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STRUCTURE AND OPERATIONAL ASPECTS OF THE MUSIC INDUSTRY

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I hereby declare that the work submitted is mine and that where I have made use of another's work; I have attributed the source(s) according to the Regulations set in the Student's Handbook.

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Thank you

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ABSTRACT

Music Industry is usually considered as a homogenous sector thus referred as one entity. Nevertheless, after a more meticulous study, segregation into three pillars is considered; namely, the Recording, the Publishing and the Live Performance Industry.

The aim of the present work is to study its structure through a historical overview of the evolution of Music Industry. More specifically, considering music as an industrial product, the present essay will examine the historical course of its evolution not from a musicological point of view, but as Business and its operational aspects and the interaction with the Industry. In addition, extensive reference will be made to all entities that assist in the production of the item, in the distribution, consumption and finally the inflow of revenue. Following a historic overview, the present essay investigates the three pillars individually and through their interface, focusing in the Recording Industry. In general, the key factors that influenced the development of the Music Industry were the technological achievements and the prevailing social and political currents of the era. Music Industry, according to Wikström, is a "Copyright Industry" which, according to WIPO, is engaged in creation. Consequently, there will be an overview of the entities evolved from the beginning of the production of the outcome (music), through its manufacturing, distribution to licensing and Artist remuneration.

Keywords: Music Industry, Music Industry-History, Recording Industry, Publishing Industry, Music Industry- Structure, Copyrights

PREFACE

This Dissertation was written as part of the MA in Art Law and Arts Management at the International Hellenic University.

Given my previous musical background, throughout the lectures of Dr Stamatoudi I became familiar with the significance of Intellectual Property and Copyright Protection. Furthermore, during the *Arts Management* courses of Dr Veleni and Dr Karatzias I acquired theoretical background and became academically interested in the context of Management in Arts and in Music in particular. Towards the end of my studies, the present Dissertation not only brings my Master in full circle, but also marks the beginning of the next one, as the next academic year I aspire to perform my Doctoral Research around Music Business Management.

The aim of this essay is to present the evolution of Music Industry throughout the decades and how the social and financial currents as well as the innovations of technology have influenced, contributed or even disrupted the core structure of the Industry as well as the entities evolved. The theoretical approach was achieved by dividing the uniform term *Industry* into its three pillars and then examining them separately and their interaction.

I would like to express my sincere gratitude to my supervisor Dr Konstantinos Karatzias, Lecturer in the International Hellenic University for his patient guidance, inspiration, encouragement and advice provided throughout my studentship as well as supervising my Thesis. I would also like to thank my family and dearest friends for their support.

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TABLE OF CONTENTS

ACKNOWLEDGEMENTS………………………………………………………………………………………… I

ABSTRACT…………………………………………………………………………………………………... III

PREFACE……………………………………………………………………………………………………..... IV

TABLE OF CONTENTS……………………………………………………………………………………… V

INTRODUCTION………………………………………………………………………………………………… 1

CHAPTER 1: MUSIC INDUSTRY- A HISTORIC OVERVIEW……………………………………………….. 4

1.1 INDUSTRY'S EARLY YEARS……………………………………………………………………. 4

1.2 THE MUSIC INDUSTRY IN THE DAWN OF THE 20th CENTURY…………………… 5

1.2.1 VAST INNOVATIONS THAT SHAPED THE INDUSTRY…………………………… 5

1.2.2 THE EVOLUTION FROM 1900 UNTIL 1920…………………………………………... 6

1.3 THE YEARS AFTER WORLD WAR I (WWI)………………………………………………. 7

1.4 DURING THE YEARS OF WORLD WAR II (WWII)……………………………………... 8

1.5 THE DECADES FROM 1950 TO 1970…………………………………………………….. 10

1.6 THE LATEST YEARS OF THE INDUSTRY FROM 1970 TO TODAY………………….. 11

CHAPTER 2: COPYRIGHTS AND THE PUBLISHING INDUSTRY…………………………………………... 15

2.1 A BRIEF INTODUCTION TO COPYRIGHT………………………………………………… 15

2.2 THE PUBLISHING INDUSTRY………………………………………………………………… 16

2.2.1 THE PUBLISHING INDUSTRY'S SOURCE OF REVENUE………………………….. 16

2.2.2 TYPES OF AGGEREMENTS IN THE PUBLISHING INDUSTRY……………………… 19

CHAPTER 3: THE STRUCTURE OF MUSIC INDUSTRY………………………………………………….. 22

3.1 INTRODUCTION…………………………………………………………………………………. 22

3.2 THE RECORDING INDUSTRY……………………………………………………………….. 24

3.2.1 THE DISTRIBUTION COMPANIES……………………………………………………... 26

3.3 THE LIVE PERFORMANCE INDUSTRY……………………………………………………… 28

3.3.1 TOURING……………………………………………………………………………………... 29

CONCLUSIONS………………………………………………………………………………………………… 31

BIBLIOGRAPHY……………………………………………………………………………………………….. 33

INTRODUCTION

The Encyclopedia Britannica defines the term Industry as "a group of productive enterprises or organizations that produce or supply goods, services, or sources of income" (Editors of Encyclopedia Britannica: n.d.). Wikström goes into further depth by defying *Industry* more as a specific part and a broader sector of the Economy that generates products (tangible) or services (intangible) and makes them available for mass consumption. As he states, the definition above has evolved from its previous context and applies to marketing and distribution of commodities (2013).

The term *Music Industry* depicts the network that facilitates production and distribution of the product (music), through the process of labor and communication with the aid of the latest technologies. As a result, the product becomes available to the public and the mass consumption of it is achieved (Tschmuck: 2012). As reported by Kellogg about Music Industry, it is the intersection of art and commerce and is built around technological innovation and entrepreneurship. (Kellogg: 2014).

The definition stated above needs to be reconfigured in order to comprehend the function and the dynamics of Music Industry, as well as its financial and social surrounding. As Williamson and Cloonan (2007) notice, the term can be even problematic at times. First and foremost, it is of great importance to recognize that it is not consisted of just one homogenous, but of more Industries linked together that share the same context and interests (Williamson and Cloonan: 2007). As noted by Hasitschka, "a culture institution is thus an institution that specializes in the production of cultural symbols" but due to the interdisciplinary approach, they ought to be studied from a social and financial scope (Hasitschka: 1997, p. 89 as seen on Tschmuck: 2012, p. 13). Specifically, we define Music as a symbol that is shifted into a product for trade (Tschmuck: 2012). Consequently, a rather simple term tries to depict a more complex, multidimensional and heterogeneous sector. Secondly, there is a misinterpretation regarding the term as it is commonly linked to the Recording Industry, whereas Music Industry is in fact consisted of three sub-Industries, the Publishing, the Recording and the Live Performance one (Hemsondhalgh: 2013).

Subsequently there will be a short historic overview of the Industry’s pillars, both separately but also of their interface and interaction because according to Hemsondhalgh (2013) in order to comprehend the function of any Industry that engages to creation and culture, a historic overview of its interaction with any other Industries as well as the technological innovations is necessary. There will be limited reference to the Live Music Industry individually because its origin did not coincide at the same time as a breakthrough innovation or an event in history but it was more of a gathering of people exchanging performance for value that existed for hundreds of years.

The present work begins in Chapter I with the historical overview of the Music Industry. The dawn of the Industry is also related to the decline of the patronage of musicians, when the mass reproduction of scores became more affordable and easier accessible to the public, thanks to Gutenberg. Gradually music became a mass “commodity” (Kruger: 2019, p.1) and was thus democratized. Especially with Edison's phonograph in 1877, Berliner’s gramophone and technological innovations as radio in the following century, music was addressed to a broader audience. The first years of the new century find Industry captive to both the technological constraints that did not allow it to develop further and the World War I. Nevertheless, many small national-content Industries had been formed around the world. The power of the Music Industry is also evident in its influence forming popular music, bringing all new genres to the taste of the average listener. From the 1920s onwards, radio has a steadily growing position of power in the Music Industry for many years culminating in the years of World War II. Those years had a direct impact on Industry’s revenues, as due to limited resources and general economic hardship, most European companies went bankrupt or merged.

