band left major label, Warner Music:

"My experience [with] record labels is as follows: the big ones…are all about one thing – money. The smaller ones are about two things – people and music. Success is possible because, when a small team of enthusiastic people care, they are capable of creating something that no big label or their lawyers can buy, passion. You can't take 25% of net passion" ("Enemy Sign with Cooking Vinyl," 2012, para.2).

Thus, though each band achieved notable successes on major labels, both The View and The Enemy felt that their needs could be better served by an independent record label.

Cooking Vinyl: Budget marketing

Cooking Vinyl, the independent label these two bands have chosen to collaborate with, is a rarity in the independent music sector because of its longevity (Woods 2011). Established in 1986 by Martin Goldschmidt and a friend, Cooking Vinyl's initial goal was simple: to be "[on] the cutting edge of roots music" (Woods 2011, para.1). However, despite its recent successes, the label's beginnings were humble. In fact, it wasn't until popular band "The Prodigy signed with the label and released *Invaders Must Die,* [2009's] biggest [European] independent record,…[that Cooking Vinyl went from being a] shrewd…fan base label" to its current prestige (Woods 2011, para.3). Thus, The Prodigy allowed for Cooking Vinyl to establish itself as a viable business. This demonstrates that "[an independent label] needs [at least] one [successful] group to fund a serious-sized label, [and at least] two or three [successful groups] to really make [the label stable]" (Hesmondhalgh 1997, p.263). Thus, it took an *already* successful act, The Prodigy, to provide Cooking Vinyl with enough investment to reach its current stability.

However, Negus (1996) argues that, with commercial success comes pressure to perform and, therefore, successful independent record labels may shift their business practices towards those of the majors. When analyzing Cooking Vinyl's practices, this argument appears somewhat valid. For example, in terms of adhering to the 'independent mission' of cultivating new and diverse music, Cooking Vinyl has instead chosen to play it safe when it comes to developing artists. For example, Goldschmidt most often signs already established musicians to Cooking Vinyl, rather than unknown artists, as the latter are a riskier investment. This is unfortunate because one of the primary goals of independent labels has been to provide new opportunities for marginalized artists to work within the creative industries.

Nonetheless, pursuing self-interests has helped Cooking Vinyl financially because, as these artists already have loyal fan bases, the label can operate on a tighter budget, as the expense of ‘breaking’ unknown artists isn’t there. Says Goldschmidt of Cooking Vinyl’s conservative practices: “We have realistic expectations and…cut our cloth accordingly,…if [we] budget for 3,000 [albums] and sell 15,000, [we] have made a profit” (Woods 2011, para.26). Moreover, the label benefits from knowing who has previously responded to these popular artists, which minimizes the trial and error, as well as expense, of discovering which audiences to target. According to Goldschmidt:

“[Cooking Vinyl does] very focused marketing and [is] very careful about what [it spends]. [Ultimately, not] a lot of market research [is needed] to [know that the label] should be advertising in *Mojo* or *NME*” (Woods 2011, para.24).

These low budget practices have proven successful for The Enemy and The View, as The View’s *Cheeky for a Reason* and The Enemy’s *Streets in the Sky* each went to #9 in the OCC Album Charts in 2012 (“2012 Brings repeated chart successes for Cooking Vinyl,” 2012). In addition to these two successes, Cooking Vinyl has had three more albums in the official top 20 album charts in 2012: The Cult's *Choice of Weapon*, Reverend & the Makers' *@reverend_makers* and Marilyn Manson's *Born Villain* (“2012 Brings repeated chart successes for Cooking Vinyl,” 2012). Likewise, the label has also placed in the top 40 with The Proclaimers' *Like Comedy*, The Cranberries' *Roses*, and The Counting Crows' *Underwater Sunshine (Or What We Did On Our Summer Vacation)*

("2012 Brings repeated chart successes for Cooking Vinyl," 2012). Ultimately, these achievements mean that the label has had, in total, 8 charting albums in 2012, "[which] further [cements] its reputation as a powerhouse independent" ("2012 Brings repeated chart successes for Cooking Vinyl," 2012, para.3).

Moreover, because Cooking Vinyl artists can rely on their established fan bases to participate in inexpensive word-of-mouth publicity, flashy and expensive marketing campaigns are, typically, avoided. This was particularly evident with The Enemy. As the band's singer, Tom Clarke, acknowledges:

"The best bit about [*Streets in the Sky*], [was] that it wasn't done with mass marketing and huge major label budgets, it wasn't done by being played on Radio 1 every minute, [the success of it was realized because of]…old fashioned, pure fan power" (Clarke, May 29, 2012).

Thus, the band was able to create an album on a tighter budget by utilizing its fan base. For example, fans worked to promote *Streets in the Sky* by word of mouth, particularly through Facebook, and received signed copies of the album and a free single for their efforts. In other words, the band successfully got its fans to promote the album and, therefore, was able to reduce its expenditures. Therefore, in this case, the internet effectively *accompanied* traditional album promotion, as it allowed the artist to "communicate directly with fans" and to cut marketing costs (Kot 2011, p.3). However, much like The Smiths realized decades earlier, The Enemy has also come to understand that the independent route of marketing often equates to more work and stress for the artist. As Clarke acknowledges:

"When a big *X Factor* (U.K. talent television program) artist releases an album, they can throw millions of pounds at huge billboards up and down the country [and] expensive television adverts; [they also have]…the [show's huge audience]…to guarantee [that] everybody knows about them. If [The Enemy is] to compete in a chart dominated by TV created big budget pop, [it has] to work VERY hard…[so] we need [our fans]" (Clarke, January 6, 2012).

Other areas of the band's budget costs that were, partially, covered by fans were music videos. For these promotional spots, The Enemy encouraged its fans to attend concerts and then to submit this footage for the band's music videos. Ultimately, this collaborative effort not only kept marketing and production costs down, but also connected the band with its fans, which has created a deeper sense of loyalty. It should be noted, however, that this fan community was built from large promotional efforts by Warner Music, the band's former label. In other words, without the previous marketing prowess of Warner, The Enemy would not have had as strong of a fan base to 'exploit.' Thus, less established artists with no previous ties to major labels may find fan-operated marketing to be less effective.

Cooking Vinyl: Record contracts

Though Cooking Vinyl does not focus on developing new artists, the label has made attempts to democratize the music industry, particularly with fair recording contracts. To summarize what an 'ideal' contract looks like, artists typically strive for as close to a fiduciary duty as possible. By definition, a fiduciary duty is a contract where all parties are considered equal partners in setting the contract's terms (Okorocha 2010).

Therefore, a fiduciary places artists and labels on equal grounds and, as a result, gives artists "greater leverage in legal disputes" and greater bargaining power over contract terms (Okorocha 2010). However, despite the appeal of these partnerships for artists, few court systems enforce them, as many believe the "ordinary contractual duties of good faith and fair dealing [to be sufficient]" enough to protect artists against label exploitation (Okorocha 2010, p.12).

Despite these oppositions, Cooking Vinyl offers an egalitarian recording contract that is similar to a fiduciary duty. In terms of profits, the label usually gets a percentage off the top of a project's total revenue to cover costs, while the artist gets the remaining balance (Woods 2011). Thus, Cooking Vinyl is working to ensure that artists become financially secure. Additionally, the contract doesn't require its artists to agree to specific promotional ventures. This is an important freedom because production and marketing endeavors often become costly expenses that artists have to cover. As founder of the Cooking Vinyl contract, Mark Goldschmidt, reasons:

"[Cooking Vinyl provides] a service to artists and [therefore, it is] our job…to work hard and advise them. [Ultimately,] once they [have recouped what they have spent on their albums] and [have gotten] over the hurdle of paying [back] the costs, they make the lion's share of the money. [Thus, this contract works to put the label] on the same page [as] bands [because] instead of [artists] saying, 'Come on, just pay for this, you've got loads of money', they [instead say], 'It's our money - is [this expense] worth paying for?" (Woods 2011, para.14).

Thus, artists are given the freedom to choose their expenses, rather than being bound to a label's conditions. Regarding his contract with Cooking Vinyl, The View's guitarist, Pete Reilly, suggests that:

"[Our record deal is] not really a record deal; it's more [the band] licensing [the] album to [Cooking Vinyl]. [Therefore, the label will] work harder as [it is] getting a smaller percentage [of the final profit]. [The band] gets the majority so [the label] need[s] to work for [its] share" (Nixon 2012).

To further understand the beauty of the Cooking Vinyl deal, it is important to know how a recording contract works. By definition, a recording contract is a legally binding agreement that "states all the rules that both the artist and the record company must abide by when both parties agree to the production and release of the artist's music ("How a recording contract works," 2012). At its simplest, "a recording contract [determines] how many songs the artist must make for the company (from one single to multiple albums) and how much the artist gets paid for recording those songs" ("How a recording contract works," 2012). Typically, these conditions require a record label to advance a certain amount of money to artists in order to help them pay for album expenses, such as recording, promotion, and life costs. Thus, in theory, a recording advance can benefit artists who are attempting to establish themselves as working musicians. For example, as Damien Kulash of American band, OK Go, acknowledges:

"I certainly didn't have $150,000, $200,000 to dump on trying to make my band work. And if I could have gotten a banker to give me that loan, I wouldn't have taken it because the chances are [I was] going to fail" (Goldstein 2010, para.3).

Consequently, record labels, particularly majors, have been likened to banks, as a large part of their job has been to loan artists monies. However, as Cook (2003) notes, despite the initial attraction of a substantial recording advance, this money dwindles quickly for artists, as the costs of album production and promotion are subtracted from it. Thus, in reality, "an artist usually receives [only] a small portion of the total fund because most of [his or her] promotional, and often all of his [or her] recording costs, are deducted from [the advance]" (Cook 2003, p.41). For example, record labels typically deduct "50% of all independently contracted marketing, promotion, and publicity costs, 100% of the cost of making music videos (but the labels get to own the videos), and 50% of website costs (but the labels own the website)" from artists' advances (Donelly 2007, p.2). Thus, it is important to keep in mind that artists under recording contracts are paying for their expenses with their advances, which are leant to them by record companies that must be repaid. Consequently, these loans can result in artist exploitation, as record companies will often try to convince, or force, artists to spend all of their money on expensive undertakings in order to receive a substantial return on investment. Specifically, "[though] a company may consult with [an] artist about promotion plans, [it is the label that] normally retains the right to make the final decisions [about the artist's music and promotion]" (Cook 2003, p.46). These decisions can include, but are not limited to, the power to dictate how many videos an artist is required to make, as well as the budget for each video, which can range from $600,000 to $1,000,000 (Cook 2003). In fact, "only select top-selling artists with the most bargaining power can approve everything involved in the video's production, including the concept, planning, story line, script, shooting dates, and location" (Cook 2003, p.46). Moreover, because "major record companies [insist on using] large-scale production and national marketing campaigns to create a hit song or album, [the costs of this process can range] anywhere from one million to two million dollars" (Cook 2003, p.41). Ultimately, these expenses fall on the shoulders of the artists, who are using their advances to pay for them. Additional expenses that artists are often expected to pay for can include advertisements within trade publications ($50,000 each), independent radio promotion ($300,000), tour support ($200,000), and a radio station tour ($100,000) (Cook 2003).

A good example of how recording contracts can lead to artist exploitation is OK Go's experience with major record company, EMI. While recording its first album, *OK Go*, the band, wishing to keep its album costs manageable, proposed to EMI that a music video budget of $65,000 was sufficient ("Why OK Go will never see a dime from EMI...," 2012). However, EMI turned down this request, stating that a cheap video wouldn't make the band commercially viable. Thus, with EMI having the final decision, the video ended up costing a total of $505,000, despite the band's original wish ("Why OK Go will never see a dime from EMI…," 2012). Moreover, during the same time frame, OK Go experienced another hidden expense, this time in the studio. For *OK Go,* EMI, in an attempt to spend the band's advance, "secretly retracked the drums on [the] first single [13 times to add an additional] cost of $35,000 [to the song's production] ("Why OK Go will never see a dime from EMI…," 2012). Interestingly enough, EMI's final decision on the track was to use the band's original drummer without the additional adornment ("Why OK Go will never see a dime from EMI," 2012). Thus, these unnecessary costs that major labels tack on contribute to the financial instability that professional musicians often confront. As OK Go's manager laments, "[OK Go] are -- and probably always will be -- in an unrecouped position [to EMI], [and, therefore, will] never see a dime [from the record company], as [the band is] forever destined to be paying [back its advances, such as the] tour support [it] received in 2002" ("Why OK Go will never see a dime from EMI…," 2012). Likewise, young musicians may fall prey to the illusion that advances are a non-repayable, indefinite flow of money and, consequently, may forget to budget it wisely. For example, when signed with major record company, Sony Music, The View overspent its advance, which has placed its members in perpetual debt to Sony. As Kyle Falconer of the band admits: "We went fucking nuts and spent all [of] our money; we were never advised [on] how much [we should be spending and] in the end it came out to about £500,000" (Nixon 2012). Thus, considering these instances of artist exploitation, Cooking Vinyl is doing a great service to artists by giving them control over their expenses and guidance on how to spend it.

Cooking Vinyl: Song ownership rights

Additionally, Cooking Vinyl doesn't expect its artists to give up ownership of their master song recordings in exchange for advances (Ashton 2009). Thus, because they retain songs ownership, artists are in control of how their copyrights are used, which allows for them to profit more from future licensing deals. Thus, the Cooking Vinyl recording contract is further transforming artists' rights by allowing them to retain full ownership of their recorded songs (Ashton 2009).

In a more typical circumstance, a record label, most often a major, will expect artists to give up ownership of their master recordings in exchange for a recording advance. Ultimately, gaining control over song ownership is important to labels because they use these back catalogues for commercial licensing, which is profitable (Woods 2011). Ultimately, this transfer of song ownership from artist to label greatly disadvantages artists, as labels "aren't obliged to do anything with [an artist's songs]" once his or her contract expires (Lindvall 2009, para.4). Consequently, artists' songs can become dormant and 'locked up,' as artists can't control if or how they are being used (Lindvall 2009). Therefore, Cooking Vinyl is providing its artists with a privilege by giving them song ownership. In fact, song ownership is so coveted by artists that the Featured Artists Coalition (FAC), an organization that works to be the 'voice' of music artists in the U.K., has begun campaigning for this right to be awarded to artists across *all* record labels, including majors (Lindvall 2009). Specifically, the FAC is proposing "that all [record] deals should be licensing deals, which means that the artists [should] retain ultimate ownership of their recordings, and [that] the label [should] only [have] control of [these songs] for a set amount of time" (Lindvall 2009, para.6). Therefore, it can be acknowledged that Cooking Vinyl is continuing the independent tradition in regards to providing artists with fairer record deals and democratic working conditions. However, as previously stated, the label's criteria for signing established artists is discriminatory and, therefore, undemocratic. Thus, while it can be argued that, though Cooking Vinyl is demonstrating many aspects of the 'independent ethos,' it isn't exactly providing new creative workers with opportunities, which makes it somewhat elitist.

Cooking Vinyl: Artist autonomy

Lastly, Cooking Vinyl offers its artists the privilege of artistic autonomy in the creation of their material. This greatly contrasts with the typical artist and major label relationship for album production, where only superstar performers are awarded creative control (Hesmondhalgh 2007). Ultimately, this discrimination results because these celebrity musicians are the ones providing corporations with the largest financial rewards (Hesmondhalgh 2007). In contrast, less established artists are usually given significantly less influence over their finished products (Hesmondhalgh 2007). For example, while on the Columbia label, which is under Sony Music, The View was forced to use Sony's producer because the label wanted to give the band a bigger sound and to teach singer, Kyle Falconer, how to articulate more ("Big fish," 2012). Specifically, the Columbia label wanted to make the band more mass marketable by reducing the Scottish quartet's heavy accents and Dundonian slang.

In contrast, Cooking Vinyl perceives these nuances as pivotal to The View's identity and, therefore, has allowed for its members to maintain their accents and to work with the producer of their choosing ("Big Fish," 2012). It is because of this freedom that the band's singer believes Cooking Vinyl to be "more of a team effort [rather than] …a big record company [dressing you up] and [persuading] you [to release certain singles]" (Nixon 2012). Thus, from this example, it can be seen that independent record labels have the potential to preserve cultural identity, as Cooking Vinyl has allowed for The View to regionalize itself. Similar examples of independent artist regionalism include Sheffield's The Arctic Monkeys, London's The Libertines, and Coventry's The Enemy. Thus, it can be argued that independent labels do a great service to local communities by creating bonds between regional culture and residents. Moreover, this regionalism can also act as a niche market in contrast to the, often, homogenized music of transnational media companies.

