

The «Dependent» Music Industry

A quantitative study on the Norwegian independent music industry

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Abstract

This study seeks to research the businesses in the Norwegian independent music industry and the challenges and opportunities the industry is facing in 2022. It also seeks to explore the businesses views about the future of the music industry. Based on a quantitative method, using a cross-sectional anonymous market research survey, based on volunteer samples, this study seeks to provide knowledge about independent businesses in the Norwegian music industry, highlight problems within the industry today and provide a foundation for future research. The last two decades has been a challenge for the whole music industry with digitization and the Covid-19 pandemic, creating disruptions in the industry still visible to this day. In that context, this study aims to provide knowledge on the current state of the independent businesses and their challenges and opportunities in a market dominated by large corporations.

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1. Introduction

Two decades have passed since the digitization of the music industry began. This changed the whole industry and the music industry has gone from an industry largely based on sales of physical copies of recordings, to an industry with a growing live market becoming the new main source of income for artists. With a steady decline in revenue from 1999 to 2014 recorded music has had its worst crisis through the history of the music industry. The industry is now on its way up again and the economy of the industry has finally in 2021 surpassed the revenue tops from the late 90s and early 2000s (International Federation of the Phonographic Industry [IFPI], 2022).

The music industry today is an industry dominated by a few companies. Warner Music, Universal Music Group and Sony Music, are together controlling a majority of recorded music in today's market worldwide, with a combined market share of 65-70 % the last few years. The same companies control music publishing through Warner/Chappell, Universal Music Publishing and Sony/ATV. Together with two other major companies, BMG Rights Management (Bertelsmann Music Group) and Kobalt Music Group, the music publishing industry is controlled by 5 major companies. The same is for the live music industry where Live Nation is the biggest company and AEG (The Anschutz Entertainment Group) the second largest live company in the world (Tschmuck, 2017). What all these companies have in common, is that they control the majority of the music industry economy, due to their size, making the music industry an oligopoly (oligopoly is an industry dominated by a few big companies). These companies have stakes in most of the functions in the industry, like distributors, streaming services and also the power to control the prices and terms of the legislations regarding the whole music industry. In the shadow of these major companies, we find the independent music businesses, which are a large group of thousands of companies worldwide sharing the market shares not controlled by the few major companies. The independent businesses are in many ways representing the non-commercial side of the music industry and in opposition to the major companies, these companies are often driven by passion for music, rather than from a profit maximizing point of view (Wikström, 2020, p. 31). Organizations like IFPI (International Federation of the Phonographic Industry) in Norway, represented as IFPI Norway, tracks music sales nationally and globally and artists and music represented in their reports often highlights major artists and companies, because this is an

organization driven by the major companies. On the independent side of the music industry, we have IMPALA (Independent Music Company Association) which is the organization for independent labels in Europe, and the Norwegian organization FONO (Norwegian Association of Independents), working for the independent companies in Norway. What is important to note with these organizations is that they work for their member companies, with opposing visions for the present and future music industry. However, independent companies and organizations have less influence on the music industry than the major companies, because of the major companies' market share and as stakeholders in the whole value chain of the music industry. Which is why I in this thesis is going to research the Norwegian independent music industry, to provide research that can help us understand the sometimes forgotten, independent music industry, from another perspective than just the struggle between the majors and the independent businesses interests.

Motivation

Being a music lover since my childhood I always had a dream working with music. However, my insights of the music industry as a teenager, was limited to songwriting, composing and production of music. Wanting to pursue a career in the industry, I started my studies in 2016 at Inland University in Norway, taking a bachelor's degree in music business & production. During the second semester I started the record label now known as Parajam Records, which has been my greatest opportunity to take part in the music industry. However, running a record label in the Norwegian music industry is hard. I have countered several problems within the music industry as a record label owner, that I think one only gets through experience from an operational point of view. Although there are multiple textbooks on how to run a company in the music industry, the industry changes rapidly from year to year, and to keep updated one needs to be adaptable. Challenges I have experienced in the industry vary from problems with streaming services, distributors, marketing, promotion, production, new trends, contracts, and social media, and I want to research the problems that I have experienced myself but also other kinds of problems that are present in the independent music industry today.