However, the American Industry was still in power during those years, influencing currents even in Western-European Industry. Thus, by the 1970s, the six major Record Labels had been established. The 1970s were characterized by vast consumerism in the context of Neoliberalism. Consequently, the revenues of American Industry boosted to multiple billions. The Labels gradually shifted into conglomerates and in the same time the digital revolution of Compact Disc and then mp3 and the Internet, the Music Industry entered a completely new era. However, new complication such as piracy has surfaced, making it imperative to enact legislation in accordance with the Industry's new context.

Because of the evolution of music as the product of a certain individual, matters of ownership arose. The second Chapter deals with it in short, relating ownership to the Copyright, the driving force of Music Industry. The definition will be stated as provided by the World Intellectual Property Organization and the types of Copyright protection to which each one is entitled and in accordance with its nature will be displayed. According to Hemsondhalgh (2013), Music Industry is segregated into three sub-Industries, subsequently; the Publishing Industry will be the first to be examined. With regard to the Publishing Industry, it may be considered as an individual entity. However, at times, major Labels incorporate the Publishing sector as a Business. This Industry in particular is responsible for protecting the Artist against unauthorized use of his work by registering the Copyrights and collecting the Royalties in accordance with their Agreements. According to the nature of the use of the work, the rights of the Artist are divided into the Mechanical, Performing, Synchronization, Grant Rights and Grand Revenue, which will be analyzed in detail in the following chapters.

The third and final Chapter of this Dissertation presents the basic structure of the other two sectors of the Music Industry, as it came to be in recent years after constant changes. Once again, since the Publishing Industry was analyzed in Chapter 2, the two subcategories of Industry will be considered separately; namely the Recording and the Live Performance one. Nonetheless, there will also be a reference to the interaction of them. The chapter will initially make reference to the primary revenue stream. Additionally, the separate parts of Recording Industry will be displayed. They gradually shift music from something intangible into a tangible form; namely, through manufacturing, marketing and distribution agreements that make it available to the public. The last part of the chapter refers to Live Performance Industry. An integral part of it is the Promoter who is responsible for the organization of the concerts and all the other parameters such as marketing of the concerts that are mentioned in detail in the chapter.

1. MUSIC INDUSTRY- A HISTORIC OVERVIEW

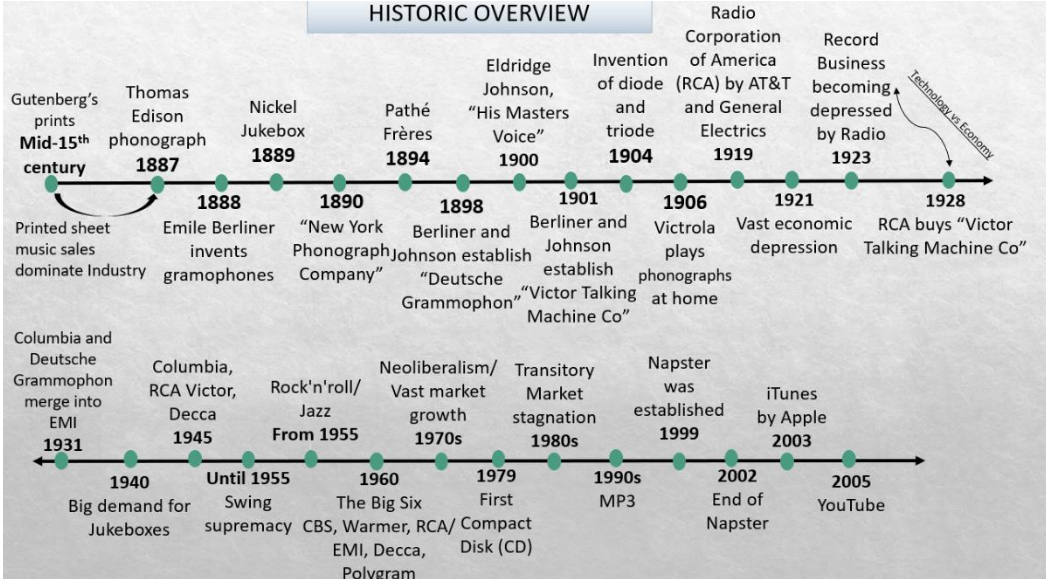

Figure 1- Short timeline of Music Industry's history © Maria Iatropoulou 2021

1.1 INDUSTRY'S EARLY YEARS

The Music Industry has been through various fundamental phases for its evolution. Before analyzing them, some of the Music Industry's evolution early key-phases will be illustrated, focusing on the evolution of the *Recording Industry.*

According to Krüger, numerous studies have indicated that from a capitalist economic scope, Music Industry as a structured commodity was born in the 1950s in the US. However, as she notes, this assumption is a rather "*mythical, widespread belief*" (Krüger: 2019, p 1). The dawn of this particular sector of the Industry can be traced in the mid-15th century and is connected with the development of the printing technology during the Renaissance in the West. Gutenberg's mechanical innovation favored sheet music's reproduction, a rather pricey and time-consuming labor. Shortly, manuscripts were replaced by prints. However, according to Tschmuck, the beginning of Music Industry was a developmental process. It was more of a transition from the feudal court regime of aristocratic and Church patronage to the new bourgeois one. This new capitalistic culture enabled mass profit-oriented distribution not only to the elite of Aristocracy, but to a broader audience (Tschmuck: 2012).

During the 18th century, the Industry of Live Performance started to blossom, making performances available to the broader public. As Kellogg comments, Music was a product that was sold in two forms: live at concerts and printed on sheet music (Kellogg: 2014). According to Infosys (n.d.), during the early 19th century, the first significant formations of the Music Industry took place, dominated by sheet music sales. Since phonograms were not invented, the only way to revive music was to play it after acquiring the sheet at home. In this sense, music was sold in diverse adaptations for various chamber music ensembles. Thanks to this new innovation, music soon became a kind of "mass commodity" (Kruger: 2019, p.1). As a result, there was a strong interaction between the two entrepreneurs that controlled the Industry, namely concert Promoters and music Publishers, by "determining the parameters within which creativity was able to unfold" (Tschmuck: 2012, p.9). Even in the late 18th century, their market power was immense, constituting the core of the Industry, according to Garofalo (1997). In the meantime, Tin Pan Alley, a group of popular music Songwriters and Publishers, dominated the Industry of the United States of America, successfully forecasting and distributing music to the public and defining the development of music professionals (Tschmuck: 2012).

In 1887, Thomas Alva Edison created the first type of phonograph, tinfoil cylinder, the first mass-recording device (Beals: 2011). A year later, Emile Berliner invented the first cut flat disc records, commonly known as gramophones, that became more popular that cylinders, in the second decade of the 20th century. In 1889 the nickel jukebox which plays gramophone recordings became popular. A year later, the New York Phonograph Company established the first recording studios. In 1894, the globally famous French Company producing phonographs and cylinders was established by Pathé Frères. In 1895, there was a high demand for recordings, consequent to further research as well as investment in the record Business.

1.2 THE MUSIC INDUSTRY IN THE DAWN OF THE 20th CENTURY

The technological innovations of the 20th century were the ones that contributed to the drastic change of the Music Industry. The course of this century is crucial because it determined the structure of Industry as we know it today ().