Additionally, major labels also often dictate the direction of artists' creative projects by controlling song creation. For example, Sony Music developed a strict singles campaign for British singer, Natasha Bedingfield's, album, *Unwritten,* that required her to go back into the studio to record a new track (Wenham 2009). As her representatives argue:

"We needed the first single to…showcase her…edgy side and [to] introduce her to dance music fans. [In contrast, the purpose of the] second [single was] to broaden her audience, [while] the third [single was scheduled to become] her mainstream crossover anthem. [However,] because we didn't feel we had [a] track that fitted the criteria for the second single, she went back to the studio and wrote "These Words," which became a number one hit love song all about the difficulty of writing a hit love song" (Wenham 2009, p.23).

Thus, this example illustrates the power that some artists are forced to relinquish to major labels when creating an album. Consequently, their final product may be something of which they have had very little say in. Such strategies are put into place because:

"Music companies are working in a highly competitive marketplace. [Thus,] for every artist that is commercially successful, most are not. [As a result,] when [major labels] sign artists, [their] only goal…is to have a big hit" (Wenham 2009, p.17).

This pressure is greater for major labels because "the market realities of being part of a multinational [means] that the year to year profit-and-loss sheets [are] not driving [company] finances any more. [Rather,] once you get shareholders involved that [demand] an extra 10 percent every year on their profit returns, the pressure [to perform well] is handed down through the executives, who are all on bonus schemes" (King 2012, p.51). Thus, major labels may begin to perform in the interests of their shareholders, rather than in the best interests of their artists.

Cooking Vinyl: Icebreaker and funding

Despite encouraging young artists to rely on tight budgets, it should be acknowledged that Cooking Vinyl is also capable of fulfilling the needs of highly established artists who can handle larger loans. Ultimately, this financial freedom is, partially, because of the label's groundbreaking and innovative relationship with Icebreaker, a group of private investors looking to fund artists' careers. As founder, Caroline Hamilton, suggests, the Icebreaker business matches investors with artists and bands much like the feature film industry does in terms of utilizing private funds ("Declining album sales present problems," 2012). More specifically:

"Icebreaker Management Services Ltd. offers what it and others believe to be a unique financing option that combines something akin to venture capital with many of the functions [available] traditionally [exclusive to] the domain of record labels. [The] firm uses a British corporate structure called a limited liability partnership (which is different from an American LLP), [where it] groups…investors into an investment pool. [Thus,] unlike limited partners in a typical venture capital or private equity fund, these partnerships, which tend to be in the vicinity of £10 million ($15.6 million) each, [allow participants to] opt into (or out of) individual projects" (Miller 2012, para.3).

For Cooking Vinyl, this exclusive partnership means that the label has access to a £ 10m fund trust specifically for its artists ("Cooking Vinyl deal with Icebreaker," 2011). Such a fund, however, has its selectness, as one of the main goals of this partnership is maximize the donations of its investors ("Cooking Vinyl deal with Icebreaker," 2011). Therefore, as the firm's founder, Carline Hamilton, admits:

"The artists we support are performing gigs already; they have recorded at least a few tracks and…have some sort of following on Twitter or MySpace or [a] similar [outlet]. [This is because] if [an investor] put[s] [his or her] hand up and say[s], 'I'm looking to fund music', then you'll be absolutely inundated with artists. [Therefore,] if an artist is good enough to be picked up by a good management team, then we're interested – that's probably our most important filter. [Moreover,] investors assess artists like they would any other business decision. They need evidence of a business plan [and that the bands] know who their target audience is; who their competitors are; why they're different; what their route to market is; how they're going to reach their target audience; and what resources they'll need around them to make this happen" ("Declining album sales," 2012, para.31).

Consequently, Icebreaker is, likely, a service only available to high-profile artists, as few investors would, arguably, see ventures with new or less popular artists as financially worthwhile. Thus, considering this 'shareholder condition,' the egalitarian nature of Cooking Vinyl becomes questionable.

However, despite the exclusivity of the Icebreaker deal, Cooking Vinyl also offers its artists less hierarchal service options, which include, but are not limited to, publishing (Cooking Vinyl Music), as well as marketing and distribution services via Essential Music & Marketing (EMM) ("Cooking Vinyl website: About," 2012). According to its 2012 website, EMM offers "services ranging from basic digital and physical distribution packages [and] full project management [for independent labels], [as well as] marketing and sales for artists [looking to release] their own music" ("Essential Music & Marketing: About," 2012). Moreover, in terms of distribution, EMM "[works] with [Cooking Vinyl's] distribution partners, [as well as the label's] in-house UK sales team, [to] provide a secure route to the shelves of all major music retailers, supermarkets, independent stores and online retailers" ("Essential Music & Marketing: Sales and distribution," 2012). Likewise, the company also boasts that it has "established relationships with key distributors throughout Europe and internationally, [which allows for it] to hand pick the most appropriate channels for [its] clients" and to release their music simultaneously in several markets ("Essential Music & Marketing: Sales and distribution," 2012). Nonetheless, though EMM does offer a wealth of services for both independent labels and artists, it should be reminded that its co-founder, Martin Goldschmidt, is also Cooking Vinyl's founder. In short, this relationship places the label in a central position for distribution within the independent music sector, much like Rough Trade Distribution in the 1980s. Therefore, special treatment for the label has the potential to result, though there are no current suggestions that it has.

Nonetheless, it is accurate to acknowledge that, with ventures like EMM, Cooking Vinyl has become vertically integrated, as it owns the means to distribute, market, and publish its artists (as well as the artists of other labels). Thus, this gives the label a major financial advantage over other independents, as EMM provides Cooking Vinyl with a substantial cash flow. In contrast, such ownership is financially out of reach for most independent record labels, thus making them reliant on large independent or major label distribution. Moreover, vertical integration offers another concern for the independent sector. Specifically, it encourages hierarchies to form and job development to stall, thus making it a slightly controversial practice among independents. For example, as the British Independent Music Companies Association (IMPALA) stresses via its website:

"The independents are…highly fragmented and [therefore,] collective initiatives are important. [As a result, they] tend to focus on their core skills…[and, for that reason,] rarely [become] vertically integrated. [Rather, they] outsource what they do not see as core [and, subsequently,] enjoy a symbiotic relationship with third parties. [Thus, these businesses come to] provide vital elements in the development, production and sale of recorded music, such as distributors, retailers, manufacturers, designers, session artists, [and] concert promoters. [Ultimately, it is this]…general absence of vertical integration [that] helps [independents to] remain agile, responsive and light footed, [which] explains why they are such good innovators" ("IMPALA: Features of independents," 2012).

This statement is worth considering because it demonstrates how larger independent record labels, such as Cooking Vinyl, have become somewhat disconnected from the independent sector in terms of group effort and democratization. As was illustrated by Rough Trade in chapter one, early British independents enjoyed an egalitarian community from which creative workers worked together to create, distribute, and market local and innovative artists. Thus, it can be argued that, in order to have "democratic media production, [there] also [needs to be] collectivism, collaboration and co-operation amongst media workers" (Hesmondhalgh 1997, p.256). However, the popularity of 'indie' bands in the earlier part of the new millennium has changed what it means to be an independent record label, artist, or business in the music sector. In fact, as Oakley (2007) acknowledges of local creative businesses, "regions are [now] desperately trying to 'compete' with one another to grow 'competitive clusters' of their own" (p.269). In other words, instead of threading different regions together through a collaborative network, communities now try to outdo one another in order to make their region the most profitable. This starkly contrasts with the collective nature of early post-punk independent British labels and The Cartel.

Ultimately, as outlined in this chapter, artists displaying a certain aesthetic within mainstream British music have constructed the deceptive illusion that music industry democratization, by its most rudimentary definition, has been achieved. However, what has truly transpired is a hierarchy within the independent sector that conceals a more sobering reality: that the previous struggles of independent labels and artists still persist. Unfortunately, corporate entities and the government have used this illusion to their advantage by excusing, arguing for, and justifying practices that favor major corporations, such as the approval of Universal's acquisition of EMI. Of equal importance, these hierarchies within the independent sector demonstrate that independent labels have forgone many of their original goals, particularly collectivism, as well as creative labor rights and artist autonomy. Thus, while it is true that independents, such as Cooking Vinyl, are providing artists with fairer working conditions, these freedoms cannot be considered democratic, as they favor a selective group of artists, namely established ones. Therefore, it can be argued that democratization has not transpired on all accounts, as the protection of music production and creation, as well as market access, has not been achieved. Thus, considering these realities, the following chapter seeks to further examine the challenges confronting independents in 2012 through an analysis of the practices of major labels, distribution outlets, and the government.

Chapter Three

Current Obstacles for Independents in the Digital Era

Though this project focuses on the independent sector, broader contexts must be considered in order to fully understand the struggles, operations, and philosophies of independent record labels in 2012. This is because, despite claiming to operate autonomously, independents are never truly insulated from the practices of major labels and related institutions. Rather, what occurs in the broader music industry, as well as the government, shapes how these small businesses function. Therefore, this chapter will examine how aspects beyond the independent sector impact the affluence and ethos of current independent record labels and artists in 2012. To do this, physical music distribution will first be explained in order give readers a general overview of the ways in which major labels have dominated over distribution channels. Following this summary, the dynamics and implications of the recent transition from physical to online distribution will be discussed. Specifically, focus will be given to the increasing importance of copyright, music licensing, and advertising in the digital sphere, as well as how these practices affect both independents and major labels. Once the online market has been accessed, the practices of lobbying groups and government policies will be examined in relation to independent record labels. Ultimately, the purpose of these institutional analyses is to demonstrate that forces beyond the independent sector strongly effect, and often impede, the stability of independents. Finally, to close this chapter, the internet's impact on the affluence of independent music throughout Europe will be discussed, as this examination will demonstrate that British independent successes are case specific and, therefore, should not be simplified or generalized.

As Kot (2011) notes, the music industry initially chose not to adapt to the internet because CDs and physical distribution have been immensely profitable for dominate businesses. Consequently, many companies, particularly the major labels, missed the opportunity to "harness digital distribution under a centralized server," which would have allowed for them to control the decentralized digital market (Kot 2011, p.37). Thus, because of this misstep, it seems reasonable to assume that major labels no longer control the distribution of music, especially considering the recent visibility of independents in the mainstream market. However, as Burkart (2005) argues, "although the majors may not operate the telecommunications bottlenecks to online music access directly, [they have] nevertheless [gained] control [over the digital market]" (p.479). Consequently, despite the changing climate of the music industry, traditional hierarchies have transitioned into the digital market, thus limiting the ways in which a decentralized service could promote a more egalitarian music industry. The following analyses attempt to demonstrate these limitations to digital distribution, as well as other obstacles that independent labels experience, such as government funding, in 2012. Additionally, attention will also be given to major label practices and how these corporations still manage to maintain their advantageous positions in the online sphere. In short, the goal of this research is to demonstrate that independent record labels and artists are still placed in disadvantageous positions in 2012.

Physical distribution

Before proceeding to digital distribution, however, it is important to acknowledge that physical distribution, or the distribution of tangible objects, such as CDs, is still widely utilized by record labels. Therefore, the ways in which independent record labels physically distribute their music in 2012 is still worth considering. As Alison Wenham of AIM cautioned in a speech to independent labels at the Annual General Meeting of 2012:

"Please don't neglect the physical market because it is still the greater part of our daily business. I think there is a [push] to force the industry over to digital more quickly than consumers might want to follow it" ("Wenham Calls for Patience," 2012, para.27).

Thus, physical distribution is still important to independent labels, as they rely on every piece of the revenue puzzle to prosper.

In terms of physical distribution, British independent labels have two options. The first is to utilize allied independent distributors in different territories to establish a network of market-by-market deals (LeGrand 2006). This practice is fairly new, as independent record labels previously released albums into markets territory by territory, which made it difficult to establish a unified, global marketing campaign. However, by linking up independent distributors across Europe and North America, independent record labels can now release albums simultaneously into markets, thus synching up release dates and promotion. For example, independent record label, Domino, used seven separate distributors to hit markets in the U.K., U.S., France, Spain, Denmark, Finland, and Austria for Franz Ferdinand's album *You Could Have it so Much Better* (LeGrand 2006). As a result, the band was able to synch up its album release concurrently across international markets, which was not only cost effective, but allowed for the band to develop a broader, international following. In addition to efficiency, many independent record label owners like using a network of independent distributors because of the control this system usually affords them. For example, Mike Batt, founder of U.K. independent label, Dramatico, acknowledges that "[getting] real cooperation from the heads of [major label distributors] in all…territories" is a real challenge for independent labels (LeGrand 2006, p.26). Therefore, an independent network of distributors can be advantageous to independent labels, as these systems can foster close relationships that may lead to more attention and better service for independent labels and artists. This closeness, ultimately, is difficult to achieve with major label distributors, as their primary focuses are their major label artists (LeGrand 2006). Thus, while it is true that working through multiple distributors can be time-consuming and troublesome, Batt perceives this system as worthwhile because of the possible relationships that can be formed: "[You can] choose people who are enthusiastic about [your] repertoire" (LeGrand, "The indie way," 2006). Considering this network's collective efforts, it can be argued that independent physical distribution has developed in ways that allow independents to successfully move their product across borders with minimal corporate interference. However, what becomes of the product once it has been distributed is still, often, determined by corporations, as retail outlets, both physical and online, often have influence over the practices of sales channels through partnerships and investments.

The alternative option that independents most often use for distribution is to sign a global licensing deal with a major label distributor (LeGrand 2006). Ultimately, what this means is that a major label "buys" the rights to the artist's album for a temporary amount of time and, therefore, has control over the manufacture, promotion, and distribution of it. In other words, the major label releases the album, not the independent and, therefore, the majority of the money made off of the album goes to the major label. Consequently, it is unlikely that a close relationship will transpire between the major label distributor and the independent record label, as the independent is considered the second wheel in the partnership. This is of concern because good "communication between the record company and its distributor means that an album [will be] disseminated according to an organized plan that is monitored on the national, regional, and local level" (Berry 2010, p.43). Thus, because major label distributors are invested in promoting the artists of their associated labels, the independent labels that utilize their services are less likely to receive attention. Consequently, independent artists may suffer from lack of attention, which has been one of the primary drawbacks experienced by independents when distributing products through major record companies.

Unfortunately, despite having established an international independent distribution network, major label distributors, nonetheless, still maintain advantageous positions over physical circulation. Mainly, this is because major labels own international distribution networks, which allow for them to act as gatekeepers in the music industry (Azenha 2006). Moreover, major label distributors often have accounts with major retailers and merchandisers, which allow major labels to access priority store display positions, as well as special promotions, for their artists (Gracon 2010). Ultimately, the importance of gaining entry into major retail outlets, such as Britain's

HMV, has intensified because, as internet distribution increases, independent record stores have gone bankrupt (Gracon 2010). This is problematic for independents because these record stores were known to work closely with small independent labels and to support localized artists (Gracon 2010). Moreover, as was demonstrated by the Rough Trade shop in the 1970s and 1980s, independent record stores once served as centralized points for discussion, as well as filters that introduce people to manageable amounts of new music. Thus, in previous decades, independent record stores were often public spaces that allowed people to engage in ideas about anti-corporatism, counter-hegemonic narratives, musical history, and culture on intellectual levels (Gracon 2010). Consequently, a central asset that once held the independent community together and furthered its democratic discussions and innovation is increasingly becoming extinct (Gracon 2010). Thus, with fewer and fewer stand-alone independent record stores in existence, major retailers have become more important for physical distribution (Gracon 2010). However, as previously mentioned, major label distributors work closely with these large retail outlets and, therefore, can obtain prime shelf space and in-store features for their artists (Gracon 2010). This is just one of the ways that major labels have remained dominant over distribution.