I am also a member of FONO, which as explained earlier in this chapter, are fighting for the interests of the Norwegian independent record labels. As a business owner in the industry and member of FONO my interests are also the motivation when researching this subject. Which

might to some people seem to be a biased view on the subjects. However, it is my intention to conduct this study without preconceived notions, regarding the conclusion of this study. This is because I want to provide research and insight to the industry as a whole, not just for myself and my own interests. With this said, it is important to say that there is little research on the independent music industry in Norway. In this study I want to contribute with more knowledge about the independent businesses in the industry, and highlight challenges and opportunities that face these companies today and what their views are on the future of the music industry.

The research Question

Finding a research question was hard at the beginning, this is because I wanted to approach the thesis with a quantitative methodical approach using an online survey that can provide data of a larger group of people. While qualitative research is often used for researching small industries or industry sectors, I wanted a different approach that could highlight challenges and opportunities in the industry with a set of different, easy questions that could be answered in a few minutes. This will be executed with the same approach as a marketing research survey, used by companies researching their customers values and views about different matters, to retrieve valuable information about the customers and future customers and an overview of the market they are working in. I also wanted to map the industry to some degree, looking at what kind of businesses are out there. Looking at the past two decades there are many changes in the industry that may affect businesses differently. The research question is therefore a question that can be answered giving a broad insight of the independent businesses in the Norwegian music industry today and is as follows: *How does the Norwegian independent music industry work in 2022, how do the businesses operate and what are the opportunities and challenges present within the industry today and what are their views on the future?*

Structure

This thesis is structured in 6 chapters. This chapter, as you've already seen, is about the research topic and the motivations for choosing the selected topic of the thesis and the research question that will be answered in the last chapter. In chapter 2, I will present the theoretical framework. This will later be used to discuss the findings in this thesis. In chapter 3, there will be an insight

in the methodical framework and approach behind this thesis and about the survey that was conducted. Chapter 4 is a presentation of all the findings I got from the survey presented in chapter 3, and will show statistical data about businesses in the Norwegian independent music industry. Chapter 5, is the discussion part in this thesis, and in this part, I will use the theoretical framework from chapter 2, and the findings from chapter 4 and discuss the findings and theory to eventually come up with an answer to my research question. And in the last chapter, chapter 6, the conclusion of this research will be presented.

2. Theory

The music industries

The music industry we know today has its origins in the 1700s. Music in the western world today is likely to have been patronized by the catholic church in the Middle-ages. Music was part of rituals and practiced side by side with other kinds of art. During the renaissance music became an important part of royal courts and was used both in religious and military contexts and in the 1600s opera became a phenomenon and music was used in storytelling for the public in a different way never approached before (Tschmuck, 2017).

Although the printing press was invented in the 1400s, commercialized sheet music didn't become a phenomenon until the arrival of music publishing companies (Tschmuck, 2017), like Breitkopf & Härtel, the world's oldest music publisher, founded in 1719 (Breitkopf & Härtel, 2020). The commercialization of sheet music created big names within music composition and composers like Mozart and Haydn became famous throughout the world. Soon professional musicians and composers appeared all over the world, and music as a phenomenon became its own thing and not just a part of a context.

The Statute of Anne is widely known as the first copyright law and was introduced in England in 1710 (Wikström, 2020, p.20). This law was the first law to protect authors' exclusive rights to publish their works. This law was the first entry in a series of laws that is defining the music industries today. The music industries are all industries that in some form or another are based on copyright and are the backbone of these industries. With the introduction of The Statute of Anne, similar laws were adopted throughout Europe, and musicians and composers began to fight for the same kind of laws being implemented for music, not just for books. In 1886 this led to the Berne convention. The Berne convention introduced copyright to all creators and has since its introduction defined the music industries as we know them to this day, though changes have been implemented to the agreement multiple times (Wikström, 2020, p. 20-22).

Today the modern music industry has developed from these implementations of law and conventions to become a global phenomenon. The industry has gone through inventions like sound recording, electronic instruments, radio, amplifiers, and digitization to mention a few. This rapid development of technology has made it possible for the industry to grow to a point where “we all” are consumers of music to a certain extent. “The Music Industry” is a term most of us have heard before. Usually, we think of it as a term to describe record labels, artists and musicians. However, both Wikström (2020), Tschmuck (2017) and others, argue that this term is too broad. The music industry consists of a variety of businesses that have totally different business models and do different things. Some businesses produce, distribute and sell records, some promote and host live shows, some individuals perform and disseminate music and between all of these you have songwriters, licensors and more. These parts are closely linked in several ways but they all have differences that distinguish themselves from the others. Tschmuck (2017), Nordgård (2018) and Wikström (2020) all argue that it is more appropriate to divide the music industry into three main sectors: the recording industry, the live industry and the music publishing industry. In that sense it is more accurate to use the term music industries in favor of “The Music Industry”.