1.2.1 VAST INNOVATIONS THAT SHAPED THE INDUSTRY

In 1900, Eldridge R. Johnson created the His Masters Voice (HMV), as a trademark. In 1901, Berliner along with Johnson collaborated in the US-based Victor Talking Machine Co. as well as the Deutsche Grammophon Company, established in 1898, using "local folklore" sounds from all over the world and spreading them globally (Krüger: 2019, p1). In 1904 the invention of the diode and of the triode made possible electrical recordings. In 1906, the Victor Company's Victrola model occurs for the first time for costumers' houses. With the turntable and amplifying horn tucked away inside a wooden cabinet and the horn being completely invisible, the phonograph looked more as a piece of furniture than a machine. Lastly, in 1919 the United Artists Corporation, an American digital production company that was established by Charlie Chaplin, Douglas Fairbanks as well as by Mary Pickford, crossed into the Record Business through providing movie soundtracks (Infosys: n.d.). It would be an omission not to mention that in 1919 an immense manufacturer of Radio transmitters was founded, Radio Corporation of America (RCA) by AT&T and General Electrics, serving at first primary business objectives between America and China. In that way, worldwide wireless communication was facilitated in an era when even official military communications were conducted through either German or British cables.

1.2.2 THE EVOLUTION FROM 1900 UNTIL 1920

Between 1900 and 1920, according to Tschmuck (2012), the phonographic repertoire was affected from one side by technological limitations; on the one hand, acoustic recording technology as well as a recording capacity of just 2-3 minutes for each side of each disc, and, from the other, by aesthetic demands of a Music Industry which was keen on offering entertainment. According to Krüger (2019), resulting from the ongoing growth of the Industry, more entrepreneurs emerged all over Europe shaping smaller record Industries in England, Russia, France and Germany that later merged into bigger ones. European Record Companies and the ones of Paris, Vienna and Berlin in particular were of great importance as they influenced the most the production and distribution of classical phonographs. Initially, the phonographic Industry picked up everything that had been commercially successful by evidence in a different music context, such as operetta’s gaiety, solo virtuosi performers and chamber dance music in European regions. As Tschmuck further states (2012), music like the Blues and Ragtime which have arisen outside the Music Industry and did not match the music providers’ schemas, shifted in a way, “through which the music’s initial innovative impulses disappeared” (Tschmuck: 2012, p.48). Such music had nothing in common with these period’s innovative models. It should be noted that the Music Industry engrossed these innovations and turned them to be fundamentally unrecognizable, making them pleasant to the average costumer’s music taste. This method of sales was highly successful between 1900 and 1920, notwithstanding, or maybe even due to World War I. Consequently, by the dawn of 1920s almost every developed country with a stable Economy had its own Record Production Business. Moreover, acquiring more peculiar exotic recordings from around the world was not peculiar. According to Krüger, this era in the history “marked the official beginning of industrialization of recorded music and broadcasting” (Krüger: 2019, p.1).

1.3 THE YEARS AFTER WORLD WAR I (WWI)

Following the WWI, at the pick point of its growth, the popular music of the era seemed to have run its course. This could have resulted to a premature termination of the Music Industry and its formation up to then, if it has not been for the relevant innovative impulses arisen from outside the Music Industry Business system. These innovative impulses emerged by technological novelties (i.e. invention of broadcasting), as well as by musical innovations (i.e. Jazz and Blues.). In New York, where the essence of the American Record Industry was primarily based, the context of the popular music changed radically. According to Krüger (2019), apart from a wave of new dance crazes, black performers in Chicago began to record on a larger scale, while New York became the beating heart of Jazz. Jazz bands were in all clubs and due to the continuous interaction with the European Industry, soon Jazz flourished all over Europe. Furthermore, the first recordings of the Southern White American folk tradition were also issued and initially sold. Labeled as "old time tunes" to rural consumers (Tschmuck: 2012, p. 61), these recordings gradually started to expand resulting Nashville to become the primary hub of the colossal country Music Industry. Such innovations consequently revolutionized the structures as well as the procedures of the Music Industry and particularly "those belonged to the phonographic Industry as the prior's integral component" (Tschmuck: 2012).

Although the recording technology was in its infancy in the 1920s and the phonographs were still expensive for the broader audience, Radio played a more important role than other media in disseminating recorded music.

Moreover, between 1920 and 1945, the phonographic Industry made a cycle from recession to expansion. Between 1921, the first recession took place. The US Phonographic Industry declined yearly by approximately 15%, while in 1935 the market's sales fell to 55% of the base year. The first expansion following the first recession occurred between 1926 and 1929. In 1926, there was an increase in sales by 19% from the year before, which covered the monetary losses from the prior year. A year later, the volume of the market was maintained constant, while in 1928 and in 1929 there was a modest yearly growth of 4 and 3 percent respectively. Such increases, nonetheless, were not able to compensate the whole losses that took place since 1921. In 1921, the market's sales just reached the 75% of the degree of the base year. Consequently, a further recession followed between 1930 and 1933. These years of recession in the phonographic Industry, have been characterized as years of depression. The annual sales faced dramatic declines, the largest of them occurring in 1931 at 61%. Two years later, the phonographic market was at its lowest, as the sales fell to 6% of the sales in 1921. Following the complete low of 1933 there was a gradual increase in market sales, allowing partial recovery. Until 1937, the expansion rate remained at 17-29%. A year later, notwithstanding, the sales of the market doubled. However, the phonographic market reached only a 25% of the sales in 1921 (Tschmuck: 2012).

1.4 DURING THE YEARS OF WORLD WAR II (WWII)

It should further be noted that at the beginning of WWII, the Record Industry was totally dependent all around the world on broadcasting, because of the different market conditions. This can be observed not only in the ownership structure, but also in the record repertoire. The record companies had explicitly dedicated themselves to the production of the closely linked Radio and Film Industries. Hence, it can be said that between 1930 and 1940 the Music Industry constituted mainly a Radio Industry (Tschmuck: 2012).

During the WWII, the European Phonographic Industry turned to a wartime Economy. The US Phonographic Industry had been experiencing a growth since 1938. However during the WWII the Industry was cut off from significant shellac imports coming from India because of war activities. As a result, people could purchase new records only in exchange for old records, resulting to the modification of the repertoire by the Industry to exclusively popular music. A further reason for this modification is related to the conflict between ASCAP[1], a company responsible for obtaining and distributing Royalties, and the involved broadcasting companies. Furthermore, many Record Companies went bankrupt. There were numerous cases such as Deutsche Grammophon in Berlin and Columbia based in London that were unable to repair all the financial damage so they merged into EMI conglomerate in 1931 in London (Krüger: 2019).

As the author further notices, notwithstanding the circumstances, there was not any dramatic impact on US's Industry sales. On the contrary in the decade that followed the continuously evolved capitalism signaled beside immense "globalizing tendencies", the flourishing of the Music Industry. Indeed, there was a high demand for Jukeboxes, which led to an increase in sales of 20%, from 1942 to 1943.

[1] According to ASCAP's official page, the American Society of Composers, Authors and Publishers is a non- profit performance rights organization was founded in 1914 by Victor Herbert with a wide range of composers, attorneys and publishers, aiming to protect the Copyrights of its members and collect their royalties in order to compensate them. For more information: http://www.ascap100.com/

Furthermore, the invention of 33 and 45 speed records favored the further expansion of the Industry. Namely, by the mid-1940, Columbia, RCA Victor and Decca, the "Big Three" major Record Companies had dominated the Industry and were not vulnerable to the competition of smaller ones. However, due to the ongoing demand for further record production and more sales, it became easier for entities of the Industry to evolve and fund their own Label.

1.5 THE DECADES FROM 1950 TO 1970

By the next decade, the American Industry had dominated the universe, resulting Industry's History of that specific era to be closely linked to the US's one. At the same time and until 1955, Swing music had a dominant market position. At the mid-1950s Swing disappeared, except from Europe where its expansion took place a decade later. Following Swing, the Rock and Roll revolution took place and the US Record market expanded, starting from 1955, and reaching its highest pick in 1959, with approximately 6 million dollars sales. It should be noted that Rock and Roll revolution additionally led to the creation of produced sound (Tschmuck: 2012).