Moreover, as Knab (2004) cautions, independent physical distributors are prone to bankruptcy, as it is difficult to obtain an adequate reach across enough territories to maintain profits. Consequently, independent labels who work with independent distributors may face the danger of not being paid on time, or ever (Knab 2004). Contrastingly, major label distributors are, arguably, more reliable partners than independent distributors, as they "have the financial backing of their multinational parent companies…to weather the financial storms of the music industry" (Knab 2004, para.12). Therefore, they are more likely to pay independent record labels on time and in full. In a similar sense, major label distributors also have the negotiating power to "implement strict controls over how many records…major retailers are allowed to buy on credit," which protects their clients from exploitation (Knab 2004, para.12). Thus, what can be concluded is that, despite having established an independent distribution network, this network is often disadvantageous to independents.

Considering that major label distribution is still, arguably, the most efficient and effective way to physically distribute, it should be stressed that working with them is an opportunity most independent record labels don't have. This is because major label distributors are overwhelmed with projects and, as a result, they selectively chose only the most profitable independents to distribute through their networks. Thus, the prospect of working with a major label distributor is often based on how many strong artists an independent label has, as well as if the label's commercial activity and financial stability (Knab 2004). In other words, major labels need to believe that an independent label's artists are financially worthwhile to take them on as customers; independents cannot just sign up for distribution deals (Knab 2004).

Online distribution

Based on the above analysis, it can be argued that major labels still control physical distribution. Thus, considering this power structure, it becomes clear why "[they initially] resorted to lobbying and litigation," rather than "[moving] into [partnerships] with tech companies to adjust to the digital age" (King 2010, p.566). By their reasoning, the transition to a new distribution platform (digital downloading) would overturn their established hierarchy over the circulation of music. Consequently, because of their lack of action, the Apple Corporation took the initiative of developing a centralized online music store, iTunes, in 2001 (Kot 2011). Thus, because of iTunes, music downloading has been filtered into a specific store, rather than furthering decentralized distribution. Moreover, considering the major labels' previous dominance over distribution through vertical integration, iTunes was somewhat revolutionary because the Apple was a corporation unaffiliated with the major label network. Therefore, it initially took away some of the major labels' distribution control. In other words, to venture into digital distribution, the major labels had to negotiate with a corporation that was unfamiliar with their previous hierarchies. Despite this initial loss of power, however, major labels have, nonetheless, slowly gained control over online distribution in a few ways, such as music licensing and new vertical integration ventures.

Online distribution: Piracy, government intervention, and copyright control

According to Azenha (2006), industry growth combined with technologies can either lower barriers to entry or further power hierarchies. In other words, major record companies can and have used their previous dominance to influence the ways in which new market trends have developed. For example, major record corporations have taken to using their lobbying strength to push for laws and regulations within government that favor their businesses, such as the tightening of copyright laws. Ultimately, copyright is important to the music industry because it is how record labels and artists are compensated for their works; protecting copyright is vital to the industry's health. However, it could be argued that the push by major labels for stricter copyright laws is motivated more by self-interest, rather than artists' rights. This is because music piracy effects record labels, debatably, more than artists, as artists usually give up ownership of their master recordings to record labels. Thus, because record companies typically "retain the lion's share of the money" earned from licensing and album sales, as they have control over music copyrights, it is within their own interests to protect copyright laws (Hesmondhalgh 1997, p.260). Therefore, maintaining control over unauthorized file-sharing is of vital interest to the major record labels, as they recoup great profits from exploiting artists' master recordings. Consequently, as Pasquale (2002) acknowledges, "recent developments both in the legislative and judicial fields have led to a general consolidation of exclusionary rights in copyrighted works" (p.474). In other words, stricter copyright laws have created music scarcity, which has allowed major record labels to further exploit their massive song catalogs for profit and power. In contrast, if music were able to move freely across the internet without copyright protection, its market value would diminish because consumers and companies would be able to access it without having to compensate record labels. Consequently, the value of copyrighted work would diminish, as "no one [would be able to] claim exclusive rights to [it]" (Hesmondhalgh 2007, p.152). This, ultimately, is one of the reasons why major labels have tried to increase copyright law: doing so would maintain the value of their music catalogs in times of decreasing album sales.

An example of the power that the major labels have in terms of promoting their interests in government was exemplified by the British Phonographic Institute's lobbying for the passing of The Digital Economy Bill. In sum, the DEB requires British ISPs to block sites that are thought to be facilitating copyright infringement (Arthur 2010). While this appears justified, opponents of the bill, however, claim that its ambiguity could allow web hosts to take down questionable material, or even "shut down entire sites," without checking for legitimate copyright infringement (Johnson 2010, para.11). In other words, a "massive imbalance of power in favor of large copyright holding companies," like major record labels, could result (Johnson 2010, para.8). Therefore, it could be argued that "The Digital Economy Bill [benefits] the BPI's members - the [three] major recorded music labels - and a few select entertainment industry companies [most]," but censors and hinders "much of the [rest of the] UK" (Horton 2010, para.4). Moreover, a leaked memo from the BPI's main spokesperson and chief lobbyist, Richard Mollet, demonstrates that major record companies are the BPI's main priority. In sum, the memo, which discussed the DEB, was addressed primarily to major label executives and other industry heavyweights, with little representation from the independent sector (Mollet 2010). What this demonstrates is that the BPI communicates and works with major labels on a weekly basis and, therefore, is sensitive to their needs and concerns. Therefore, it will promote their interests to the government. In contrast, the BPI appears less concerned with the needs of independent record labels, as they were overwhelmingly left out of these weekly discussions. As a result, their needs may be overlooked when policies are reviewed. For example, because of the intense pressure that the BPI placed on the British government to rush the DEB, the bill was spared an intense evaluation from the British government (Johnson 2010). Ultimately, the BPI wanted this quick review of the bill because, according to Conservative MP and DEB supporter, John Whittingdale, the DEB could have been rejected if MPs were given enough time to scrutinize it ("Digital economy bill weekly update," 2010). In other words, Whittingdale was encouraging the BPI to seek a quick assessment of the bill in order to avoid a potential rejection by Parliament. Unsurprisingly, when it came time to review the DEB, Parliament spent a mere two hours examining it (Doctorow 2010). In contrast, a bill of this magnitude typically faces several days of discussion in government (Doctorow 2010). Despite the obviousness of this injustice, however, it should be noted that this example is not an isolated incident. Rather, government ties are commonplace for the BPI. In fact, Richard Mollett of the group was a candidate for Parliament during the DEB's review in 2010 (Horten 2010). Consequently, because of his candidacy, the BPI has been awarded a long-term connection with the Labour Party, meaning that it can access and communicate with Ministers and MPs freely about any issues that concern it (Horten 2010).

Similarly, the International Federation of the Phonographic Industry (IFPI), which represents the interests of major record labels by lobbying for anti-piracy enforcement, has recently increased its ties to the government. Specifically, in 2011, the European Union appointed Maria Martin-Prat, a former employee of the IFPI, to head its Copyright Commission (Mick 2011). However, because of her previous involvement with the copyright lobbying group IFPI, Martin-Prat's abilities to objectively govern over copyright policies are questionable. This conflict of interest has not gone unnoticed by others in government. For example, Christian Engstrom, a member of the European Parliament, criticized the EU for its decision:

"Welcome to the European Union, where the big business lobby organizations are calling most of the shots at the Commission, and where citizens are just seen as a nuisance to be ignored. I guess the only real news is that they don't even bother to try to hide it anymore" (Mick 2011).

Thus, through government and business relationships, major record companies have been able to shape policies and laws that favor their interests, not the interests of artists or independents. Such backdoor relations are not limited to Parliament, however, but exist within the court system, as well. For example, a judge overseeing a trial analyzing the criminal activities of unauthorized P2P file-sharing site, The Pirate Bay, "was found to have formerly worked for a copyright protection organization" (Mick 2011, para.10). Ultimately, the judge, Tomas Norstrom, admitted to having had "worked with Monica Wadsted, [a representative for] the American movie industry in the trial, [in order to resolve] internet domain name disputes" (Mick 2009, para.6). Consequently, he viewed the trial through a biased lens and, therefore, "provided jurors with information that The Pirate Bay admins' legal team felt was inaccurate and misleading" (Mick 2011, para.12). As a result, The Pirate Bay was found guilty and was cited with "over $3M USD in damages (to be paid to Warner, Sony Music, EMI, and Columbia Pictures) and a year in jail" (Mick 2009, para.1). What this demonstrates is that media corporations, such as major record labels, have certain connections throughout the government and legal systems that allow for them to fulfill their needs over the interests of the remaining sector.

How do these major label relationships with government, ultimately, effect independent record labels and independent artists? First and foremost, by eliminating these file-sharing mechanisms, such as P2P sites, artists wanting to share their material freely for exposure are hindered, as these platforms are routinely targeted and reprimanded by copyright enforcers. Consequently, the internet's perceived liberating possibilities have yet to be fully realized, as channels, such as The Pirate Bay, are being shut down in order to 'stop' copyright infringement. While it is true that copyrighted works are illegally shared through these sites, it is also important to consider how sites like The Pirate Bay can assist unsigned and independent artists with their career development. Specifically, through these sites, artists are able to cheaply spread their music to enormous audiences in ways that bypass more traditional distribution channels. For example, independent promotional site, The Promo Bay, was developed in November 2012 by The Pirate Bay in order to give independent musicians, filmmakers, and other creators a centralized platform for free music distribution (Dahud 2012b). Thus, it has been because of these new distribution sites, such as The Promo Bay, that some artists have come to value free, mass exposure over the miniscule amounts of monetary compensation that traditional sites often provide them with (Dahud 2012b). Therefore, it can be argued that The Promo Bay has the potential to become a centralized place for music fans to gain familiarity with artists outside of the mainstream music market. Despite these possibilities, however, government and business officials have greeted The

Promo Bay with hostility, initially ordering it to be blocked by U.K. ISPs (Lee 2012). Thus, because of this quick judgment, it took the British Phonographic Industry's chairman over a month to realize that "the newly reinvented Promobay.org website [does not engage] in copyright infringement" (Lee 2012, para.6). Ultimately, this example demonstrates that careless decisions about internet use are often made by government officials before the particulars of individual cases are considered.

Another example of the ways in which government intervention has hindered internet liberties for independent musicians involves search engine site, Google. Recently, this popular online search engine has added "The Pirate Bay's domain name to its list of censored search phrases," meaning that when "Google users…type in 'the pirate' [they] will see that [it is] no longer offered as a suggestion" (Jones 2012, para.3). In addition to pushing down The Pirate Bay and similar unauthorized sites within search results, Google is also steering people in the 'right' direction towards 'proper' downloading sites. Specifically, they are elevating links for iTunes and Spotify within search results (Ingham 2012). It is important to note that these two sites, iTunes and Spotify, have close relationships with major record companies (Ingham 2012). Thus, by elevating them, these sites receive more traffic, which then benefits major labels. Moreover, the BPI is supporting Google's initiatives by encouraging other search engines to follow its example (Ingham 2012).

While it is true that file-sharing has hindered many music businesses, online data transfers are only one way that consumers illegally obtain music (Masnick 2012b). For example, in a leaked RIAA presentation it was demonstrated that more music is swapped offline than it is online (Masnick 2012b). Thus, file-sharing is just a *segment* of the larger issue of acquiring music for free, which leads one to believe that major labels are *specifically* invested in online distribution for additional reasons. These alternative motivations become even more evident when considering a recent report in music trade publication, *Billboard*, which reveals that major record companies may be over exaggerating their financial struggles. Specifically, the report estimates that, "in the first six months of 2012, Universal Music Group, Warner Music Group, and Sony's music companies had operating profits of $356 million on $6.26 billion of revenues" (Peoples 2012, para.3). Consequently, it does not appear that major labels have suffered too much from illegal file-sharing, as their profits are still very substantial. In sum, it can be argued that, regardless of their necessity, stricter copyright laws would serve major record labels' interests. Consequently, the implications of tightening them should be analyzed beyond improved revenue, especially in regards to independent businesses.

Online distribution: Negotiating power through licensing

Thus, despite failing to secure direct control over centralized downloading sites, such as iTunes, major labels have been able to gain control over digital distribution. One particular way this has been done is through music licensing. Ultimately, major music labels have immense negotiating power when it comes to making licensing agreements with distribution sites, as they own music's most popular recorded songs. For example, for the week of December 2, 2012, artists in the top ten of the U.K. singles chart were all associated with major labels, while five of these ten artists, such as One Direction, Alicia Keys, and Ke$ha, were affiliated with just one company: Sony Music ("2012 U.K. album charts”). Thus, this example illustrates that major labels own a large catalog of popular recorded songs, which gives them song licensing power over centralized online music distributions sites. In fact, 94% of the revenue that these distribution outlets, like iTunes, make is from major labels, which, in turn, makes “the negotiating position for indies weak” (“Wenham Calls for Patience,” 2012). Therefore, as a result of their dependence on major label catalogs, online music stores are forced to negotiate with major labels in order to stay in business. Consequently, major labels have the upper hand in licensing agreements and, therefore, have been able to fulfill their own self-interests through these deals. Thus, this power has, ultimately, hurt the overall growth of new ventures in the music industry because, as Alison Wenham of AIM stresses: “[A project] cannot function in this market [without the major labels] on board” (“Wenham calls for patience,” 2012). For example, the U.S. launch of streaming service, Spotify, was delayed for two years because major labels dragged out negotiations (“Wenham calls for patience,” 2012). Consequently, U.K. independent labels were forced to wait to use the service until the major labels were satisfied with their Spotify agreements (“Wenham calls for patience, 2012). Thus, this example demonstrates that, without major label participation in a service, the chances of it launching or surviving are unlikely. In sum, the song licensing negotiation power afforded to major labels has allowed them to determine the winners and the losers in the market and to influence how the digital market has developed (Martinez 2012).

Online distribution: Streaming and Spotify

In addition to influencing centralized music downloading sites, major labels have also influenced how new distribution outlets, such as streaming, have developed. Ultimately, streaming differs from downloading in the sense that, with a download, the consumer obtains and stores data onto a device, while with streaming, the person does not have permanent storage of the data, but, rather, listens to it much like an on-demand radio station (Ericsson 2011). Streaming is an important distribution method to analyze because it has proven not only to be popular, but also profitable for major labels. For example, for one 2012 quarter, 25 percent of Warner's digital revenue came from streaming services, which is $54 million [U.S.] or about 8 percent of that period's total revenue (Kafka 2012). Moreover, it has been estimated that "global streaming music revenues will grow by 40% in 2012, [which is] almost five times the rate of download revenue" (Pakinkis 2012b, para.1). Consequently, "streaming services will [eventually] take over as the leading revenue growth engine for the music industry in 2012…generating an extra £199 million [which is] £5 million more than downloads" (Pakinkis 2012b, para.3). Thus, because streaming has become one of the fastest growing distribution outlets for music, it is worth analyzing in relation to major label dominance.

While a few streaming sites have grabbed public attention, the one that has, arguably, gained the most popularity has been Spotify, which, in 2011 had 32.8 million users (Pakinkis 2012e, para.3). Moreover, in 2011, the Swedish company saw a 200% increase in its revenue from 2010, going from 52.6 million Euros to 156.9 million Euros in a one year span (Pakinkis 2012e). However, what makes Spotify unique in terms of competing outlets is the fact that all three major record companies own shares in it (Lindvall 2011). Thus, as shareholders, major labels can negotiate special benefits with Spotify, such as receiving large upfront advances in exchange for music licensing rights ("Industry attorney: Major labels," 2012). Moreover, because they are stockholders in Spotify, major labels have become invested in not only growing the business, but also in eliminating its competitors. For example, Universal Music Group successfully stopped the U.S. launch of Spotify competitor, Deezer, a European streaming site, from transpiring by refusing to reach a music licensing agreement with the company (Sydell 2012). Thus, Universal has prevented Deezer from expanding its company into the U.S. market, as it would compete with Spotify for users.

In a similar scenario, Apple recently approached the major labels in hopes of cementing licensing agreements with them for a new iTunes-like streaming service called iRadio (Rougeau 2012). Unsurprisingly, the major labels have refused to negotiate with Apple, as iRadio would offer options that would compete with Spotify, such as more flexible and innovative features (Rougeau 2012). As a result, the major labels have demanded special conditions from Apple in return for their cooperation. For example, Sony Music reportedly requested that Apple pay it higher rates for participating in iRadio than what other streaming services normally offer (Rougeau 2012). Consequently, because of these hassles, iRadio may never launch, as the "participation of Warner, Sony and Universal's music divisions" are needed in order for it to be successful (Rougeau 2012, para.11). Thus, as Charles Caldas, a chief executive for Merlin, a rights organization for independent labels, stresses: "We're really emerging into a world where there's iTunes for downloads and Spotify for streaming" (Bradshaw & Robinson 2012).