Before going into each of the music industries, we need to understand the connection between them. This is the core of the industry. The core of the industry which in many ways are working within all the three main sectors of the industry, and perhaps why consumers see the three music industries as one. This core consists of the artists and the songwriters. Artists and songwriters represent the integral part of all industries and are the creative source which all of the industries are dependent on (Kruse, 2011, chapter 2.). We can find the artists within the recording industry, performing in studios and producing records, In the live industry performing in front of people and in the music publishing through performance rights. The songwriter is similar to the artist, also a part of all industries, as the creator of the music. It doesn't matter what kind of industry sector we talk about, it could be a sound recording of the songwriters' creation, a live performance of the songwriters' creation or collection of copyrights on behalf of the songwriter through sync. The songwriter is in the center and important to all the three industries as well (Kruse, 2011, chapter 2).

It is important to note that within the music industries, especially within independent actors, one person often has multiple roles, both as a live and studio performer and a creator, and even as the producer of the sound recording, and simultaneously managing their own rights. Which explains the three music industries' connection to each other, and the complexity of working with music and in a copyright industry. An example of this is the major artists and songwriters Björn Ulvaeus and Benny Andersson. Both Songwriters, artists (as two out of four in the popular music group ABBA), and record producer on multiple records and singles, like with the songs “Mamma Mia”, “Gimme! Gimme! Gimme! (A Man After Midnight)”, and “Lay All Your Love On Me” (Spotify, 2022). A more modern example is Taylor Swift, which also writes, performs and produces her own music (Spotify, 2022).

The recording industry

The first industry within music is the recording industry. The sound recording has made it possible to listen to the same performance of a song an unlimited number of times and one could argue that this in many ways, is the most important industry for the everyday consumer, seen from a consumer perspective in the 2020s. This is because we can consume the product whenever and wherever we want. However, the recording industry has a complex and interesting history. The recording industry had its entry with the introduction of the sound recording, introduced by Thomas Edison Company in the 1870s (Library of Congress, undated). Today, the recording industry consists of record companies, artists and record producers. Tschmuck (2017, chapter 5.) describes the recording industry as the industry that produces, sells and distributes copies of sound recordings, and turns a profit of the sales owning/licensing the rights to the music. From the early years of the recording industry to the 1990s these copies were mostly sold as a physical product, such as the vinyl, cassettes and CD.

However, in the 90s this changed with the introduction of the internet and digital sound files such as mp3. Wikström (2020) and others, explains that this was a major concern for the industry, and the record sales plummeted because of the digitization. Filesharing services such as Napster, The Pirate Bay and Limewire, made it possible for all people with an internet connection to consume music for free. This created a major problem for both artists and record companies. I will come

back to these events later in this chapter to elaborate the true scale of the consequences of digitization. However, with the introduction of streaming in the 2000s and 2010s the music industry has slowly recovered since the decline of music sales started in 1999. According to the IFPI (2022) record sales revenue has never been higher at around 25.9 billion dollars in 2021. Although record sales used to be the artists main source of income, this is not necessarily the main source of artists income anymore, as this has been switched to live performance income (Tschmuck, 2017).

The live industry

The second music industry is the live industry. Tschmuck (2017, p. 119) describes this as the industry which involves businesses that are focused on live performances of music and consists of bookers, promoters, artists, musicians and concert venue operators. Live music has culturally been important for many thousands of years, however mostly in context of religious rituals, events, and other practices such as opera and theater, not necessarily as the main event in itself. The first known publicly held concert where the audience was charged, was held in 1672 by violinist John Banister (Britannica, 2022). Live music has since become the largest of the music industries, predicted to have a revenue above 30 billion US dollars in 2019 (Tschmuck, 2017). As mentioned earlier in this chapter, live music has succeeded recorded music as the largest revenue source for artists the last 20 years. And has changed its role as a promotional tool to be the most lucrative product/service for artists worldwide (Tschmuck, 2017).