Over the other the other side of the ocean, as a derivative of the war, Europe was divided into the Eastern-Soviet and Western part. Regarding the second one, during reconstruction, its record sales doubled between 1955 and 1960 and companies such as EMI and Decca bent back to their previous power. In 1960, Classical and Jazz music were the most significant commercial leg for the European Record Companies. Despite the fact that this sector expanded in the context of absolute numbers, it gradually lost market share connected to the 'pop' segment. In general, according to Krüger (2019), a strong American influence on the Western part of Europe can be traced, regarding the music genres, tastes and repertoire. Therefore, western European majors were led to react to the US trends, mainly through distribution agreements with U.S. Labels. At the start of the 1960s, the big Companies' market losses put themselves in lower market shares. Notwithstanding, this did not necessarily provide that their sales stagnated. Undoubtedly the years 1960-1969 were years of growth for the Industry and the market volume almost doubled. In 1962, the top four music Enterprises share of hits was just 25%, while the largest eight Enterprises controlled 46% of the market. A significant moment for the entire Music Industry was the popular success of the Beatles, who made a contract with EMI's sub-Label Parlophone, following a rejection by Decca-UK. There was no band or musician dominating the pop Music Industry like Beatles did. Following the emergence of Beatles, the European Music Industry restarted performing at a global level (Tschmuck: 2012).

By the end of this decade, the "Big six" Labels had dominated the market all over the world. Namely, the American CBS, Warner and RCA as well as the European EMI, Decca and PolyGram controlled over 50% of record sales in total.

1.6 THE LATEST YEARS OF THE INDUSTRY FROM 1970 TO TODAY

The dawn of the 1970's was closely linked politically and financially to the idea of Neoliberalism, which according to Krüger (2019) is a period of excessive consumerism, vast commodification and worldwide economic growth. Consequently, the expansion of the Recording market kept increasing globally. According to Tschmuck (2012), expansion even accelerated from 1973 until 1977 in the U.S. In 1977, the markets' sales increased by 28% in comparison to the prior year. In 1978, the market accomplished its pick level at 4,1 billion dollars in sales, that indicate an increase by 18% in comparison to the year before. The following year, however, the sales were reduced by 11%. This period also included the commercialization of sub-cultures, meaning Heavy Metal, Punk, Rock as well as Disco, beside of the pre-existent folk one.

According to Krüger, Music Industry had shifted into a "concentrated Business", consisted at its largest part of three subsidiaries of larger media conglomerates; namely, the American Universal Music Group, Sony Music Entertainment and Warner Music Group that "were characterized by cross-border ownership, trade, and global concentration (Kruger: 2019, p.4). More specifically, the model that Universal and Sony are built is based to the addition and merges of smaller Corporations into larger ones (horizontal integration). On the other hand, through vertical merges, "Corporations link Companies of smaller size and can help the production/consumption chain further up and down, such as for Touring and Live Performance” (Kruger: 2019, p.4). Both horizontal and vertical mergers facilitate communication between Corporations and relevant Industries through effectively combining recording technologies with innovations of other entertainment media, such as Radio Television, Cinema and latter the Internet.

Since the beginning of the 1980s, an era of stagnation set in. In the first three years the US record Enterprises had no significant sales increases. In 1983, there was a small increase at 6%, and a year later an increase at 15%. The following years there were insignificant changes, while in 1987 another boost in sales took place, at 20%. The following years further increases of 12%, 3% and 17% took place respectively. Since the 1960s, Phillips Company started researching as well as improving magnetic tape technology. In 1963, the company established the first cassette recorder of the Music Industry. It should be noted that this innovation was not a result of music majors’ efforts, but a result of the innovation of an electronic corporation, that later started to conquer the Music Industry. In 1983, an innovative phonographic technology arisen. In 1979, a common venture of the Phillips Company and the Japanese electronics corporation Sony created the prototype of the Compact Disc (CD). This technology was a result of the digital revolution that started at the beginning of the 1980s. The possibility of storing data digitally allowed storing music through a compressed form on a storage medium. This technology was superior to analog phonographs. Thus, the development of CD players by the Sony Company was an important technological step in the evolution of the recorded player. The involvement of Rap music started in 1974 and became famous in the US Industry in the 1990s (Tschmuck: 2012).

The establishment of the M-Bone-Systems in 1992 was significant for the transmission of audio as well as video signals. This allowed the transfer of music data, effortlessly over the Internet. At the start of the 1990s, a technique for compressing digital music signals occurred on the Internet, named as MP3. This was the first moment in time that music on the Internet had the equivalent quality of that of the CDs, and that saving it in the computer was possible. Music information expanded through the web globally. As a result, the attention turned to the music

Corporations' Boards of Directors. MP3 allowed the free consumption of music data, which was not based on a phonogram. The Enterprises of the Music Industry were obliged to acknowledge that phonograms became superfluous, and that their Company's Copyrights could be undermined, that seems to doubly risking the Recording Industry's fundamentals. This revolution that is currently taking place in the Music Industry results to the fact that the Music Industry is not any more linked to the phonogram, but it represents a service which everyone can reach through the web (Tschmuck: 2012).

Today, due to the development of the Internet (Alvarez: 2017), some of the most popular music distribution tools of the Internet are the Business to Consumer (B2C) and Peer to Peer (P2P) services. Their fundamental difference is that the first stores music information on a central Enterprise server, from which listeners downloads the files they want, while P2P services operate as trading sites. P2P Services allow listeners to download the music in interest directly from the hard drive of the relevant trading partner, rather from an Enterprise server (Tschmuck: 2012).

Concluding, a significant part of the history of the Music Industry is the development of Napster, Apple's iTunes as well as of YouTube that have arisen from the advancement of Internet technologies. While prior file sharing piracy techniques were comparatively easy to track and legally quell, the technology of Napster allowed the hosting of files from millions of people making it hard to take action. Instead of holding the MP3 files within the central server, Napster only maintained a list of the users' file names. Applying this compiled directory, people would seek music and download the relevant MP3 file directly from their respective file sharers. The fact that files were not practically held on its server, also provided with a legal benefit, since it would afterwards argue that, based on the Digital Millennium Copyright Act (DMCA), it was not possible to be held responsible for Copyright infringement. The use of this powerful music technology and its handy interface made it highly popular, especially among young adults (Gamal: 2012). Napster struggled to survive due to legal bills and bankrupted, resulting it to shut down in 2001 by the ruling of the US Court of Appeals for the Ninth Circuit. Its name was in the end taken by the music provider Rhapsody, who currently trades globally under the Napster name. However, in its wake came YouTube, iTunes as well as Spotify, which are digital-only environments and altered they way people consume music, making it easier than ever. It should be noted that, all of them, either by means of subscription, of adverts or of licensing, raised the income to the music labels. Consequently, the Music Industry’s revenue has been rising again, however it is still around the half amount of the 1999 revenue’s peak (Dowling: 2019).

2. COPYRIGHTS AND THE PUBLISHING INDUSTRY

In this Chapter there will be a brief introduction to the term Copyright as well as the scope of its protection, followed by an extensive reference to the structure and operation of the Publishing Industry.

2.1 A BRIEF INTRODUCTION TO COPYRIGHT

According to the World Intellectual Property Organization (hence WIPO), *Copyright* as a legal term depicts the range of rights of literary or artistic works a creator holds. It is a form of protection to the intellectual property of an Author*,* as long as his idea was physically expressed and is original. In other words, Copyright Law protects works that are tangible, namely expressed in any medium and any form and are original as intellectual creation of the Author. The term *work* encapsulates any literal, scientific or artistic creations, ranging from paintings and music to architecture, computer programs and databases.