Moreover, since acquiring EMI, Universal's global market share in 2012 has risen from 29% to 36%, which has given it a particular dominance over Spotify (Sabbagh 2012). For example, the major label has been able to secure "a minimum streaming rate for [Spotify's ad-funded section]," which is an 'option' not available to independent or other major labels (Lindvall 2011, para.6). Thus, this illustration demonstrates how a stock of recorded music can equate to market power, as Spotify would be less successful without Universal's artists in its repertoire (Lindvall 2011). Aside from Universal's particular advantages, the major labels as a collective have been able to demand "price floors,…minimum payments,…equity,…advances,…MFN clauses…and…non-disclosure provisions" from Spotify ("Wenham calls for patience," 2012). In sum, these benefits and privileges make it easier for major labels to develop and promote their companies and artists. Therefore, these examples ultimately display that the major labels have successfully established dominance over online distribution.

It needs to be acknowledged, however, that while Spotify does have the agency to reject requests for special treatment, challenging the major labels could be detrimental to its prosperity. For example, as was mentioned previously, when Spotify and the major labels failed to reach an agreement for the service's U.S. launch, Spotify suffered lost time and profits, as it was prevented from expanding its market reach. It was only when the service conceded to major label demands, which included paying tens of millions of dollars upfront, that Spotify was able to launch in the U.S. ("Industry attorney: Major labels rarely pass through," 2012). Thus, the two year negotiations that Spotify pursued with the major labels were ineffective and, arguably, not worth the trouble ("Industry attorney: Major labels rarely pass through," 2012).

In contrast, the relationship between Spotify and independent record labels has been bleaker. For one thing, the streaming service pays much better streaming rates to major labels than it does to independent labels; in fact, indies earn, on estimate, less than a fifth of what major labels do (Lindvall 2011). It should also be noted that, while Merlin, a non-profit organization seeking to represent and protect independent record labels' rights, has a small stake in Spotify ("Merlin Network: Welcome to Merlin," 2012), its negotiation power is limited, as it only makes up 13-15% of Spotify's repertoire ("Indie Gold Rush," 2011). As a result, the organization has been less successful obtaining preferential treatment from Spotify for independent artists. For example, independent record label, XL Recordings, and Merlin tried to negotiate with Spotify to have English singer, Adele's, album, *21*, available only to premium Spotify users (Maloney 2012). This was a special request because, according to Spotify's conditions, premium users pay for ad removal, offline playlists, and mobile listening, not exclusive music access (Maloney 2012). In other words, Spotify gives both freemium and premium users equal access to music. Consequently, Adele's deal would have changed Spotify's system, as freemium users would not have had access to *21*. In the end, Spotify declined the offer and *21* became available to both premium and freemium users (Maloney 2012). Thus, this example illustrates that even larger independent labels with internationally recognizable artists are unable to obtain the same market dominance and control over distribution as major labels can. Consequently, it is incorrect to suggest that "digital music has [leveled] the playing field [and given] independent labels [the ability] to compete from…the same position as the majors," as former EMI boss, Tony Wadsworth, did recently (Bignell 2011, para.6).

Marketing

Big budget marketing campaigns may seem less important in the digital era, as stories like The Arctic Monkeys' MySpace movement suggest that internet promotion can replace expensive publicizing. However, as Alison Wenham of AIM notes: "Marketing and promotion from music companies [is now] more crucial than…ever" (Wenham 2009, p.5). Ultimately, this is because the internet has become abundant with unsigned and independent artists fighting for consumer attention. For example, in 2011 alone, "MySpace [had] more than 2.5 million registered hip hop acts, 1.8 million rock acts, 720,000 pop acts, and 470,000 punk acts," which makes music discovery highly competitive (Wenham 2009, p.5). In other words, "just because stuff is on the internet…doesn't mean [that] anyone is listening to it" (Wenham 2009, p.26). Thus, considering the wealth of music available to people, it becomes evident why the global music industry typically invests 16% of its earnings into developing its artists for mass appeal (Wenham 2009).

Moreover, as Gafferney (2009) notes, social network discoveries are time-consuming, with users following links through an endless route of pages (p.379). Thus, to streamline a user's search results, artists often create folksonomies, which are "user-generated taxonom[ies] [that] categorize and retrieve web content…[through] open-ended labels called tags" (Gafferney 2009, p.377). However, while these tags do make music more retrievable, folksonomies have not made it much easier for artists to be discovered on the internet. Ultimately, this is because artists most often choose common terms for tags, which bundles their songs with millions of others (Gafferney 2009, p.378). Therefore, despite the DIY potentials of internet promotion, big budget marketing campaigns continue to be an essential necessity for most musicians. This becomes evident when observing how much the music industry allocates for marketing campaigns each year. Ultimately, 30 per cent of its total revenue typically goes towards "discovering, developing and promoting…music talent, [which] is…equivalent [to] around US$5 billion a year worldwide" (Wenham 2009, p.5). Thus, the internet has not reduced the costs of marketing for record labels or unsigned artists. Rather, as Azhena (2006) argues, marketing budgets have increased, as they now have to cover traditional promotion and marketing strategies, as well as web-based ones. Thus, because of the "heightened competitiveness for consumer attention," marketing costs have risen (Wenham 2011, p.7).

A good example of how effective (and expensive) a major label marketing campaign can be is Capital's (which is now under Universal-EMI) promotion of *Teenage Dream*, an album by U.S. American pop singer, Katy Perry. Prior to her 2008 rise to fame, Perry, a Christian rock soloist signed to the independent Christian label, Red Hill, failed to make a commercial impact, despite being complimented as a talented singer and songwriter (Marikar 2008). As a result, the singer signed with Capital Records and was transformed into her current pop star persona (Rimmer 2012). Ultimately, because of this transition, Perry's 2008 debut album on Capital, *One of the Boys*, sold 610,000 copies in the U.K. by January 2012, thus pushing her into the international mainstream ("Katy Perry surpasses 1.5 million," 2012). However, it was the singer's 2010 sophomore album, *Teenage Dream* that catapulted her from budding acclaim to music superstardom.

Overall, *Teenage Dream* cost EMI about 4 million U.S. dollars to create, distribute, and market (Masnick 2012a). In terms of specific expenses, part of the album's budget went towards song collaborations with popular, yet highly-priced, rappers, such as Kanye West and Snoop Dogg (Masnick 2012a). Ultimately, these collaborations were used in order to broaden the album's appeal and to increase its sales. Similarly, Perry's label also hired superstar producers and songwriters Max Martin and Dr. Luke, each for an estimated 1,000 U.S. dollars per song, to ensure that *Teenage Dream* would sound polished and contain hit singles (Masnick 2012a). Moreover, Capital also paid Top 40 radio stations 250,000 U.S. dollars, as well as constructed a mural of Perry wrapped in a cloud of cotton candy on one station's studio wall, to ensure that the album would receive extensive radio airplay (Masnick 2012a). Unsurprisingly, all of these efforts helped Perry to become the most played artist on terrestrial radio in 2011, with 1,457,000 detections on U.S. radio ("Katy Perry most played," 2012). Furthermore, in terms of album sales, an estimated 936,000 copies of *Teenage Dream* have been sold in the U.K. alone since the start of 2012 ("Katy Perry surpasses 1.5 million," 2012). Additionally, following the release of her feature film, *Katy Perry Part of Me*, in 2012, the album experienced a 451% sales increase, jumping from number 22 to number 2 on the Billboard 200 chart, two years after its initial release (Cummings 2012).

What this example demonstrates is that big budget marketing campaigns often help to determine which artists become successful in the market and which ones do not (Wenham 2009). Thus, while it is true that not all large-scale marketing campaigns succeed, major labels have the financial freedom to 'test' out several artists until one reaches mass popularity.

Obviously, independent labels don't have the money, connections, or manpower to accomplish such a feat. Consequently, the increased importance of marketing artists has further disadvantaged independent labels, as major labels have more financial stability, access to technology, and corporate partnerships, which allow them to promote artists across different platforms (Wenham 2009). Thus, the primary struggles that independent labels confront when developing marketing campaigns for artists involve a lack of connections and money. As chapter two illustrated, some independent labels have realized financial stability by limiting their marketing costs for popular and established artists (Dahud 2012a). However, this strategy is not plausible for all independent labels, as most artists need large promotional campaigns to compete for consumer attention with major label artists. In fact, according to estimates, it costs roughly one million to one and a half million U.S. dollars to break an unknown act in the U.K. (Wenham 2009). Therefore, it is extremely unlikely that an independent label, large or small, has enough money to compete with major label promotion.

New revenue streams

While it would seem that illegal file-sharing has stripped major labels of their financial dominance, this is not entirely true. Rather, despite the widespread belief that major labels are “dying,” the truth is that, in 2012’s first half (which is deemed the “lighter” profit segment), “Universal Music Group, Warner Music Group and Sony's music companies had operating profits of $356 million [U.S.] on $6.26 billion of revenues” (Peoples 2012, para.3). Thus, major labels have made a combined total of “well over $1 billion [U.S.] in annual operating profits [for the first half of 2012],” which demonstrates how exaggerated the effects of file-sharing on major label revenue have been (Peoples 2012, para.3).

However, this is not to suggest that file-sharing hasn’t hurt the music industry. In fact, according to estimates, the industry, on average, loses 500 million Euros annually, which can be attributed to the estimated 33 million albums that are downloaded illegally in the U.K. within six month intervals (Budden 2012). What the financial stability of major labels suggests, rather, is that, despite falling album sales, these corporations have been able to *counteract* profit loses by establishing new revenue streams (Budden 2012). In other words, while it is correct to acknowledge that file-sharing has affected the music industry, it is equally important to stress that major labels have found new ways to regain much of their dominance over the music market. Of these new endeavors, this thesis will analyze two: the 360 recording contract and video streaming site, Vevo.

New revenue streams: 360 contracts

In a traditional recording contract, an artist and a label will typically foster a deal where the record label obtains the artist’s master recordings, while the artist keeps his or her non-music profits, such as endorsement deals. In a 360, or multiple rights deal, however, a record company is given permission to take from an artist’s non-music revenue, such as merchandise, touring and brand partnerships, while also keeping his or her master recordings (Berman 2008). Ultimately, 360 deals are appealing to record companies because, instead of relying solely on recorded music for profit, these contracts create new revenue streams by allowing labels to exploit artists' entire brands (Okorocha 2010). Thus, 360s have become "an increasingly important revenue channel for music companies" (Wenham 2009, p.19). Independent labels, in contrast, have become disadvantaged by the popularity of 360 deals, as they don't have the same "reach and strength [that the majors have with their]…vertically integrated network[s]" (Berry 2011, p.57). In other words, it is difficult for independents to establish corporate partnerships for their artists, meaning that 360 deals are less profitable to them. Consequently, because major labels have been able to diversify their income with new streams, such as multiple rights deals, they have been able to withstand declining album sales.

While major labels have benefitted from 360 deals, artists, however, have suffered from them (Day 2010). An example of this was demonstrated by Wendy Day, author of the book *How to Get a Record Deal* and founder of the artists' rights organization, The Rap Coalition. In short, Day constructed a mock 360 deal that was intended to inform musicians about the exploitation they may experience under these contracts. In her example, Day illustrates that, once all the percentages of an artist's costs have been deducted, the breakdown of net revenues (before taxes) between artist and major label could look as follows: $1 million for the artist and $4.5 million for the label (Day 2010). Thus, in this example, the artist's share would be 18% of the profits, while the label's share would be 82% of the profits (Day 2010). What this mock contract demonstrates is that 360 recording contracts are constructed in ways that favor major labels, not artists (Day 2010).

In hindsight, this is one way that independent record labels are doing a service to artists, as many do not enforce 360 deals. In contrast, multiple rights deals have become mandatory clauses for major label contracts, with Warner Music leading the way. For example, as of 2008, Warner Music has mandated that all of its new and many of its older artists accept 360 record contracts as natural aspects of their careers (Arrington 2008). Ultimately, major labels justify these deals by claiming they that are necessary for financial stability. As Warner Music Group head, Lyor Cohen, insists: "[360 contracts allow a company to] succeed [while sustaining] the salaries of [its] top-notch staff" (Brown 2011, para.4). However, it should be noted that, in 2012, Cohen was "the highest paid employee at Warner Music," earning "$14 million [U.S.] on a base salary of $3 million [in addition to] a $2.5 million bonus and a $8.5 million severance payment" (Peoples 2012, para.7). Such salaries are maintained because, in addition to giving up their non-music income, Warner requires artists to recoup their advances and to relinquish ownership of their master recordings (Brown 2011). In sum, multiple rights deals demonstrate that major labels are focused more than ever on company, not artist, health as music sales decline.

New revenue and marketing streams: Vevo

As previously mentioned "vertical integration occurs when various modes of the production and consumption process are owned by the same company" (Gracon 2010, p.88). Ultimately, such ownership is beneficial because it gives corporations control over the access to inputs, as well as the cost, quality and delivery times of those inputs ("Vertical integration," 2009). Thus, vertical integration increases a company's efficiency, as these ownerships allow for it to regulate the entire 'lifespan' of a product before it reaches consumers. Moreover, by owning the means to distribute and present goods, businesses can "refuse…services to similar companies," "restrict freedom of expression [in the market]," and "inhibit diversity" (Tummons 2008, p.56). In other words, a vertically integrated company can "exhibit [its] own products while excluding [the] creative works of others" (Tummons 2008, p.56). For example, major record labels have used their ownership of physical distribution networks to exclude independent artists from the market. Likewise, in more recent years, major labels have used their ownership of video distribution company, Vevo, to gain a similar hierarchy over digital distribution.

By definition, Vevo is a video streaming company that is jointly owned by Universal Music Group (which has acquired EMI), Sony Music, and Abu Dhabi Media. Thus, Warner Music is the only major record company without a stake in this distribution outlet. In terms of popularity, since launching in 2011, Vevo now boasts 12 million monthly viewers streaming, on average, 177 million videos a month, which has increased 120% since May 2011 (Moth 2012). In regards to how Vevo works, YouTube provides the platform for the company's video service, while Universal and Sony provide the site's video content ("UMG and YouTube forge partnership," 2006). Thus, because it is owned by two of the three major record companies, Vevo has advantages over other video distributors, as it can easily access music's most popular and profitable artists. Moreover, in addition to providing consumers with a new music service, Vevo has also revolutionized the purpose of music videos by monetizing them with ad-funding. As a result, music videos have gone from being artist promotional tools to being new revenue sources for major labels. Likewise, Vevo has also begun to change how people listen to music. In short, the site encourages music engagement through ad supported videos, rather than actual song purchases (LeBlanc 2011). Consequently, it has become increasingly evident since 2009 that music consumers are making use of 'free' streaming music sites as a substitute for buying music (MacMillan 2009). Ultimately, this practice is encouraged by Vevo, as increasing interest in music streaming benefits the company. However, if the site continues to decrease consumer desire to own music, independent record labels, as they don't own streaming distribution services, will become further disadvantaged.

Beyond providing major record companies with more income, Vevo has also served as a way to creatively reach a mass international audience, which, in turn, has led to more revenue for major labels. In its first year alone, the company was able to form partnerships that allowed it to produce and distribute "over 25 live events…[and] 100 episodes of original programming" (LeBlanc 2011). Thus, ownership of this outlet has not only made marketing profitable, but efficient, as well. A prime example of this has been Vevo's partnership with American Express to launch Unstaged, an online concert series ("Amex announces partnership with Vevo," 2010). Ultimately, through this collaboration, Unstaged promises to pair music's most established artists with "some of today's most influential filmmakers" in order to give audiences an experience that marries live music with social media ("Amex announces partnership with Vevo," 2010, para.1). For example, in 2012, popular Universal Music Group artist, The Killers, promoted its forthcoming album, *Battle Born,* by headlining a globally streamed event at New York's Paradise Theater, which was shot in HD by renowned director, Werner Herzog (Brown 2012). While this presents an excellent opportunity for some artists, namely those under Sony and Universal, it is unlikely that artists outside of these companies will be selected to do these events.