Early in 2020 the world health organization announced a global pandemic, caused by the Covid-19 virus (World Health Organization, 2020). This had a major impact on the music industries a whole, but the live industry especially was hit hard. Although many countries had government financial aid programs for businesses and artists, within the cultural industries such as the live industry, it still created big problems for many. I will talk more about the pandemic and its effects on the industry later in this chapter. If we are looking at the size of the industry in a normal setting, not accounting for the Covid-19 pandemic, it's no doubt that the live industry is the biggest of the music industries today. Now in late 2022 the hunger for live shows have skyrocketed and it was also predicted by Nordgård (personal communication, 2021) that the

industry would come back strong after 2 years without live shows and significant restrictions caused by the pandemic.

The music publishing industry

The third and final music industry is the music publishing industry. Music publishers started selling sheet music in the early 1700s. Since then, music publishing has emerged into an industry that is making billions in revenue from copyright exploitation (approximately 11 billion dollars a year in 2014) (Tschmuck, 2017, chapter 4). Tschmuck (2017) explains that the main revenue sources of music publishers today are different kinds of fees obtained through licensing of rights to different users. Examples of this are through sync (movies, series, games etc), public performance licenses, digital licensing, mechanical license, and also sheet music as was the case in the old days.

Composers and songwriters usually sign with music publishers to get their music played/consumed. While all the three industries are focused on music, the music publishing industry is the industry that takes care of and protects the rightsholders and songwriters' integrity and works. To be able to collect performance fees, composers, songwriters and music publishers came together in France in 1850 to create the first PRO (performance rights organization) called SACEM (Society of Authors, Composers and Publishers of Music), where every member of the organization is protected. The Music Publishing industry is not as visible as the recording industry and the live industry and are for many a hidden industry. However, this industry is very important for composers and songwriters and their sustainability within the world of music consumption and exploitation.

Technology and an industry towards digitization

During and after the second world war, technological inventions and achievements changed our societies from an analog and mechanical world to a digitized and interconnected globe.

Milestones such as the introduction of the TV, the huge impacts of the Apollo program and the moon landing in 1969, to the personal computer in the 1970s, the mobile phone in the 1980s and the internet in the 1990s, we have become a species with a huge technological advantage

(Hofseth, 2021, Personal communication). This has had a great impact on all industries globally, although with different effects and results.

When new technologies arrive, disruptions are inevitable if the new technology is good enough to replace the old. This was what happened in the music industry in the late 1990s, however in a quite problematic way compared to earlier technological advances in the music industry. As mentioned earlier in this chapter, Wikström (2020) and others explained that the problems within the recording industry really started in 1999 with the introduction and disruptions of the mp3 file. However, the music industry has had many technological advances before this. The music record format has changed multiple times through the year, first with the silicon cylinder made in the 1870s, that was replaced by the gramophone record, and in 1948 this was replaced by the cheaper and higher quality records made out of vinyl (Disc Manufacturing Services, 2017) also known as the LP (Long-Playing).

Although the formats changed there was only growth in sales and because the records got cheaper the technology had big advantages, making it possible for more record companies to emerge and reach a broader audience and the sound recording became a product for the everyman, creating the first superstar artists, such as Elvis Presley and The Beatles. In 1962 Philips introduced The Compact Cassette (or just Cassette). This was the first invention that made it possible for everyone to record sound without having expensive equipment (Sommerfeld, No date). The problem with the cassette was that everyone could create their own mixtapes and copy music illegally. However, compared to Filesharing in the late 1990s it is not nearly as bad, when looking at numbers from Norway (IFPI/Medienorge, No date). In the 80s alongside cassettes and LPs the CD (Compact disc) was introduced. This was the first digital format for the masses and set the standard for years within the recording industry all the way to early 2000s (Tschmuck, 2017). The CDs' impact made the recording industry in Norway richer than ever and in just ten years, the total sales increased from 390 million NOK in 1990, to 998 million NOK in 2000 (IFPI/Medienorge, No date).

Looking at numbers from the years 2000 to 2021, it has taken the industry 21 years to recover to grow beyond the top year of 2000. The recording industry has been disrupted to the degree that

the changes still have huge effects on how we listen, produce, pay and consume music. Although it still has problems today, the opportunism in the industry in the early 2000s and 2010s, was almost non-existent compared to today. Nordgård (2018) and others, describes multiple problems within the industry still seen today. When file sharing began, piracy and copyright infringement was starting to pollute the whole industry. Another problem was to compete with free music, which at that time was seen as impossible in the current circumstances. Another factor was that the record labels had to let many people go, because their revenue declined rapidly. All these problems together created an industry with little hope and a lot of criticism towards each other and the society as a whole. Many suggested solutions were not welcomed as good solutions and some companies were scared to invent new solutions because it could affect their market share, and advantage in the market.