The Copyright Act 1710, also known as the Statute of Anne is considered to be the first legislative act regarding Copyright and served as a model for all common Law countries. According to Stokes (2001), the Berne Convention for the Protection of Literary and Artistic Works (1886) was of great importance in the history of Copyright as it set provisions on protection. This international agreement officially introduced numerous elements of today's Copyright Law. First and foremost, all party members shall recognize and respect Copyrights owned by other party members. Furthermore, a Copyright occurs as long as a work is fixed. Moreover, regarding the period of the Copyright protection, in spite of the existence of territorial exceptions, the overall duration of the protection is enforced until after 50 years of the Author's death.

The rights are divided into the economic and moral ones. On the one hand, the economic rights refer to the ones that provide Author financial remuneration for the exploitation his creation whereas on the other hand, moral rights are closely linked to the protection of the work's integrity in general.

In accordance with each State's Copyright Law, the Author has the right to license or disapprove certain uses of the work or/and receive financial reward for the exploitation of his creation (WIPO). Specifically, the Author is entitled to authorize or prevent:

A. the Reproduction of the work, namely to manufacture compact discs of the copyrighted fixed sound recording print media in any mean and any form

B. the Distribution to the public

C. the Translation of the work in other languages

D. the Adaptation, namely to perform modifications in the original medium of the work

E. the Broadcasting, to distribute a work to the public through mass media

F. the Public Performance of his creation to an audience

Concerning the moral rights as stated in Berne Convention, they mostly refer to the right to assert the work's authorship and to permit any mutilation, deformation or any other modification to the work that could potentially be harmful to the integrity or Author's reputation.

2.2 THE MUSIC PUBLISHING INDUSTRY

This particular sector consists one of the three pillars of the Music Industry (Hemsondhalgh: 2013). As stated by IBISWorld[2], the Music Publishing Industry is responsible for acquiring Copyrights, licensing use of compositions and recordings and lastly collecting and issuing Royalties. According to Passman (1991), Publishers represent the Artists, the Song Writers as well as the Composers, while they register the copyrights of their product. Composers agree on the rights to their composition to the relevant Publisher who then promotes and markets the relevant composition in many different media outlets, for instance advertising, ringtones as well as broadcasting. The Publishing Company additionally licenses the music produced for use in syncing on series and computer games as well as sheet music. Further, music Publishing Companies often work independently or with a Record Label, in the latter

[2] As seen on: https://www.ibisworld.com/united-states/market-research-reports/music-publishing-industry/

case solely for contracted Artists who are signed to that specific Record Label. This aims to either promote the Artist's music for synchronization or, in some cases, to provide compositions for efficient recording Artists for the relevant Composer. Further, Publishing Companies register the provided material and obtain Royalties from the corresponding collection societies, for instance from the Performing Rights Society or from the Mechanical-Copyright Society, for the relevant Artist (Allen: 2010).

2.2.1 THE PUBLISHING INDUSTRY'S SOURCE OF REVENUE

Wikström often refers to the Music Industry as a "Copyright Industry" (Wikström: 20013, p.17) According to Kellogg (2014), the Publishing Industry's sources of revenue are as follows. First and foremost, the Mechanical Royalties are revenues paid by a Record Company to the Publishing Company for the reproduction of a musical composition in an audio-only recording. In turn for the right to reproduce the relevant composition on another record, the Record Company provides the Publishing Company a set percentage for every record that is manufactured as well as sold. Specifically, the records which are distributed in the US are paid for a percentage of either 100% or in many cases 75% of the US Statutory Mechanical rate.

Secondly, the performance income is money arising from Performance Rights. Such performances are inclusive of the reproduction of the recorded music on the Radio as well as on TV, in Concert Halls, in Clubs and Restaurants. The money is obtained by Performing Rights Societies, such as the ASCAP (the American Society of Composers, Authors and Publishers), BMI (Broadcast Music, Inc.) and SESAC (Society of European Authors and Creators). These collect the Royalties from all the sources mentioned above. Following this, they deduct their management fees and pay the Composer as well as the Publishers percentage, or the remaining half of the money directly to the Publisher.

The third is the Print Revenue, which is a major source of income, collected from the sale of sheet music either printed or digital. It should be noted that print income has been overshadowed through the live performance as well as the mechanical revenue streams, due to the growth of the Record Industry.

Fourthly, the Synchronization income is a major source of income arising from synchronization as well as transcription rights. The first allows the licensee to apply to reproduce the composition by means of timed synchronization using visual images, mainly motion pictures, TV programs, while the second allows the timed synchronization of the composition in Radio Station's commercials.

Fifthly, the Grand Rights constitute an additional source of income and include fees imposed to adaptations and dramatizations of the composition either on stage, on TV or in a motion picture (Allen: 2010).

The Publishing Industry's rationale on why they are beneficial for the Writers is that they offer Advances, Creative Assistants and promotion as well as administration. Firstly, the relevant Publishing Company typically provides money to the Writers through advance payments, that the company later recollects from the imposed Royalties collected by the Writer, always with respect to the relevant Writer's portion of share arising from the use as well as the exploitation of the relevant compositions. Secondly, Publishing Companies typically are well situated to help the Writer with organizing the songwriting collaboration or promoting compositions for recording by recording Artists of even for the use in a motion image or TV program. Thirdly, Publishing Companies have the resources to conduct administrative functions, for instance organizing the compositions registration with the music Rights Societies all around the world and ensuring the collection of Royalties arising by such compositions (Kellogg: 2014).

An important concept within the Publishing Industry is that of sub-publishing. As music Publishing Agreements typically provides Publishers with rights which cover more than a region, the Publishing Company requires a way of obtaining the revenue arisen from the application as well as the exploitation of the composition in every region and by extension, all over the world. Hence, Publishing Companies come into agreements with local Publishers of every country in order to obtain the money arisen in the foreign region on the Publisher's behalf. The local Publishers are known as sub-Publishers, while the relevant agreements among Publishers and sub-Publishers are known as sub-Publishing Agreements that are highly similar to the administrative agreements. The majority of the biggest Publishing Companies have sub-Publishers which are under the same parent Publishing Company, as the Publisher in every major region of the globe. In return for obtaining the income, sub-Publishers keep a percentage of the revenue they collect and give the rest to the Publisher (Allen: 2010).

The structure and organization of the Publishing Industry should additionally be noted. Unlike to the Record Industry, Publishing Industry varies in size from the largest to the individual Writer-Publisher. The majority of the biggest music Publishing Companies, notwithstanding, is related to one of the biggest Record Distributors, for instance Universal Music Publishing Group with Universal Music Group Distribution Warner/Chappell Music Publishing with Warner/Elektra/Atlantic and EMI Music Publishing with Capitol-EMI Music America. However there are several exceptions. For instance, Famous Music Publishing (which is a division of Viacom). Nonetheless, there are Writers that maintain their own publishing and often hire individuals to administrate their compositions, by paying them either a percentage or an hourly rate (Allen: 2010).

2.2.2 TYPES OF AGGEREMENTS IN THE PUBLISHING INDUSTRY

TYPES OF AGREEMENTS (Allen:2010)

Types of Agreements	Copyright holder	Artist	Revenue	Example of 100$
Exclusive Songwriter's	100% Publisher	Royalties+ Advanced payment	50% Artist/ 50% Copyright holder (Publisher)	50$ Artist/ 50$ Publisher
Co-publishing	50% Artist/ 50% Publisher	Royalties+ 50% of the Copyright	50% Artist/ 50% Copyright holder (Publisher 25%+ Artist 25%)	75$ Artist/ 25$ Publisher
Administrative	100% Artist	Royalties+ 100% of the Copyright	75-85% Artist/ 25-15% Publisher as administrative fees	75-85$ Artist/ 25-15$ Publisher as administrative fees

Figure 2- Types of Agreements ©Maria Iatropoulou 2021

With regard to the Agreements between the Publishers and the Artists, there are three main types: the Exclusive Songwriter's Agreements, the Co-publishing Agreements and the Administration Agreements (Kellogg: 2014).