Moreover, as American Express is the main financial contributor of Unstaged, contributing 2-5 million U.S. dollars for each event, its interests are highly prioritized ("Unstaged: An original experience," 2011). For example, the company insists that each concert consist of top-tier artists paired with prominent cinematic directors ("Unstaged: An original series," 2011). Similarly, another requirement is that special privileges be given to Amex Cardmembers, such as priority access and tickets ("Unstaged: An original series," 2011). In sum, investment in Vevo is worthwhile to American Express because this partnership helps to develop American Express's brand awareness with consumers. For example, prior to her Unstaged performance, Vevo 'reskinned' R&B singer, Alicia Keys's, YouTube account with Amex branding for forty-five days in hopes of attracting Keys's fans to American Express ("Unstaged: An original series," 2011). Thus, as a result of promotion opportunities like this one, Amex has experienced a considerable 'brand lift' from its partnership with Vevo ("Unstaged: An original series," 2011). Moreover, these results are somewhat generalizable, as an Unstaged concert with Canadian band, Arcade Fire, demonstrated similar results. Specifically, after the band's

Vevo performance, American Express marketers noted a 13% increase in Amex brand recommendation, a 9% increase in Amex brand awareness, and a 15% increase in Amex brand favorability ("Unstaged: An original series," 2011).

However, because American Express uses Unstaged to expand its brand reach, it is unlikely that the company will partner with lesser known independent artists, who typically have small fan bases ("Unstaged: An original series," 2011). In other words, much like advertisers, Vevo pays for content that draws a mass audience, meaning major label artists. Consequently, because of these inequalities, Unstaged has provided major labels, not independents, with new revenue streams and marketing opportunities. In fact, the company has, inadvertently, made it harder for independent artists to compete for consumer attention with the flashy appeal of the Unstaged series. Therefore, while it is true that the internet offers the potential for artists to promote their music to mass audiences, the problem of discovery still exists.

U.K. government funding for SMEs

It has been estimated that the U.K. creative industries accounted for 112.5 billion Euros in revenue, 10.3 billion in exports, 1.3 million jobs, and contributed over 5% to gross domestic product in 2001 ("Cultural policies and trends in Europe," para.3). Likewise, the creative industry sector is responsible for about 6 percent of GDP (Burrows & Ussher 2010). However, despite these statistics, there is still the stigma that creative businesses, such as independent record labels, "are [too] preoccupied [with] their art" to effectively run their businesses (Burrows & Ussher 2010, p.11). Thus, this mentality discourages creditors from investing in creative business, such as independent record labels, as they believe them to be too high-risk (Burrows & Ussher 2010). In other words, bankers fear not being paid back in full because of the uncertainties that come with investing in entertainment. This is unfortunate because, while their caution is understandable, recent data suggests that investing in the creative sector is less risky than people realize. For example, in 2010, cultural enterprises grew "at twice the rate of the rest of the UK economy," [employing] nearly 2.3 million people," which is roughly 7.8 per cent of the British workforce (Burrows & Ussher 2010, p.24). Thus, creative businesses are no more prone to failure than some more traditional businesses. Furthermore, "the survival rate of a business operating in the creative sector [for] five years…is on average 49.7 per cent, [which is] slightly better than the average rate of survival for businesses in the rest of the economy [that have been operating for] five years, which [is] 46.9 per cent" (Burrows and Ussher 2010, p.50). In short, there is an irrational stigma about investing in the cultural industries that, ultimately, prevents small entrepreneurships from obtaining funding. Similarly, bankers are also deterred from funding the cultural industries because these businesses often operate in nonconventional ways and produce noncommercial products. As previously stated, independent record labels typically strive to produce music that is innovative and unique. Unfortunately, this can mean less surefire profits because consumers may be less likely to buy music that lacks familiar patterns and formulaic chord progressions. Despite this possibility, however, Martin Mills of the independent record label group, Beggar's Banquet, argues that even the most avant-garde artists have the potential to "become million album sellers" (Burrows and Ussher 2010, p.42).

Likewise, money lenders are often put off by the fact that independent music businesses characteristically attract "entrants from nonbusiness backgrounds, as well as…young entrepreneurs [who aim] to set up businesses in their 20s" (Burrows & Ussher 2010, p.44). In other words, lending professionals often see these businesses as casualties waiting to happen. However, it is because of this inexperience that the British government *should* invest in creative businesses, as training and support could help them to run more effectively, realize their potentials, and develop their companies into viable assets of the British economy. A current example of this would be British independent record label, Domino. Prior to its success in 2004, Domino was a struggling label that primarily licensed music from U.S. independent label, SubPop, for U.K. release (McDonald 2013). However, because of 'indie' music's popularity in the 2000s, Domino was able to increase its profits and invest this money back into its business. As a result, the label has now grown into a successful enterprise with its own publishing company and label divisions in the U.S., Germany, and France ("Domino Records website," 2012). Moreover, Domino has also put its finances into other creative projects, such as its Geographic Records venture. Ultimately, Geographic Records is a subdivision that releases unique music, such as jazz and world genres, which is atypical of current independent record labels (McDonald n.d.). Thus, with financial support and guidance, this example demonstrates that it is possible for independent labels to prosper if given adequate guidance. Overall, this is important to the general independent sector because an increase in label successes could minimize the hierarchies that have recently formed and divided the independent infrastructure.

Furthermore, Hesmondhalgh (2007) acknowledges that improvements in cultural policy could lead to "new and interesting forms of cultural activity," which may encourage "job creation, tourism promotion, invisible earnings and urban regeneration" for local communities (p.141). Nonetheless, the fact remains that these endeavors often do not include independent music businesses. Rather, government funding for the creative sector is often spent on building up attractions such as "festivals, major museums, and theatre complexes," rather than creative enterprises (Hesmondhalgh 2007, p.143). Consequently, because the British government considers non-cultural production enterprises, such as leisure and fitness complexes, as part of the creative sector, funding for independent record labels is often overlooked (Hesmondhalgh 2007, p.143).

U.K. government funding for SMEs: The Enterprise Finance Guarantee

The Enterprise Finance Guarantee, or EFG, serves as a good example of the struggles that independent record labels and artists experience when seeking financial assistance. According to the British Department for Business and Skills, the EFG is, by definition, "a loan guarantee scheme [meant] to facilitate additional lending to viable small and medium size enterprises [that lack] adequate security or proven track record for a normal commercial loan" ("Enterprise Finance Guarantee," 2012, para.1). To be eligible for a loan, the business applying must ("Enterprise Finance Guarantee," 2012, para.1):

- Operate in the UK
- Have a turnover of up to £41 million
- [Seek] finance between £1,000 and £1million

- [Allow for] repayment terms from 3 months to 10 years (less for overdraft and invoice finance facilities)
- Operate in a sector that is eligible for EFG (most sectors are eligible)

Ultimately, this policy was conceived to address the fact that, because of a lack of finances, skills, and day-to-day cash flow, entrepreneurs of small and medium enterprises (SMEs) are often discouraged from developing their businesses ("Making it easier to grow a business," 2012). Thus, to confront this, the policy aims to push the British government to work closely with SMEs in hopes of gaining new finance avenues and support for them ("Making it easier to grow a business," 2012). Nonetheless, while the EFG appears well suited for independent record labels, in reality, it has fallen short of its potential to help them. For example, as Brian Message, co-manager for the British band, Radiohead, states, "[the] EFG was the hoped for solution that would drive investment into creative…[small and medium-sized enterprises] and generate employment, [however, this] has proven not to be the case" (Sweney 2011a, para.4). In short, the scheme's underperformance largely has to do with the fact that lenders are the ones who, ultimately, decide whether musicians receive their requested loans or not ("Enterprise Finance Scheme," 2012). Put more simply, though the government may set up a plan for small businesses to receive funding, it doesn't actually ensure that funding will be allocated to them. In fact, as a safeguard, the British government provides EFG participants with this disclaimer:

"Neither BIS nor CfEL will intervene in the commercial relationship between borrower and lender in the event of disputes. Customers dissatisfied with the experience of dealing with their bank should raise their concerns through the bank's own customer complaints procedure" ("Enterprise finance scheme," 2012).

Thus, banks are relatively free to reject lending requests from independent music businesses (Sweney 2011a). Moreover, despite the government bribing lending groups with guarantees on 75% of EFG loans, banks still overwhelmingly consider music a risky investment (Sweney 2011a). In short, this resistance has the potential to greatly impact the career development of independent artists. For example, British band, The Rifles, applied for 200,000 Euros to finance an album and tour, only to be rejected by several banks (Sweney 2011a). Following these denials, Message, who manages the band, tried lowering its request to 100,000 Euros, only to be rejected again. In sum, it took two-and-a-half years and nine applications until Message was finally able to secure 45,000 Euros for the band, far less than its original request (Sweney 2011a). With this example, it should be noted that The Rifles is a commercially successful band, meaning that this discrimination is not limited to unknown musicians.

This is unfortunate because, as David Joseph, chief executive and chairman of Universal Music UK, argues: "Time and again, grassroots companies [have supported and developed] the first steps [that artists take before they reach] the top of the charts" (Wray 2010, para.9). Nevertheless, the government appears to be ignorant of the independent music sector's importance to the British economy, despite acknowledging its contributions to the country's financial recovery ("Financing a private sector recovery," 2010). In other words, there is a lack of communication between those in the independent sector and decision makers in government. For example, despite several complaints from managers and labels, a May 2011 government report proclaims that there have been no problems with the EFG (Sweney 2011a). Additionally, independent music representatives were not invited to attend a meeting regarding the EFG's efficiency, meaning that their concerns were neither heard nor considered (Sweney 2011a). Thus, this "£2bn government-backed scheme," which was established to help "musicians and promoters launch new bands and other music ventures," has failed to support independent music, as only "two music-sector loans in [over] two years" have been approved (Sweney 2011a, para.1).

Music industry democratization: A global perspective

In 2012, "UK music acts [were] ranked number one, two, and three in [the] UK and US charts for the first time in 25 years" ("What is the future of…," 2012, para.6). However, as promising as these statistics appear, a closer examination reveals that they are not generalizable to all British artists. Rather, research by IMPALA suggests that, in 2011, 95 out of 100 of the UK's top downloads were major label releases, while 94 out of the top 100 songs receiving airplay in Europe were by major label artists (LeGrand 2012). Thus, despite the current presence of a few UK acts worldwide, the underlying truth is that major labels still dominate the global market.

A recent report by the European Music Office supports this argument by suggesting that, while "European repertoire [has fared] quite well on [the] national level,…the number of European artists capable of [transitioning from] local success [to] cross-border success [has been] quite limited" (LeGrand 2012, p.3). Thus, the chance of an independent artist from the U.K., or any country (with the U.S. as a possible exception), becoming an international success is rare, as reaching a global audience is difficult for independents. Consequently, major label artists have continued to dominate consumer attention globally. For example, in 2011, it was reported that, on German radio, 24.5% of artists played were from Sony, 13.5% of artists played were from Warner, and 56% of artists played were from Universal-EMI (LeGrand 2012). In contrast, only 5.5% of the artists played on German radio were from independent labels (LeGrand 2012). Similarly, an analysis of music downloading in Germany during 2011 demonstrates comparable results, as 85.2% of it came from the major labels, while only 14.8% came from independents (LeGrand 2012). Thus, as a result of major label dominance, European independent artists, both foreign and domestic, experienced little presence in the German market in 2011. Simply put, independent German artists were largely excluded from their own music market.

It should be noted that these statistics were consistent across Europe in countries such as France, Poland, the Netherlands, and Spain (LeGrand 2012). Therefore, it can be argued that, in a variety of contexts, independent labels still experience market access frustrations, despite the internet (LeGrand 2012). In other words, the music industry is still, primarily, undemocratic. Moreover, it is also worth acknowledging that Adele, an independent artist who uses major label, Sony, to distribute and market her music abroad, contributed to one-third of the independents' share in the aforementioned study (LeGrand 2012). Thus, this demonstrates that larger British independent labels, such as XL, are mirroring the practices of major labels in foreign markets by dominating the sector over local artists.

Likewise, major label domination presents another problem for Europe: the majority of major label acts receiving attention internationally are U.S. American artists (Garcon 2010). This is because, while "the big [three] record companies are all international in scope, [they] receive most of their income from big-name American performers" (Gracon 2010, p.61). In fact, "the share of US repertoire in [European countries often exceeds] 50% for airplay and [falls just] below 50% for downloads" (LeGrand 2012, p.17). The potential impact this dominance has on a country's local production, culture, and creative sector becomes evident when analyzing a non-English-speaking country, such as France. According to the European Union's report on cross-border circulation, "over two thirds of the music played on [French] radio…[is dominated by] Anglo-American repertoire" (LeGrand 2012, p.38). Consequently, English is the dominant language heard on French radio, with 73% of the volume in English (LeGrand 2012). Thus, "French songs [only] represent 25% of the [the county's] total [radio repertoire], despite the 40% quota of French language" (LeGrand 2012, p.38). This is a problem because creative entrepreneurships often define and distribute the culture that people consume and adopt. Thus, this international dominance by major label artists has the potential to hinder local productivity, as well as the preservation of culture and jobs, because business consolidation often leads to fewer people working within a particular industry. For example, as a result of Universal's acquisition of EMI in 2012, significant job cuts have been made in order to save the new super-label 100 million Euros (Pakinkis 2012c). As UMG-EMI's CEO, Lucian Grainge, argues, these cuts are necessary because, supposedly, the only way the business can grow is to cut employee costs and invest in the artists and music (Pakinkis 2012c). In short, what Grainge is implying is that the company's workers are unfortunate casualties in the super-label's quest for domination. This attitude of profit over employee contrasts with the original mission of independent labels, which was to provide people with opportunities to work in the creative sector. Thus, this example illustrates why investing in creative businesses is important: these businesses "create local sustainable jobs [that are] less [prone] to the ups and downs of the global economy, [which allows them to focus more on] people, rather than capital" (Oakley 2004, p.70).

In conclusion, this chapter sought to broaden the scope of this research in order to consider how independents have been impacted by major label dominance, lobbying, and governmental issues in 2012. Ultimately, what one can determine from this vast overview is that British independents are still subordinates in the UK music market, despite a few rare cases of prosperity. Such an analysis is important because it prevents generalizations from being made about the independent music sector as it transitions to an online format. Specifically, the above research exposes that, despite proclamations of internet democratization, major labels have managed to regain their dominance over the industry in the digital sphere by gaining control over streaming and music licensing. Likewise, close relations between big media businesses and government still persist, regardless of new technology. In other words, the internet, no matter how democratic and decentralized it becomes, cannot completely extinguish the power that major labels and the government have over the industry. Moreover, after examining how the internet has affected independent artists and labels in other European countries, it can be concluded that democratization has not transpired in any European music sector. Thus, if the internet were truly responsible for the successes of British independent record labels, similar scenarios of affluence should have manifested elsewhere, which has not been the case. Rather, as this thesis has demonstrated, a few instances of independent success have been used to create a misleading generalization that music industry democratization has been realized in the digital era.

Conclusion

This research used a political economic approach to critically analyze the British independent record label sector in 2012. Specifically, two primary research questions were considered:

- What are the institutional practices of British independent record labels in 2012?
- Has the internet reduced major label dominance within the music industry?

These research results offer several contributions to popular music and industry studies. As the music industry transitions to the digital sphere, it is believed that a more democratic corporate sector is on the horizon. Thus, because of this assumption, it becomes especially vital to analyze how these transitions effect marginalized businesses, as this research can expose new struggles and power shifts. In short, understanding power relations in cultural industries is important because this knowledge can be used to pinpoint critical, but perhaps concealed, areas of corporate dominance, which, if ignored, may damage the production and preservation of culture. Therefore, forgoing research on these issues could limit progress towards music industry democratization, as inequalities between businesses would be allowed to continue. Thus, the results from this project help to highlight where policy changes need to be made so that a more egalitarian music industry can be realized. Likewise, exposing how business concentration affects independents is important because these practices can lead to market exclusion, as well as impede music diversity for the public. Simply put, market concentration limits the development of an independent creative sector. As a result, this research is imperative for the proliferation of small creative businesses to be realized. These businesses are worth protecting because, not only do they create jobs for local economies, but they can also preserve cultural heritage, as well as encourage innovative projects. Thus, this research also helps to explain *why* government funding for SMEs is necessary and justifiable, as it demonstrates what these companies can provide to communities, the economy, and the public. Lastly, this project provides an academic overview of an under researched area within music industry studies. Therefore, these results can offer other scholars and institutions with preliminary findings that suggest where they should focus their attention when critiquing regulations regarding the internet and various policies.

Additionally, this research also benefits creative laborers. Studying issues of creative labor is important because, with shareholders becoming an increasingly pervasive element of major record companies, the opportunities for artist exploitation are immense. For example, because major record labels often try to emulate popular music trends in order to stabilize investment risks, artists are often denied from having creative input in their work. Moreover, because of the 'massive labor reservoir' wishing to work in the cultural industries, creative workers often endure low wages, long work hours, and career uncertainties (Hesmondhalgh 2010b). Therefore, it is important to ensure that the rights and benefits of creative laborers are protected and lobbied for. Ultimately, this research helps to highlight areas where exploitation may be occurring so that these issues can be addressed. Moreover, because previous research on this subject has focused primarily on earlier decades, this project offers an updated critique of the ways in which recent industry changes are affecting independents, such as online music distribution. Similarly, as a result of increasing neoliberal ideologies and transnationalism, the philosophies of entrepreneurs are likely to be quite different today than they were in the 1980s. In other words, if independent businesses no longer work towards industry democratization, other measures need to be taken in order to aid those that operate outside of the corporate sector. Thus, this project helps to achieve this by clarifying how these politicized businesses have evolved in 2012. Ultimately, the data obtained from this project contributes to studies of popular music, as well as real life applications, because it helps to clarify what the current practices of 'political labels' are, which, in turn, can provide researchers and organizations with the information needed to pursue similar investigations. Independent record labels have the potential to protect the rights of those who produce music, which makes scrutinizing their business practices an important contribution to not only popular music studies, but also to the wider realm of business, creative labor, and music consumers, as well.

With this in mind, the results obtained by this research are important, as they suggest that the internet has not democratized the music industry. Rather, preexisting hierarchies, namely major record labels, have repositioned themselves within the digital market in ways that have reestablished their dominance over the production and distribution of music. To be more specific, several different findings were discussed that support this conclusion. First, it was demonstrated that circumstances other than internet accessibility have led to an increased visibility of British independent music within the commercial market in the new millennium. More explicitly, it was argued that certain factors, primarily the British music press, the cyclic nature of music trends, and the appeal of the indie aesthetic, established a unique opportunity for a select few independent labels, which in turn allowed them to prosper. Likewise, the analysis of English band, The Arctic Monkeys, further suggests that the internet's capabilities as a democratization tool are limited by specific contexts, artist appeal, and assistance from traditional, music channels, such as radio. In sum, this scrutiny of the visibility of British 'indie' music in the new millennium demonstrates that the internet cannot single-handedly democratize the music industry. Thus, despite claims that there has been a breakdown of major label dominance, this in-depth examination illustrates that this has not been the case.

Likewise, while the internet may have initially been a fresh ground for music industry development, it has gradually become less decentralized. This conclusion is supported by the findings in this thesis, particularly regarding major label control over digital distribution, as well as marketing. Thus, despite initially relinquishing control over digital downloading, major labels have since gained ownership over new models of online distribution, such as music and video streaming, which has allowed for them to transfer their dominance over music distribution to the online market. Moreover, by pushing for stricter copyright laws, major labels have not only made their ownership of recorded music more valuable, but they have also limited the potential freedoms that decentralized distribution could offer independent and unsigned musicians. Similarly, music licensing has given major labels inflated negotiating power in the online sphere. As a result, they have been able to gain better terms and conditions with online services, such as streaming sites that independents cannot access. Thus, these findings demonstrate the ways in which major labels have been able to use their previous power to shape the development of the online market in favor of them, rather than the music sector as a whole.

Similarly, with the abundance of artists now available to consumers on the internet, the importance of marketing has increased. Thus, because of their vertically and horizontally integrated structures, as well as their financial stability and corporate partnerships, major labels are still more advantaged than independents in terms of artist promotion. Consequently, these results can conclude that, because of their connections and high-profile artists, major labels have been able to develop new financial streams that few independent labels can enjoy, such as 360 record contracts. In short, what these findings, ultimately, demonstrate is that independent labels are disadvantaged in the online market. Lastly, it can be concluded that major label dominance is an issue throughout Europe, meaning that if the internet truly had the power to dethrone these corporate giants, such democratization would be realized on a global level. However, because major label artists make up the majority of radio airplay and music downloads in many European countries, these findings further support this thesis's argument that the internet has not democratized the music industry.

Furthermore, as the sale of recorded music falls, the potential for artist exploitation increases, particularly in terms of salary. Thus, enterprises that focus on protecting creative workers' rights, such as independent labels, become even more valuable. Unfortunately, as this thesis has outlined, not all independents have chosen to provide all artists with these services. This is because, overtime, the practices of independent labels have not only become more complex, but more individualized and divided along lines of economic stability and business philosophies. Such divisions have been the result of a few British independent labels experiencing commercial prosperity, which has encouraged them to adopt more market-driven business incentives. Thus, instead of focusing on collectively rebuilding the independent sector, prosperous labels, such as Cooking Vinyl, have chosen to focus on expanding their own, individual labels instead. Moreover, while this project's results do suggest that singular companies are providing artists with more egalitarian and protective working conditions, the *types* of artists receiving these privileges need to be addressed. Specifically, because some independents have begun to value competition over collectivism, many have been cautious to sign unknown artists, focusing instead on 'saving' disgruntled, established musicians from major label mistreatment.

In sum, a hierarchy has developed within the British independent sector that has stalled the development of a democratic independent *infrastructure* from transpiring. Ultimately, this is because, in order for such a network to succeed, collaboration, not competition, is required between independent businesses. Thus, as the results of this project suggest, aspects of neoliberalism, particularly individualism and competition, have become rooted in the British independent sector and have, therefore, hindered its development. Likewise, because of the community's segmentation, attempts by singular labels to provide creative workers with democratic working conditions have become less effective, as a tiny label is ill-equipped to operate in isolation. Thus, it can be concluded that the independent sector's original vision of community betterment has been uprooted by a desire to benefit the individual. In short, newer ideologies have emerged within the independent sector that emphasize protecting *individual* businesses, rather than the sector as a whole.

Considering these complexities, it is unlikely that a complete transformation of the music industry could occur overnight. Nonetheless, the researcher offers a few suggestions that could help British independent labels and artists to prosper amongst major label dominance. One such solution is to improve the process of government funding for independent record labels. Based on this project's analysis of the Enterprise Finance Guarantee, it can be concluded that, while the British government does acknowledge the importance of funding independent creative businesses, it does not actively monitor how, or if, this funding is allocated. Thus, as a result, independents have been prevented from receiving financial support, as banks have been cautious to invest in creative businesses. Therefore, the government should work harder to educate lenders about the stability of the cultural industries, as this information could encourage them to invest more confidently in small creative businesses.

A second possible solution that could help the independent sector to thrive is to have independent artists raise money for their creative projects through crowdfunding platforms, such as PledgeMusic. This is the approach that English band, The Rifles, took to make its most recent album after being denied government funding. Like most crowdfunding sites, PledgeMusic is a free source that allows bands to create websites describing themselves and their respective projects to a large audience. Most importantly, however, is the fact that these resources provide artists with an outlet to raise money for their projects by offering fans unique items for purchase. In The Rifles' illustration, the band offered fans a range of gifts, from a signed vinyl album (27 Euros) to bassist Lee Burgess's hand-signed bass (750 Euros) (PledgeMusic: The Rifles Project). One of the more interesting prospects for donors was the opportunity to purchase a guest appearance on the band's album for 100 Euros (PledgeMusic: The Rifles Project). Thus, in addition to helping the band achieve its goal of recording a new album, donors got to experience the recording process with The Rifles, as well (PledgeMusic: The Rifles Project). However, it should be noted that, while this example appears promising, not all artists have enough fan power to exceed their goal, as The Rifles did, by 175% (PledgeMusic: The Rifles Project).

A third possible solution that could help the British independent music sector to stabilize is to establish collective, grassroots retail outlets, such as The Independent Label Market. Started by Joe Daniel and Katie Ridling of British independent label, Angular, The Independent Label Market, which is stationed in The Old Spitalfields Market in London, promises to bring together the founders of notorious independent labels to provide the public with a unique buying experience ("Independent Label Market," 2012). Though it operates only a few times a year, this marketplace has, nonetheless, served as a place where fans and entrepreneurs of independent music can congregate, discuss music, and promote artists (Daniels 2011). The downside of this project, however, is label exclusion. More specifically, with participating big-name labels, such as Rough Trade, Domino, and Bella Union, space is limited. Ultimately, this makes The Independent Label Market somewhat discriminatory, as it may exclude less 'popular' labels from participating ("Independent Label Market," 2012). Therefore, the researcher proposes that similar marketplaces in different locations be established on a continual basis. Ultimately, this would provide more space for stalls, which would, in turn, give less prominent labels and local artists an opportunity to participate and gain regional support.

Lastly, if independent labels continue to face obstacles to prosperity, a final solution is to encourage prominent musicians to support and promote independent musicians themselves. For example, renowned British musician, Paul Weller, has recently taken English rock band, The Moons, under his wing after hearing about the group through a friend ("Support the Moons," 2009). Specifically, he has promoted The Moons via his website, has guested on the band's album, and has also allowed for the group to record its album in his personal studio ("The Moons interview," 2011). This is the type of collective action that prominent musicians in the independent community should be taking to help the entire sector to thrive. Likewise, another example of a collective effort amongst independent artists is The Next Big Thing Group. Established by The Enemy's lead vocalist, Tom Clarke, this non-profit initiative seeks to help undiscovered musicians start their careers without the help of major record labels (NEXTBiGTHING: "About," 2012). The project works by artists submitting original music in hopes of the group considering them to receive the following: free access to "radio exposure, national press exposure, recording facilities, video editing facilities [and] top notch online marketing" ("Attention all unsigned artists," 2012). Of perhaps more significance, however, is the fact that the project promises to "NEVER take a percentage of the band's money should [it] make it big" ("Attention all unsigned artists," 2012). Thus, The Next Big Thing Group acts as an unofficial independent record label for artists in the most democratic sense possible, as it does not charge or exploit artists and their earnings. Therefore, the researcher proposes that more collective initiatives like this one be established because, if dominant independent acts and labels were to utilize their connections and privileges to help struggling independents, the independent sector could, perhaps, flourish ("Attention all unsigned artists," 2012).

In terms of artists' rights, groups such as the Featured Artists Coalition (FAC), as well as the Music Management Forum (MMF), serve as excellent opportunities for artists and creative associates to develop voices for music industry advocacy. For example, the MMF, which educates, informs and represents UK managers and their artists, encourages its members to actively lobby for their own rights (Music Management Forum: "About Us"). As a result, creative workers, who know firsthand about experiences in the industry, are able to accurately discuss and advocate for their benefits in situations that require expert understandings of industry dynamics, such as government meetings.

Despite these proposed solutions, the researcher, nonetheless, acknowledges that certain limitations exist within this project. For one thing, a single case study of an independent record label makes this project's findings hypothetical and not generalizable. Thus, future research would benefit from an analysis of a wider variety of independent record labels, as the sector has become more complex. In short, understanding how smaller independents currently operate would give a more holistic impression of the sector. Specifically, future researchers should conduct field research with independents, as these qualitative efforts would place the information gathered into a humanistic, and therefore more enriching, context. Additionally, such qualitative examinations are necessary because they allow for researchers to gather data regarding lesser known artists beyond those promoted in media. Ultimately, the researcher recognizes that issues of location, as well as transportation constraints, have prevented this project from utilizing the field research that would have been most appropriate for it.

In sum, as major labels move towards transforming artists into exploitable brands, the need for artist friendly independent labels becomes more vital. This is because the main goals of independent labels have been to protect the rights and working conditions of creative labor, to promote collectivism in business, and to sustain music diversity. In short, independent labels present an opportunity to build a more egalitarian music industry, which, hypothetically, would allow for new voices and increased creative employment to be realized. However, despite this prospect, there is no guarantee that such a system will transpire, as larger market influences and government policies have subverted such attempts in the past. Thus, because of these external implications, it becomes imperative to analyze the practices of independents, as doing so may expose any concealed barriers to affluence that these businesses may confront. Moreover, as this research discovered, obstacles blocking the development of an independent network may emerge from within the independent community itself, as well. This realization starkly contrasts with the popular notion of democratization through the internet. Rather, from this research, it has been acknowledged that previous power imbalances, as well as new ones, have transferred to the online sphere. Thus, while the internet has helped some independent music businesses to prosper, this success has only been realized by a select few. As a result, the music industry continues to be vastly undemocratic in terms of business competition, creative labor, and consumer access to culture. In sum, this is because neoliberal philosophies have become increasingly normalized in the U.K. As a result, profit has been promoted over the preservation of innovative media, meaning that independents may no longer seek to work collectively. Thus, it can be argued that, unless entrepreneurs opt to work with, rather than compete against, each other, a more democratic music industry may never transpire.

REFERENCES

2012 Brings repeated success for Cooking Vinyl. (2012, July 18). *Top40-Charts.com*. Retrieved from http://top40-charts.com/news.php?nid=80332

2012 U.K. album charts. (2012, December, 8). *Official Charts Company*. Retrieved from http://www.officialcharts.com/archive-chart/_/1/2012-12-08/

Acharya, A. (2012, 21 August). What is decentralization and explain its advantages and disadvantages?. Retrieved from http://www.preservearticles.com/201101143290/decentralization-and-explain-its-advantages-and-disadvantages.html.

American Express announces partnership with VEVO and YouTube, unveils "Unstaged: An Original Series from American Express. (2010, July 23). *American Express.com*. Retrieved from http://about.americanexpress.com/news/pr/2010/unstaged.aspx

Arrington, M. (2008 November 8). 360 deals become mandatory as labels prepare for free music. *Techcrunch*. Retrieved from http://techcrunch.com/2008/11/08/360-music-deals-become-mandatory-as-labels-prepare-for-free-music/

Arthur, C. (2010, March 21). Digital economy bill: What you need to know. *The Guardian*. Retrieved from http://www.guardian.co.uk/media/2010/mar/22/digital-economy-bill?intcmp=239

Ashton, R. (2009, September 7). Cooking Vinyl lets artists call shots. *Music Week*. Retrieved from http://www.musicweek.com/news/read/cooking-vinyl-lets-artists-call-shots/040704

Attention all unsigned music artists. (2012, November 3). *A Music Blog, Yea? Retrieved* from http://amusicblogyea.com/2012/11/03/attention-all-unsigned-artists-tom-clarke-talks-nbt-project-submissions/

Azenha, G. (2006). The Internet and the decentralisation of the popular music industry: critical reflections on technology, concentration and diversification. *Radical Musicology 1*: 125 pars. 17. Retrieved from http://www.radical-musicology.org.uk

Barton, L. (2005, October 24). The question: Have the Arctic Monkeys changed the music business? *The Guardian*. Retrieved from http://www.guardian.co.uk/music/2005/oct/25/popandrock.arcticmonkeys

Berman, T. (2008, April 16). 360 Deals. *Music Biz*. Retrieved from http://beatblog.typepad.com/melon/2008/04/music-biz-360-2.html

Berry, J. (2011). Welcome to the machine: Changing music industry value frameworks and the key characteristics of new music industry business models. University of Newcastle thesis.

Big fish in a small pond. (2012, April 1). *NME*. Retrieved from http://www.nme.com/news/the-view/62985

Bignell, P. (2011, May 22). Why the indie record bosses are so-ho happy. *The Independent*. Retrieved from http://www.independent.co.uk/arts-entertainment/music/news/why-the-indie-record-bosses-are-soho-happy-2287449.html

Bradshaw, T., Robinson, D. (2012, July 11). US dominance still elusive for Spotify. *The Financial Times*. Retrieved from http://www.ft.com/intl/cms/s/0/40ec6aea-c9e4-11e1-844e-00144feabdc0.html#axzz2GNipzMy1

Brown, H.O. (2012, September 19). The Killers thrill NYC For 'American Express: Unstaged concert with Werner Herzog. *Billboard*. Retrieved from http://www.billboard.biz/bbbiz/industry/backbeat/backbeat-the-killers-thrill-nyc-for-american-1007953932.story

Brown, T. (2011, April 27). Lyor Cohen talks 360 deals, high salaries, the future of labels. *Billboard*. Retrieved from http://www.billboard.biz/bbbiz/industry/record-labels/lyor-cohen-talks-360-deals-high-salaries-1005158962.story

Budden, R. (2012, September 16). Filesharing 'costs music industry £500m. *Financial Times*. Retrieved from http://www.ft.com/intl/cms/s/0/3028e704-fdd0-11e1-8fc3-00144feabdc0.html#axzz2GNipzMy1

Burkart, P. (2005). Loose Integration in the Popular Music Industry. *Popular Music and Society 28*.4: 489-500. Print.