On the one hand, regarding the first type, the Writers agree to develop compositions to be property of the music Publisher in return for receiving Royalties for the exploitation as well as the use of that composition, and in the majority of the cases, for receiving an advanced payment against such future Royalties. In regard to Writers' share, it is not uncommon that Publishing Companies' income is split by half to the Artist and the other half to the Copyright Holders. For example, if a hundred dollars is gained through the exploitation of a composition, the fifty would be for the Writer's share and the other fifty would be for the Publisher's share. Another example would be the following: If a composition gained a hundred dollars in Mechanical Royalty income that was collected by the Publisher, fifty would be allocated by the Publisher to the Writers as their Writer's share and fifty would be retained by the Publisher as the Publisher's share. In cases when a composition was created from more than one Writer, the share is divided to all the Writers involved in accordance with their percentage of contribution in the composition. In this notion, the same rule applies in cases of more than one Copyright owner. Consequently, the share of the Publisher is divided among the Copyright owners who contributed to the composition. (Allen: 2010).

On the other hand, within the second type, co-Publishing Agreements, the Writers usually have a "bargaining power" over the Publishing Company (Allen: 2010, p.9). The Writer maintains equal portion of the Copyright in the compositions. Usually, the Writer gives the Publisher half of the Copyright and keeps the ownership of the other half, however grants to the Publishing Company the entitlement to administer and obtain income from a hundred percent interest in the Copyright (Khan: 2005). Within a co-Publishing Deal, the Writer along with the Publishing Company constitutes the Copyright owners of the relevant compositions.

Within an Exclusive Songwriter's Agreement, it was observed "that out of $100 of income earned by a composition, $50 was allocated to the Writers as the Writer's share and $50 was allocated to the music Publishers as the Publisher's share" (Allen: 2010, p.10). Within a co-Publishing Agreement, in which the Writer provides the fifty percent of the Copyright to the Publishing Company, the split of revenue differs: "Out of $100 of income earned by a composition, 50% or $50 is still allocated to the Writers as the Writer's share of income, but the Publisher's share, the remaining $50, is split 50/50 between the Writers and the Publishers so that the Writer, in addition to the $50 Writer's share, is allocated $25, or 50% of the

Publisher's share, and the Publisher is allocated the remaining $25. Consequently, with regard to a 50/50 co-Publishing Agreement, the Writers are remunerated with $50 plus $25, summing $75, for every $100 of revenue whereas the Publisher is allocated with the remaining $25 (Allen: 2010).

Furthermore, co-Publishing Agreements typically ensure that the Publishing Company keeps the whole right to manage both the Publishing Company's and the Writer's shares of the relevant compositions. Consequently, only the Publishing Company owns the right to license the relevant compositions to anyone for use ore for reproduction.

The Publishing Company additionally conducts many essential and useful functions as being the administrator of compositions, such as: "(1) establishing and maintaining song files; (2) registering the Copyrights with the Copyright Office; (3) collecting income generated from the use and exploitation of the compositions throughout the world; (4) prosecuting and defending Copyright infringement actions; and (5) accounting and paying royalties to the writers (Allen: 2010, p.11). Both the abovementioned Agreements typically extend the life of Copyright in compositions, but under some conditions, a Writer with considerable bargaining power can secure a reversion of the Copyright in compositions while negotiating a co-Publishing Agreement.

Last but not least, with regard to the third type of agreements, the Administration Agreements, the Writers own all hundred percent ownership (100%) of the relevant Copyright, while the Publishing Company conducts all the administrative responsibilities mentioned above in return to an administration fee that typically varies from 15 to 25 percent of the revenue obtained. It would be an omission not to mention that unlike the Exclusive Songwriter's Agreements and co-Publishing Agreements, the duration of Administration Agreements is not lump-sum and typically lasts for a circumscribed period of time (Allen: 2010).

3. STRUCTURE OF THE MUSIC INDUSTRY

3.1 INTRODUCTION

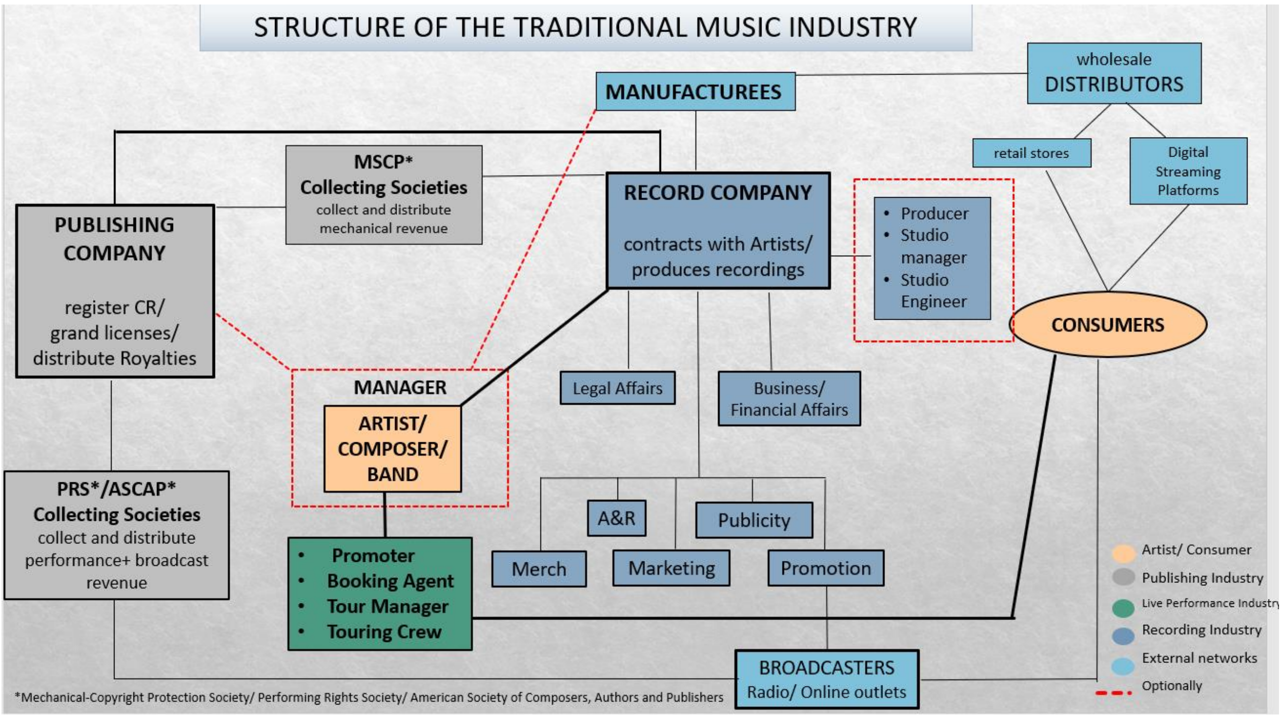

Figure 3- Basic structure of the Music Industry ©Maria Iatropoulou 2021

As it can be observed from the analysis of the previous chapter, the way through which the *Music Industry* operates, especially within the last two decades, has been through several rapid changes. From vinyl and compact disc formations to the establishment of digital formats, for instance mp3 in the end of the 1990s, music has been available and consumed in a completely different way, in comparison to the traditional structure set out by record labels.

The concept of a *Record Label* of an Artist's song release through a physical product is currently overshadowed by the introduction of the digital media. Based on IFPI[3] (2009), the 21% of the total of music sales was digital in 2008 and escalated to 27% in 2009. At the same time, the music sales fell by 7%. Hence, due to the decrease in record sales, a new emphasis is given by various Record Labels on *360º*

[3] International Federation of the Phonographic Industry

Deals, through which a Record Label can take a specified percentage of the total income of an Artist, inclusive of merchandise and sales from tickets of live concerts. This is in complete contrast to the way through which the record deals worked, despite the primary framework of the Music Industry and of revenue streams is still the same. This chapter is going to present the structure of today's Music Industry, including all the entities involved in the process until the consumption of the product, with a special focus on the publishing and recording industry interaction.