Burnett, R. (1999). *The Global Jukebox: Communication and Society*. U.K.: Taylor and Francis. Print.

Burrows, H., Ussher, K. (2011). Risky business. *Music Industry Development Association*. Retrieved from http://musicdevelopment.wordpress.com/2011/10/17/risky-business-report-download/

Chace, Z. (2012, July 25). Katy Perry's perfect game. *NPR*. Retrieved from http://www.npr.org/blogs/money/2012/01/20/145466007/katy-perrys-perfect-game

Chang B. H. (2003). Diversification strategy of global media conglomerates: Examining its patterns and determinants. *Journal of Media Economics 16*.4. pp.213-33. Print.

Carr, A. (2011, November 22). Spotify, Rdio, And MOG on artist payments: Don't blame us. *Fast Company*. Retrieved from http://www.fastcompany.com/1796382/spotify-rdio-and-mog-artist-payments-dont-blame-us

Christman, E. (2012, January 23). Essential Music and Marketing launches North American division. *Retail Briefs: Essential Music & Marketing Launches North American Division*. *Billboard Music*. Retrieved from http://www.billboard.biz/bbbiz/others/retail-briefs-essential-music-marketing-1005963752.story

Christman, E. (2012b, July 26). Universal/EMI: Deal looks likely to be approved, but at what cost to UMG? *Billboard*. Retrieved from http://www.billboard.biz/bbbiz/industry/record-labels/pressure-mounts-for-universal-music-to-make-1007754552.story

Christman, E. (2012, July 5). Universal Music Group tops Sony to lead 2012 mid-year market share. Retrieved from http://www.billboard.biz/bbbiz/industry/record-labels/universal-music-group-tops-sony-to-lead-1007508952.story

Clarke, T. (2012) The Enemy blog. *The Enemy.com*. Retrieved from http://tomclarkeofficial.blogspot.com/

Cochrane, G. (2010, January 21). The year British Indie guitar music died. *BBC News*. Retrieved from http://www.bbc.co.uk/newsbeat/10004881

Cook, R. (2003). Music: The impact of digital distribution on the duration of recording contracts. *Vanderbilt Journal of Entertainment Law & Practice*. V.6, pp. 40 – 355.

Cooking Vinyl: About. (2012). *CookingVinyl.com*. Retrieved from http://cookingvinyl.com/about/

Cooking Vinyl deal with Icebreaker. (2011, May 21). *Music Week*. Retrieved from https://www.exacteditions.com/read/musicweek/21-05-2011-8811/2/3

Cultural policies and trends in Europe. (2012). *Cultural Policies*. Retrieved from http://www.culturalpolicies.net/web/unitedkingdom.php?aid=423

Cummings, M. (2012, July 16). Katy Perry's album sales increase 451% due to film. *HLN*. Retrieved from http://www.hlntv.com/article/2012/07/12/katy-perry-teenage-dream-shoots-number-2

Dahud, H. (2012a, October 25). Metallica prepping first independent release. *Hypebot*. Retrieved from http://www.hypebot.com/hypebot/2012/10/metallica-prepping-first-independent-release.html?utm_source=dlvr.it&utm_medium=twitter

Dahud, H. (2012b, November 30). Pirate Bay launches Promo Bay. *Hypebot*. Retrieved from http://www.hypebot.com/hypebot/2012/11/pirate-bay-launches-the-promo-bay-to-promote-artists-to-the-masses-.html

Daniel, J. (2011, December 9). How to set up an indie label market. *The Guardian*. Retrieved from http://www.guardian.co.uk/music/musicblog/2011/dec/09/independent-label-market

Day, J. (2001, February 16). Dance magazines hit new high. *The Guardian*. Retrieved from http://www.guardian.co.uk/media/2001/feb/16/emap.abcs

Day, W. (2010, February 5). 360 Deals are the new record contracts. *Hip Hop and Politics*. Retrieved from http://hiphopandpolitics.wordpress.com/2010/02/05/warning-hip-hop-artist-need-to-know-about-todays-360-record-deals/

Declining album sales and increased piracy present a challenge for the music industry. (2012). *Creative Innovation*. Retrieved from http://www.creativeinnovation.net.au/Features/business-management/Investment-models-in-the-music-sector.html

Dockrill, P. (2006, August 11). Arctic Monkeys: Were they really a P2P/MySpace-fuelled success story? *APC*. Retrieved from http://apcmag.com/arctic_monkeys_were_they_really_a_p2pmyspacefuelled_success_story.htm

Doctorow, C. (2010, March 29). Does the BPI want MPs to debate the digital economy bill properly. *The Guardian*. Retrieved from http://www.guardian.co.uk/technology/2010/mar/29/digital-economy-bill-bpi-doctorow

Domino Records website. (2012). Retrieved from http://www.dominorecordco.com/?ses_key=4c1s3c3w&site=1&empty=true

Center of the indie label universe. (2009, March 24). *Center of the indie label universe*. Retrieved from http://centeroftheindielabeluniverse.blogspot.com/2009/03/domino-records.html

Donnelly, B. (2007). Music label to allow copying of digital tracks. *Herald* (11 August)(Harare, Zimbabwe)(0255-6227), p.8.

Dunn, K. (2012). If it ain't cheap, It ain't punk: Walter Benjamin's progressive cultural production and DIY punk record labels. *Journal of Popular Music*, 15(2), 217-237.

Engstrom, C. (2011, March 30). IFPI lobbyist new head of ACTA and IPRED at the EU Commission.' *Christianengstrom.com*. Retrieved from http://christianengstrom.wordpress.com/2011/03/30/ifpi-lobbyist-new-head-of-acta-and-ipred-at-the-eu-commission/

Enterprise Finance Scheme. (2012). *Department for Business Innovation & Skills*. Retrieved from http://www.bis.gov.uk/efg

Essential Music Marketing: Sales and distribution. (2012). *Essential Music Marketing website*. Retrieved from http://www.essential-music.com/

Ericsson, S. (2011). The recorded music industry and the emergence of online music distribution: Innovation in the absence of copyright. *George Washington Law Review*. Vol. 79: 1783. Retrieved from http://groups.law.gwu.edu/lr/ArticlePDF/79-6-Ericsson.pdf

Featured artists coalition: About us. (2012). *Featured Artists Coalition*. Retrieved from http://thefac.org/

Financing a private sector recovery. (2010). *Department for Business Innovation and Skill*. Retrieved from http://www.bis.gov.uk/assets/BISCore/corporate/docs/F/10-1081-financing-private-sector-recovery.pdf

Fitzpatrick, R. (2011, October 27). When bands fall off cliffs. *The Guardian*. Retrieved from http://www.guardian.co.uk/music/2011/oct/27/when-bands-fall-off-cliffs

Fonarow, W. *Empire of Dirt: The Aesthetics and Rituals of British Indie Music*. Middletown, CT: Wesleyan UP, 2006. Print.

Forde, E. (2011, August 6). Vevo extends offer to live and more. *Music Week*. Retrieved from http://search.proquest.com/docview/884899156?accountid=13158

Fortes, F. (2012, August 30). Music industry consolidation: The likely anticompetitive effects of the Universal/EMI merger. *The American Antitrust Institution*. (30 August). Retrieved from http://www.antitrustinstitute.org/~antitrust/sites/default/files/White%20paperEMI%20Universal.pdf

Gaffney, M., Rafferty, P.(2009). Making the long tail visible: Social networking sites and independent music discovery. Program: Electronic Library and Information Systems 43.4 (2009): 375-91. Print.

Garrett, J. (2011, March 7). This is it: Ten years of The Strokes. *Pitchfork*. Retrieved June 18, 2012 from http://pitchfork.com/features/articles/7925-this-is-it-ten-years-of-the-strokes/

Goldstein, J. (2010, April 13). Management secrets of the treadmill video guy. *NPR*. Retrieved from http://www.npr.org/blogs/money/2010/04/the_tuesday_podcast.html

Gracon, D. (2010). Exiled records and over-the-counterculture: A cultural political economic analysis of the independent record store. Retrieved from http://hdl.handle.net/1794/11155

Hasted, N. (2005, December 16). Year of The Arctic Monkeys. *The Independent*. Retrieved from: http://www.independent.co.uk/arts-entertainment/music/features/year-of-the-arctic-monkeys-519609.html

Hesmondhalgh, D., Baker, S. (2010a). A very complicated version of freedom: Conditions and experiences of creative labour in three cultural industries. *Poetics*. Volume 38, Issue 1, February 2010, Pages 4–20.

Hesmondhalgh, D. (2007). *The Cultural Industries.* Thousand Oaks, CA: SAGE Publications Ltd; 2nd edition. Print.

Hesmondhalgh, D. (1999). Indie: The institutional politics and aesthetics of a popular music genre. *Cultural Studies*, 13(1), 34-61. doi:10.1080/095023899335365.

Hesmondhalgh, D. (2010b). Normativity and social justice in the analysis of creative labour. *Journal for Cultural Research.* Vol. 14 Issue 3, p231-249.

Hesmondhalgh, D. (1997). Post-punk's attempt to democratise the music industry: The success and failure of Rough Trade. *Popular Music* , Vol. 16, No. 3 (Oct., 1997), pp. 255-274.

The association of independent music: About us. (2012). *The Association of Independent Music.* Retrieved from http://www.musicindie.com/home

Horten, M. (2010, March 23). BPI lobbyist Mollet tries for Parliament. *Iptegrity.com*. Retrieved from http://www.iptegrity.com/index.php/digital-britain/490-bpi-lobbyist-mollett-tries-for-parliament

Houghton, B. (2012, September 17). Steady decline of music industry forces indie label to close. *Hypebot*. Retrieved from http://www.hypebot.com/hypebot/2012/09/-steady-decline-of-music-industry-forces-indie-label-hyrdra-head-to-close-ask-fans-for-help.html

IFPI: About. (2012). *IFPI.* Retrieved from http://www.ifpi.org/content/section_about/index.html

IMPALA: Features of independents. (2012). *Impala website.* Retrieved from http://www.impalasite.org/

Independent label Market. (2012). *The Old Spitalfields Market*. Retrieved from http://www.oldspitalfieldsmarket.com/home/events/independent-label-market.html

Indie gold rush for comprehensive service. (2011, July 23). *Music Week*. Issue 29 p.6.

Industry attorney: Major labels rarely pass through Spotify earnings. (2012, July 9). *Digital Music News*. Retrieved from http://www.digitalmusicnews.com/permalink/2012/120709spotify

Ingham, T. (2012, August 10). Google to punish pirate sites in search results. *Music Week*. Retrieved from http://www.musicweek.com/news/read/google-to-punish-pirate-sites-in-search-results/051351

Interview with The Moons: It’s an honour to have Paul Weller sing on a track we wrote. (2011, July 23). *Live4Ever Blog*. Retrieved from http://www.live4ever.uk.com/2011/07/interview-the-moons-its-an-honour-to-have-paul-weller-sing-on-a-track-we-wrote/

Investment models in the music sector. (2012, August 26). *Creative Innovation*. Retrieved from http://www.creativeinnovation.net.au/Features/business-management/Investment-models-in-the-music-sector.html

IPC Advertising (2012). *IPC*. Retrieved from http://www.ipcadvertising.com/audiences/young-men

Johnson, B. (2010, March 4). Lords copyright change could block Youtube. *The Guardian*. Retrieved from http://www.guardian.co.uk/technology/2010/mar/04/lords-digital-economy-bill

Jones, R. (2012, September 11). Google hides Pirate Bay domain. *Music Week*. Retrieved from http://www.musicweek.com/news/read/google-blocks-the-pirate-bay-domains-from-search-phrases/051733

Jonze, T. (2006, January 12). Arctic Monkeys album review. *NME*. Retrieved from http://www.nme.com/reviews/arctic-monkeys/7837

Kafka, P. (2012, August 9). The Spotify effect shows up: Streaming music boosts Warner's bottom line. *AllThingsD*. Retrieved from http://allthingsd.com/20120809/the-spotify-effect-shows-up-streaming-music-boosts-warners-bottom-line/?mod=atdtweet

Karubian, S. (2009). 360 Deals: An industry reaction to the devaluation of recorded music. *Southern California Interdisciplinary Law Journal*. 18: 395-462. Print.

Katy Perry most played artist of 2011. (2012, January 5). *Musicnews.com*. Retrieved from http://www.music-news.com/shownews.asp?nItemID=47527

Katy Perry surpasses 1.5 million album sales in U.K. (2012, January 23). *SMTDaily*. Retrieved from http://smtdaily.com/2012/01/katy-perry-surpases-1-5-million-uk-album-sales/

King, R. (2012). *How Soon Is Now?: The Madmen and Mavericks Who Made Independent Music, 1975-2005*. London: Faber. Print.

Knab, C. (2004). How and why major labels and independent labels work together. *MusicBizAcadmeny.com*. Retrieved from http://www.musicbizacademy.com/knab/articles/majorindie.htm

Kot, G. (2010). *Ripped: How the wired generation revolutionized music.* New York, NY: Scribner Publishing. Print.

Kruse, H. (2010). Local identity and independent music scenes on and off. *Popular Music and Society* 33.5: 625-39. Print.

LeBlanc, L. (2012, July 5). Celebrity access industry profiles: Rio Carreff. *Celebrity Access*. Retrieved from http://www.celebrityaccess.com/news/profile.html?id=575

Lee, D. (2012, December 5). Pirate Bay spin-off site Promo Bay to be unblocked. *BBC*. Retrieved from http://www.bbc.co.uk/news/technology-20615797

Lee, S. (1995) Re-examining the concept of the independent record company: The case of Wax Trax! Records, *Popular Music* 14(1): 13-31. Print.

LeGrand, E. (2012). Monitoring the cross-border circulation of European music repertoire. Print

LeGrand, E. (2006, April 1). The indie way. (2006). *Billboard*. 18, 13; p. 25. Print.

Lindvall, H. (2012a, February 2). Behind the music: What do record labels actually do? You'd be surprised. *The Guardian*. Retrieved from http://www.guardian.co.uk/music/musicblog/2012/feb/02/behind-music-record-labels.

Lindvall, H. (2011, February 1). Spotify should give indies a fair deal on royalties. *The Guardian*. Retrieved from: http://www.guardian.co.uk/media/pda/2011/feb/01/spotify-royalties-independents

Lindvall, H. (2012b, July 26). Universal's EMI takeover: The great rock'n'roll swindle? *The Guardian*. Retrieved from http://www.guardian.co.uk/music/2012/jul/26/universal-emi-takeover-publishing-rights-music

Lindvall, H. (2012c, March 9). Universal's takeover of EMI poses threat to musical diversity. *The Guardian*. Retrieved from http://www.guardian.co.uk/media/2012/mar/09/universal-takeover-emi-threaten-market?INTCMP=SRCH

Lindvall, H. (2009, January 29). Why artists should retain ownership of their recordings. *The Guardian*. Retrieved from http://www.guardian.co.uk/music/musicblog/2009/jan/29/recording-copyright-ownership

Lynskey, D. (2011, October 22). Indie rock's slow and painful death. *The Guardian*. Retrieved from http://www.guardian.co.uk/music/musicblog/2012/jan/16/indie-rock-slow-painful-death

MacMillan, D. (2009, March 6). The music industry’s new internet problem. *Business Week*. Retrieved from http://www.businessweek.com/stories/2009-03-06/the-music-industrys-new-internet-problembusinessweek-business-news-stock-market-and-financial-advice

Making it easier to set up and grow a business. (2012, December 14). *Gov.uk*. Retrieved from https://www.gov.uk/government/policies/making-it-easier-to-set-up-and-grow-a-business--6

Maloney, D. (2012, February 17). Adele's relationship with Spotify: It's complicated. *Spin*. Retrieved from http://www.spin.com/#articles/adeles-relationship-spotify-its-complicated

Marikar, S. (2008, June 28). Pastors' daughter turns pseudo-lesbian pop princess. *ABC.com*. Retrieved from http://abcnews.go.com/Entertainment/WinterConcert/story?id=5256149&page=1

Martinez, J. (2012, June 16). Groups ramp up resistance. *Politico*. Retrieved from http://www.politico.com/news/stories/0612/77441.html

Marzorati, G. (October, 6, 2002). They are it. *The New York Times*. Retrieved from http://www.nytimes.com/2002/10/06/magazine/they-are-it.html

Masnick, M. (2012a, February 20). Katy Perry shows how the problem with the major labels is economics, not piracy. *Techdirt*. Retrieved from http://www.techdirt.com/articles/20120214/02015317752/katy-perry-shows-how-problem-with-major-labels-is-economics-not-piracy.shtml

Masnick, M. (2012b, July 27). RIAA Knows (but tried to hide) that most 'unpaid' music acquisition comes from offline swapping. Retrieved from http://www.techdirt.com/articles/20120726/20131119853/riaa-knows-tried-to-hide-that-most-unpaid-music-acquisition-comes-offline-swapping.shtml

McDonald, H. (2013). Domino Records profile. *About.com*. Retrieved from http://musicians.about.com/od/indielabels/p/dominorecs.htm

McGuigan, J. (2010). Creative labour, cultural work and individualisation. *International Journal Of Cultural Policy*, 16(3), 323-335. doi:10.1080/10286630903029658

Merlin Network: Welcome to Merlin. (2012). *Merlin Network*. Retrieved from http://merlinnetwork.org/

Meyer, Robinson. (2012, June 28). Why Spotify doesn't make sense for musicians: 70,000 Listens earns less than $300. Retrieved from http://www.theatlantic.com/technology/archive/2012/06/why-spotify-doesnt-make-sense-for-musicians-70-000-listens-earns-less-than-300/259136/

Mick, J. (2011, April 6). EU's new copyright queen sought to criminalize backup copies, DRM cracking. *Daily Tech*. Retrieved from http://www.dailytech.com/EUs+New+Copyright+Queen+Sought+to+Criminalize+Backup+Copies+DRM+Cracking/article21306.htm

Mick, J. (2009, April 24). Pirate Bay trial judge admits he was member of copyright protection organization. *Daily Tech*. Retrieved from http://www.dailytech.com/Pirate+Bay+Trial+Judge+Admits+He+Was+Member+of+Copyright+Protection+Org/article14959.htm

Miller, M. (2012, February 3). Movers and shakers. *The Deal.com*. Retrieved from http://www.thedeal.com/magazine/ID/044370/dealmakers/moversshakers-caroline-hamilton.php

Mollet, R. (2010, March 12). Digital economy bill weekly update. *Scribd*. Retrieved from http://www.scribd.com/doc/28298591/From-Richard-Mollet-Richard-mollet-BpLco-uk

Moth, D. (2012, April 5). Vevo’s U.K. users stream 177m music videos in January. *Econsultancy*. Retrieved from http://econsultancy.com/us/blog/9535-vevo-s-uk-users-streamed-177m-music-videos-in-january

Music Management Forum website. (2012). Retrieved from http://www.themmf.net/

Negus, K. (1996). *Popular Music in Theory*. Cambridge, UK: Polity Press. Print.

Newman, M. (2009). Indie culture: In pursuit of the authentic autonomous alternative. *Cinema Journal* 48.3; 16-34. Print.

NEXTBiGTHING: About. (2012). *Nextbigthinggroup.com*. Retrieved from http://nextbigthinggroup.wix.com/nextbigthinggroup#!about/c5rc

Nixon, T. (2012, July 6). We went nuts and spent all our money. *The Sun (England*). 670 words. LexisNexis Academic. Web. Date Accessed: 2012/07/13.

NME magazine sales continue to decline. (August 19, 2011). *BBC*. Retrieved from http://www.bbc.co.uk/news/entertainment-arts-14581116

Oakley, K. (2006). Include us out—Economic development and social policy in the creative industries. *Cultural Trends*, 15(4), 255-273. doi:10.1080/09548960600922335.

Oakley, K. (2004). Not so cool Britannia: The role of the creative industries in economic development. *International Journal of Cultural Studies* 2004 7: 67. DOI: 10.1177/1367877904040606.

O'Connor, Alan. (2008). *Punk Record Labels and the Struggle for Autonomy: The Emergence of DIY.* Lanham: Lexington. Print.

Ogg, A. (2010). *Independence Days*. Mustaing, OK: Tate Publishing. Print.

Okorocha, D. (2010). A full 360: How the 360 deal challenges the historical resistance to establishing a fiduciary duty between artist and label. *UCLA Entertainment Law Revue*, Vol. 18.

One Direction make a cool £100 million in two years. (2012, September 21). *Contact Music*. Retrieved from http://www.contactmusic.com/news/one-direction-make-a-cool-100-million-in-two-years_3294928

Pakinkis, T. (2012a, August 16). ABC: NME Readership falls 17.6% YoY, Uncut sees slight increase since December. *Music Week*. Retrieved from http://www.musicweek.com/news/read/abc-nme-readership-falls-17-6-yoy-uncut-sees-slight-increase-since-december/051415

Pakinkis, T. (2012b, August 16). Global streaming revenue to grow by 40% in 2012 - Study. *Music Week*. Retrieved from http://www.musicweek.com/news/read/global-streaming-revenue-to-grow-by-40-in-2012-study/051405

Pakinkis, T. (2012c, September 24). Grainge confirms EMI job cuts to come. *Music Week*. Retrieved from http://www.musicweek.com/news/read/grainge-confirms-emi-job-cuts-to-come/051907

Pakinkis, T. (2012d, July 27). Mills supports Universal/EMI artist buyback plan. *Music Week*. Retrieved from http://www.musicweek.com/news/read/martin-mills-backs-universal-emi-artist-buyback-scheme/051159

Pakinkis, T. (2012e, August 23). Spotify subscription revenue up 200% in 2011. *Music Week*. Retrieved from http://www.musicweek.com/news/read/spotify-subscription-revenue-up-200-yoy/051495

Pasquale, F. (2002). Beyond Napster: Using antitrust law to advance and enhance online music distribution. *Boston University Journal of Science and Technology Law*.

Peoples, G. (2012a, September 17). Death of major labels is greatly exaggerated. *Billboard*. Retrieved from http://www.billboard.biz/bbbiz/industry/record-labels/business-matters-reports-of-the-death-of-1007951122.story

Peoples, G. (2012b, December 28). Lyor Cohen highest paid WMG employee in 2012. *Billboard*. Retrieved from http://www.billboard.biz/bbbiz/industry/record-labels/warner-music-s-cameron-strang-gets-pay-raise-1008063462.story

Peoples, G. (2012c, August 9). Business matters: Warner getting big gains from Spotify, Pandora, YouTube and other streaming services. *Billboard*. Retrieved from http://www.billboard.biz/bbbiz/industry/record-labels/business-matters-warner-getting-big-gains-1007794752.story

Perreau, B. (2005, November 25). How musicians have harnessed the Internet." *The Independent*. Retrieved from http://www.independent.co.uk/arts-entertainment/music/features/how-musicians-have-harnessed-the-internet-516777.html

Petridis, A. (2001a, August 23). Short, sharp Strokes." *The Guardian*. Retrieved from http://www.guardian.co.uk/lifeandstyle/2001/aug/24/shopping.artsfeatures?INTCMP=SRCH>.

Petridis, Alexis. (2001b, 20 December). The year in rock and pop." *The Guardian*. Retrieved from: http://www.guardian.co.uk/lifeandstyle/2001/dec/21/shopping.artsfeatures7?INTCMP=SRCH

Recording contract fact sheet. (2012). *The West Australian Music Industry Association*. Retrieved from http://www.wam.asn.au/portals/0/docs/amin/recordingcontractfactsheet_web.pdf

Ridenour, S. (2001). Stroke it. *CMJ New Music Monthly*. pp. 68-70. Print

Rimmer, M. (2012, June 21). Katy Perry: A rare interview with the pop star from her Christian music phase. *Cross Rhythms*. Retrieved from http://www.crossrhythms.co.uk/articles/music/Katy_Perry_A_rare_interview_with_the_pop_star_from_her_Christian_music_phase/36193/p1/

Robinson, P. (2009, January 16). All killer and no landfiller. *The Guardian*. Retrieved from http://www.guardian.co.uk/music/2009/jan/17/florence-and-the-machine-indie

Rock & pop: Internet idols; A No 1 single out of nowhere has worried the major labels. (2005, November 25). *The Independent*. 728 words. LexisNexis Academic. Web. Date Accessed: 2012/04/29.

Rogers, J. (2011, June 31). Arctic Monkeys make the fastest-selling debut ever. *The Guardian*. Retrieved from http://www.guardian.co.uk/music/2011/jun/14/arctic-monkeys-debut

Rougeau, M. (2012, December 5). Major labels stumping Apple's streaming music plans. *Techradar*. Retrieved from http://www.techradar.com/us/news/computing/apple/major-labels-stumping-apples-streaming-music-plans-report-claims-1117410

Sabbagh, D. (2012, September 21). Universal-EMI deal: the day the music died. *The Guardian*. Retrieved from http://www.guardian.co.uk/media/2012/sep/21/universal-emi-deal

Sherwin, A. (2012, October 1). Strike? There's no other way: Blur lead pop protest over sale of label. *The Independent*. Retrieved from http://www.independent.co.uk/arts-entertainment/music/news/strike-theres-no-other-way-blur-lead-pop-protest-over-sale-of-label-8191495.html

Sisario, B. (2012a, July 24). Indies start to break ranks in opposing Universal-EMI deal. *Media Decoder Blog*. Retrieved from http://mediadecoder.blogs.nytimes.com/2012/07/24/indies-start-to-break-ranks-in-opposing-universal-emi-deal

Sisario, B. (2012, August 24). Pandora and Spotify rake in the money and then send it off in royalties. *Media Decoder Blog*. Retrieved from http://mediadecoder.blogs.nytimes.com/2012/08/24/pandora-and-spotify-rake-in-the-money-and-then-send-it-off-in-royalties/

Steady decline of music industry forces indie label Hyrdra Head to close, ask fans for help. (2012, September 9). *Hypebot*. Retrieved from http://www.hypebot.com/hypebot/2012/09/-steady-decline-of-music-industry-forces-indie-label-hyrdra-head-to-close-ask-fans-for-help.html

Streaming payout from July 2011-December 2011. (2012, August 24). *The Trichordist*. Retrieved from http://thetrichordist.wordpress.com/2012/04/23/streaming-price-index-123111/

Support The Moons. (2009, March 3). *PaulWellerNews*. Retrieved from http://nextbigthinggroup.wix.com/nextbigthinggroup#!about/c5rc

Sweney, M. (2011a, July 2). Anger at failure of £2bn fund to help bands." *The Guardian*. Retrieved from http://www.guardian.co.uk/business/2011/jul/02/failure-fund-help-bands

Sweney, M. (2011b, September 11). Rio Caraeff: Vevo revolutionary." *The Guardian*. Retrieved from http://www.guardian.co.uk/media/2011/sep/11/rio-caraeff-vevo>.

Sydell, L. (2012, July 30).The race to create a music superlabel still faces hurdles. *NPR*. Retrieved from http://www.npr.org/blogs/therecord/2012/07/27/157493877/the-race-to-create-a-music-superlabel-still-faces-hurdles

Taylor, N. (2012). *Document and Eyewitness: An Intimate History of Rough Trade*. Orion Publishing. London: UK. Print.

The Enemy sign to Cooking Vinyl. (2011, December 16). *CMU*. Retrieved from http://www.thecmuwebsite.com/article/the-enemy-sign-to-cooking-vinyl/

The Rifles Project. (2012). *PledgeMusic*. Retrieved from http://www.pledgemusic.com/projects/therifles

Thompson, S. (2001). Market failure: Punk economics, early and late. *College Literature*. 28(2), 48-64.

Thorton, A. (2006). *The Libertines: Bound Together*. New York, NY: Time Warner Books. Print.

Transparent deals attract artists to Cooking Vinyl. (2010, June 26). *Music Week*. 436 words. LexisNexis Academic. Web. Date Accessed: 2012/05/09.

Tummons, J. (2008) *Cultural Assimilation, Appropriation and Commercialization: Authenticity in Rap Music, 1997—2004*. West Virginia University Dissertation. Print.

Universal Music Group and YouTube forge strategic partnership. (2006, October 9). *Boston.com*. Retrieved from http://finance.boston.com/boston/news/read?GUID=277632

Unstaged: An original series from American Express. (2011). *Effie Awards*. Retrieved from s3.amazonaws.com/effie_assets/2011/5243/2011_5243_pdf_1.pdf

Vertical integration. (2009, March 30). *The Economist*. Retrieved from http://www.economist.com/node/13396061

Wasko, J. (2011) *The Handbook of Political Economy of Communications*. Chichester, West Sussex: Wiley-Blackwell. Print.

Weissmann, J. (2012, May 16). The merger music fans and government should fear. *The Atlantic*. Retrieved from http://www.theatlantic.com/business/archive/2012/05/why-you-should-fear-the-big-universal-music-emi-merger/257273/

Wenham calls for patience with Spotify at AIM AGM. (2012, July 14). *Music Week*. Retrieved from http://www.musicweek.com/news/read/wenham-calls-for-patience-with-spotify-at-aim-agm/049519

Wenham, A. (2009). New report shows how much record companies are investing in music. *Investing in Music*. Retrieved from http://www.ifpi.org/content/section_news/investing_in_music.html

What happens between an artist and their label or distributor in their contractual relationship are simply not something that we are party to and every artist's deal is different. (2012, February 21). *Digital Music News*. Retrieved from http://www.digitalmusicnews.com/permalink/2012/120221vevo

What is the future of the U.K.'s creative industries? (2012). *Creative Economy*. Retrieved from http://creativeconomy.britishcouncil.org/Policy_Development/casestudies/what-future-uk-creative-industries/

Why OK Go will never see a dime from EMI... (2012, February 27). *Digital Music News*. Retrieved from http://www.digitalmusicnews.com/permalink/2012/120227okgo

Why the indie record bosses are So-ho happy: Music market pulls in a new crowd. (2011, May 22). *Independent*. Retrieved from http://www.independent.co.uk/artsentertainment/music/news/why-the-indie-record-bosses-are-soho-happy-2287449.html

Woods, A. (2011, May 15). Cooking Vinyl: Cooking up a storm. *Music Week*. Issue 19, p2.

Wray, R. (2010 April, 2). Music industry hits out at banks' refusal to offer loans. *The Guardian.* Retrieved from http://www.guardian.co.uk/business/2010/apr/02/music-industry-bank-loans

ACADEMIC VITA of Melinda D. Karth

Melinda Karth
21 Ridgewood Way
Harleysville, PA 19348
mdk5128@psu.edu

Education

B.A. in Media Studies (Society and Culture option), Pennsylvania State University,

Spring 2013

B.A. in Psychology, Pennsylvania State University, Spring 2013

Honors in Media Studies

Thesis Title: Music industry democratization: British independent record labels in 2012

Thesis Supervisor: C. Michael Elavsky

Honors and Awards (All received through Penn State University)

- Dean's List: Fall 2008 – 2012
- Dean's List: Spring 2009-2013
- Spring 2009 President's Freshman Award
- Spring 2010 President's Sparks Award
- Spring 2011 Evan Pugh Award Junior
- Spring 2012 Evan Pugh Award Senior
- Spring 2011 Phi Beta Kappa inductee
- Fall 2011 Phi Kappa Phi inductee
- Fall 2010 Golden Key inductee
- Recipient of the 2010/2011 James Wiggins and Christine Fleming Honors

Scholarship

- Recipient of the 2011/2012 Douglas and Claudia Anderson Trustee Scholarship
- Recipient of the 2011/2012 Roy C Buck Scholarship
- Recipient of the 2012/2013 Schumacher Honors Scholarship
- Recipient of the 2012/2013 Naomi A Fischer Scholarship
- Recipient of the 2012/2013 James Wiggins and Christine Fleming Honors Scholarship

Professional Experience

- Undergraduate Research Assistant in Dr. Theresa Vescio's Social Psychology lab, Spring 2011
- Undergraduate Teaching Assistant for PSYCH105 - Psychology as a Science and a Profession, Spring 2011