According to Hull (1998), the Music Industry generally has three main segments, or else, revenue streams: Industry for buying recorded music, Industry for broadcasting recorded music as well as Industry for attending live concerts (Hull: 1998).

Before going into detail, the value chain of the Music Industry will be quickly described as follows. The revenue stream starts with the Composer as well as the Lyricist writing a song. The Performers either record the song in a Recording Studio, or they perform it live on a stage. Although the contemporary technology is low cost, there are numerous Music Authors that are used in the expertise of recording enterprises (Bozina, Dumanic & Knezevic: 2006).

The collaboration between a Recording Enterprise and a Performer is agreed through a Contact which addresses the obligations and the responsibilities of the parties, including the payment to the Artist for every recording sold as well as to the Recording Enterprise for the relevant marketing and distribution expenses (Hull: 1998).

The recording is then distributed to the costumers through retail distribution networks, as described below, or through online distribution services. The value chain can continue if a consumer provides the purchased recording to unauthorized users (Meisel: 2002).

At the same time, Radio Stations regularly obtain free copies of music productions directly from Recording Enterprises; however they are obliged to pay the relevant Royalties for reproducing the songs, which is mainly done through the involvement of performing rights organizations called Collecting Societies (Hull: 1998). Lastly, the third revenue steam is the one of Live Concerts. Revenues collected from selling tickets to shows spectators are distributed between the Artist, the Show Promoter as well as the Music Publisher based on special contracts that specifically regulate organized concerts (Bozina, Dumanic & Knezevic: 2006).

3.2 THE RECORDING INDUSTRY

The Recording Industry develops, manufactures as well as distributes music. The music products that the Industry develops and distributes are CDs, digital music as well as Vinyl LPs. Within the last decade the Recording Industry has altered drastically. The illegal music streaming has become uncontrollable, physical sales have been drastically decreased, whereas due to the rapid technological innovations illegal digital downloading has became even more accessible as mobile phones became media outlets and different revenue streams for artists as well as labels were created. The increase use of cellular phones and peoples' desires to listen to their favorite songs on their mobiles has resulted on ringtones and ringback tones becoming a highly profitable part of the Music Industry. At the same time, the decrease in music sales has resulted on artists and labels concentrating on alternative sources of income. Music Artists have started to concentrate on obtaining most of their income on merchandise, sponsorships as well as touring. As the Recording Companies understood that such revenue streams can provide profit for them, they began contracting artist with 360º Deals (Bozina, Dumanic & Knezevic: 2006)

In addition, the Recording Industry has faced changes from musicians who work independently on recording their songs. The easy availability of ProTools in addition to other recording tools and programs has allowed the musicians to create their music at home recording studios. Enterprises such as the Disk Makers, have allowed musicians to replicate as well as duplicate physical versions of their music and digital distribution services, such as iTunes have allowed such artists to provide their music to the music consumers.

Hence, the fundamental idea behind the Recording Industry is that a Record Label has an Artist as well as a Repertoire or an A&R Department, which detects musical talent and aims to come to an agreement with a Music Artist or Composer through a Recording Contract (Passman: 1991). Almost all Record Companies have an A& R Department, which can be restricted to talent hunting or to work hands-on with the Artist for everything from the reputation to creative team composition. Such departments come in various shapes and sizes. The talent detection has altered significantly since the digital age took over the Music Industry and recording technologies have made the music production process affordable. According to Bronfman (Bronfman: 2011, p.4), all the efforts of this particular department of a Label focus on the Artist himself, in order to build a strong career. Moreover, "the core of their strategy is to establish sustained creative success that they believe will yield strong returns" (Bronfman: 2011, p.4).

According to Kellogg, within the contracts between artists and publishers, the Label funds the production as well as the manufacturing of the records from the relevant Artist (Kellogg: 2014). Based on the contract, this can include anything from a single agreement to a long-term one. The artist usually goes into a professional recording studio in order to produce an album. Following the production, the record company receives it, and liaises with relevant artwork designers, duplication as well as pressing plants in order to make the product manufactured, and in many cases with distribution enterprises that put the product into stores and to the costumer in both physical as well as digital formats. Additionally, the Record Companies have marketing departments which work on making the music product seen and heard (Passman: 1991).

Following this practice, the revenue obtained from the whole sale or "published price to dealer" (P.P.D) of the music product is split between the Record Label, the Artist and the Composers. The Artist usually takes a 20% of the P.P.D amount, while the Composer takes an 8,5%. Then, the Label receives the rest of the amount in order to cover the expenses of the production, marketing as well as distribution of the music product and in order to receive the profit, if any. It should be noted that the recording companies have seen a decrease in sales, in comparison to the publishing companies and the performance Industry, due to the intervention of the modern technologies (Kellogg: 2014).

On the one hand, there are several Record Labels which own private recording studios, whilst on the other hand, there are still many that work independently, paying an hourly rate to the recording studios in advance. Hence, the revenue arising from this is taken to pay the safe as well as day to day operation of the recording studio as a Business. The Recording Studio typically provides a Producer, a Studio Engineer as well as a Mastering Engineer for overseeing the relevant project, despite mastering is conducted as a different process, because of its nature. Within this procedure, the Producer communicates with the Artist to understand the type of sound, feeling as well as direction the Artist wants in the music, in addition to further recommendations. The Producer cooperates with the Studio Engineer in order to control the recording sessions as well as the mixing process, and to create an efficient environment for everyone to work in. It should be noted that this can include anything from setting up the equipment to making coffee. Following the completion of the mixing, the Mastering Engineer ensures that every level is correct as well as that the music product is ready to be distributed (Passman: 1991).

3.2.1 THE DISTRIBUTION COMPANIES

According to Kellogg (2014), a Distribution Company gets involved at this point. Such company typically acts as the liaison- the ticket from the Record Label to the retail outlet which sells the music product. The intervention of a Distribution Company means agreeing to manufacture and sell a music product for the relevant Record Label. In exchange, the Distribution Company obtains rights to the Label or Artist involved. This is known as the Manufacturing and Distribution Agreement, or as the M&D Deal. The Distribution Company provides funds in manufacturing and releasing the music product, while negotiates to provide the product to the stores as a wholesaler. For such type of agreement the Distributor pays for the manufacturing that functions as a loan against the Record Company involved and receives a 20-15% of the profits, in addition to the distribution fee of approximately 20% in order to cover the expenses of transfer, administration as well as profit. The burden of the expenses in such case is with the Record Company. Hence, if the relevant product is unsuccessful, the Record Company can end up owning money to the Distribution Company. Additional types of distribution deals are the direct or simple agreements, through which a Record Company has previously manufactured the product. Such contracts are some-term, in most cases a single album and the Distributor usually takes a higher rate, between 28-33% of the sales profit (Passman: 1991).

In cases where an Artist wants to directly contract with a Distribution Company, he has to provide evidence to the latter, in order to prove that is a worthy investment. The part of indicating the Artist's achievement on press and advertising is conducted by the Record Labels' Marketing Department. The latter works on making as much exposure for the relevant Artist as possible, for instance obtaining CD as well as live reviews, conducting interviews and advertisements on magazines, submitting tracks free of charge CD's which regularly accompany magazines and using any Industry contacts, known as "pluggers" to allow reproduction on local as well as national radio stations. In case where the involved Artist lacks a Publishing Deal, the Marketing Department will typically try and obtain Synchronization Deals[4]in television and in film. Except of these, the Marketing Department also administrates the official website as well as maintains social networking websites, such as Facebook and Instagram, on behalf of the artist.

3.3 THE LIVE PERFORMANCE INDUSTRY

Furthermore, another part of the structure of today's Music Industry, is the Performance Industry which operates parallel to the Recording one. The Performance Industry includes a huge range of jobs as well as of revenue. Based on a report provided by Will Page and Chris Carey (2011), the Live Industry's value was at 1,5 million Pounds in 2009, while ticket revenues went up to 5,8% to 957 million Pounds, in comparison to the prior year. As the physical music sales decreased, it can be observed that costumer needs for music are altering. The Live Industry operated in the same way, however on different scales. In order for an Artist or a band of Artists to reserve Live Concerts it is a typical practice to approach a Promoter (Passman: 1991).

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[4] According to Anara Publishing, Sync (or synchronization) is "a process where songs are combined with moving images. Sync deals are usually arranged between a music publisher and a prospective client, who is normally a music supervisor or a film producer". More information on https://www.anarapublishing.com/what-sync-why-important/

According to Kellogg (2014), although it is possible as an individual Artist to both contact a venue as well as to promote himself, a Promoter has previous knowledge and work experience on the venues as well as on the contacts in the region and usually even exclusive access to several venues. A Promoter's duties are not to solely promote, but also to organize Live Concerts by looking for suitable venues as well as bands, advertising the concerts with fliers, posters and press in magazines, in newspapers and sometime in Television and in Radio stations. Additionally, a Promoter pays the venue rent as well as the Musicians, on the top of their own cut. Their share is usually obtained through a 'door split' form from the ticket sales.

3.3.1 TOURING

In cases of larger scale shows and touring Bands, the relevant Band or Artist typically use a Booking Agent. The latter represents the Artist or the Band and organizes the shows along with the Promoters. Unlikely to the Promoter, Booking Companies make a Contractual Agreement with the Artist and work with him/her in order to make sure that they are performing on the right type of venues. Then they reserve the relevant Artist into live concerts, tours as well as festivals, and cooperate with the Promoter in order to ensure the smooth operation of the event. Booking companies' payment comes from an upfront fee paid by the Promoter for their services, and hence it is the Promoter's duty to make the event successful.

The following are the kinds of deals which Booking Companies make with Promoters, based on the concert. First, Guaranteed fees, through which the Promoter pays the Booking Company a specified amount. Secondly, a versus deal according to which the Promoter pays either a set amount or a set percentage. Thirdly, a plus deal that includes what is paid in the guaranteed fees in addition to a set percentage. It should be noted that the Booking Company typically pays an upfront amount to the Artist Managers for going on tour (Passman: 1991). Generally, personal Managers according to Kellogg (2014) are responsible for advising and counseling an Artist on their career extensively and not merely procure employment, as Agents do. Personal Managers are in charge of dealing with Artist's public relation and planning his long-term career endeavors as well as recruiting all the staff around the Artist, such as the Agent and the Attorneys. Furthermore, he acts as the supervising liaison between the Artist and the Record Label. The remuneration of the Agent is typically 15-20% of the Artist's gross income.

Band Managers are also a significant part of the Music Industry's structure. Their duties include the organization of the Business side as well as the accountancy of the relevant Artist or Band. They liaise with as well as act as a ticket for every aspect of the Music Industry, from Record Companies to Booking Companies, while they negotiate deals the best possible for their clients. In other words, Band Managers practically organize an Artist's or Band's career for them, in order for them to focus exclusively on the production process, making music. They come into contractual agreement with the Artist or with the Band, which indicates both parties' duties and rights, the length of the contract, and the money rate of the Manager, which usually is around 20% of the whole income (Passman: 1991).

In the case of Artists of greater reputation, the Manager often delegates the touring duties to a Tour Manager, who organizes and conducts the operation of the tour. For doing this, a Tour Manager has to be not only skilled but also highly organized as well as experienced, and to have the capacity to manage large amounts of people. When the Promoters set everything in place, the involved Tour Manager ensures that all of the time schedules are followed efficiently and that the concert runs properly. In addition to the Artist, a Tour Manager is responsible for the road crew, for the Sound Engineers, for the Lighting Engineers as well as for the Bus Drivers in addition to the communication with the relaxant venue's Staff and the press meeting and interviews, if any. In general, a Tour Manager is the first as well as the last point on contact for anything occurring during a tour. In addition of all these, Tour Managers ensure the obtainment of the performance revenue and that any-tour-related expenses are paid, such as accommodation, vehicle hire, petrol costs and equipment hire. Typically, the Band Manager is responsible for the payment of the Tour Manager with a set percentage of the touring profit, usually around 10-20%, including coverage of the tour expenses (Passman: 1991).

The department of Tour Management also includes the Touring Crew. The majority of the venues have their own loading crew, which assists with the loading and the reloading of the equipment in and out the building. Usually there are paid by the involved venue from the building's hire money (Passman: 1991). Based on the size of a tour, Touring Crews obtain a part or the whole of the responsibilities mentioned, on the top of their contracted roles. They provide the form of Sounds Engineers who is responsible for the sound mix and ensure that everything is set at an appropriate level and volume. At the same time, the chief of them is receiving help by Monitor Engineers, who are responsible for ensuring that the stage sound is appropriate and that the relevant artist can hear everything clearly. In turn, Lighting Engineers take care of the onstage lighting and corresponding Technicians set up the music equipment for the artist. It should be noted that in small size tours these practices are conducted by one sound engineer. In larger concert-tours there are often additional performers which are paid by the revenue. It should additionally be noted that a large part of the revenue of the tour arises from the sale of merchandise such as T-shirts, hats, posters, CD's, or anything printable.

Summing up, it is of great significance in the structure of the Music Industry to mention that there are the Governing Bodies which represent every sector. The Musicians Unions is representative of Artists as well as of Performers in every sector of the Music Industry, making sure that they obtain fair deals providing. Last but not least, they function as an adjudicator between the Record Labels, the venues, the Publishers and the Artists.

CONCLUSIONS

The evolution of Music Industry is in larger scale linked inseparably to the evolution of the Industry as a Business itself and not to the musicological currents as much. It is observed that the social environment was the one that influenced the Industry the most, such as the decadence of the patronage of the musicians from the Church and the Neoliberalism. Of the greatest importance has always been the broader financial context in which not only Music but every single Industry is born and developed. Periods of economic hardship like the two World Wars, either favored economies or bankrupted them or led to drastic changes. Consequently, the Music Industry not only shifted and developed, but also evolved in a certain point where the prevailing status and demands of the era allowed it.

The historical overview of the Music Industry as well as its interaction in many sectors of the wider Industry was the one that resulted to the formation of its structure as it has come to be in recent years. It is observed that apart from conceptually, the Music Industry is mainly functionally divided into three pillars, as the work of each one is a separate sector. Nevertheless, in the inflow of revenues, each of the three industries is integral and despite the small discrepancies, each of its entities is necessary for bringing out the outcome. The surfacing demands of the era as well as the innovations, either technological or political, necessitate actions and shift in the structure of Industry to protect and secure the creators. Therefore, the course of the three sectors of the Music Industry followed separate paths. As far as the Publishing Industry is concerned, its integral core is the protection of Intellectual Property, as this sector in particular is the one responsible for the revenue inflow throughout the Industry, protecting Artists' rights and compensating all the entities that participate in the process of production of the product since the very beginning.

With regard to the COVID-19 pandemic, it has undoubtedly harmed all creative Industries, including all three sectors of the Music one. According to Tschmuck (2020), the aftermath of the pandemic has had the second most devastating effects on industry since World War II. However, the greatest impact can be observed in the Live Performance Industry. According to Pollstar trade publication projections (2020), the gross revenue of this sector in particular throughout the world would have been \$58.9 billion; notwithstanding due to the pandemic it has suffered a great loss, estimated around \$30 billion. Nevertheless, like every time an innovation, whether technological or socio-political, occurs, this time the structure of the Industry is going through a period of reformation. In 1999 Napster brought to the forefront of the Publishing Industry the imperative need to enact legislation to protect Copyright and the creator against unauthorized use and the piracy. Consequently, the impact of the pandemic makes it necessary to shift Industry's traditional structure in order to correspond to the new conditions of the time with the smallest adverse effects possible.

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