When an industry faces these rapid changes, it is problematic when it takes time to find new innovations and replacement strategies and competitiveness. With the introduction of music players using official online stores, like iPod and iTunes, the industry tried to change. And together with anti-piracy campaigns they tried to turn people towards an ethical, legal and easy to consume experience. The problem was that other music players and devices made it easy to use “free” music downloaded online. Although this was a success for companies such as Apple, the record labels did not have any competitive advantage against the free music online. Apple sold over 400 million iPods from 2001 to 2017 (Eadicicco, Kim & Moran, 2020).

As a response to the problems in the industry creative minds started to develop alternative solutions that could save the industry and get it back on track. In 2008 Spotify was the first legal streaming service to be recognized by the industry, it was met with a lot of criticism especially by artists (Tschmuck, 2017). Streaming offered a solution that was too good to be ignored by the industry, and challenging “free” music online. This was important especially for the majors. Since the introduction Spotify has gotten competitors such as Apple Music, Tidal and Deezer, and the streaming market has increased rapidly since 2015 (IFPI, 2022).

Changing streaming

Although the streaming service has saved the recording industry, it has since its introduction also changed the value of music. As a response to this many artists have removed their catalog in protest. As a result of this there have been suggestions to change the streaming model from the current pro-rata model which is based on market share, towards a user centric model. The user centric model is different from the current model in that it's based on each listener's streaming history and divides all the revenue gathered from the listener on the artists the listener is listening to. The aim of this model is to spread the revenue in the industry and help artists that do not make sustainable profits in today's market (Music Alley, 2020). These artists would probably also have had a sustainable revenue if physical products still were the industry standard format. One can argue that the user centric model is a hybrid model between a physical and a streaming centered revenue model.

Other streaming models has also been suggested and supported, IMPALA (Independent Music Company Association) is an international organization fighting for the independent labels and artists on behalf of around 6000 companies and organizations, such as the Norwegian organization FONO (Norwegian Association of Independents), the British organization AIM (Association of Independent Music) and the French UPFI (Union of Independent French Phonographic Producers) (Independent Music Company Association [IMPALA], 2021). IMPALA has suggested ten steps to reform and improve streaming to protect and better the industry for the independent part of the industry. Some of the changes are looking towards streaming as a whole with suggested changes like changes to the pro rata model, and alternatives that might change the industry by legislations and law, fighting for a fair industry without majors getting advantages in the market. However, this does not mean that they are supporting the user centric model (IMPALA, 2021).

The network studio and modern music distribution

When digitization began in the 90s it also made it cheaper and more affordable to produce music. Big analog equipment has gradually been replaced by digital software and has become so cheap that everyone with a laptop can produce all kinds of music at home (Spilker, 2018). Spilker

(2018) also talks about the opportunities in which we can use the internet to find sounds and samples, and create music with other people on the other side of the earth. Spilker (2018) calls this “the network studio” and it has been a revolutionizing part of the music industries. Even though the network studio has been an important part of the modern music industry, professionals are usually using professional and expensive studios to record. However, many artists use the network studio for songwriting and “on the go” recording. One can argue that the network studio has been important for the whole industry and the culture in our society, and especially for semiprofessionals like smaller labels and artists, with a limited budget.

It's not just the network studio that is available for everyone, but also music distribution. Before streaming one could upload music to services like YouTube, but this was not seen as professional at all. Distributors are available for everyone and the traditional “gate-keeper” functions the record labels have had for years are gone, this makes it more difficult for listeners. One can argue that this democratization of the industry is good for the listeners and for everyone, however to find music with an 80 million song catalog like Spotify has (Spotify, 2022) it could be difficult to choose and find new music. This fits into Barry Schwartz (2005) theory, the paradox of choice. according to Schwartz’s theory we tend to choose the things we are familiar too when we are presented a lot of choices, and with 80 million choices on Spotify we don’t listen to all the music but a few selected artists we are either familiar with or with music that is shown to us by radio or friends. Combined with democratization and a lot of unprofessional content available to us, one can argue that this makes it even harder for us to find new music and harder to distinguish professional artists and music from amateur producers and artists that do not have the same standards and quality.

Playlisting has also been a huge problem in the industry. When I mentioned cassettes earlier in this chapter, I talked about how the cassette made it possible for the consumers to copy music from different cassettes and create their own mix tapes. Playlists are very similar to this and this gives every listener on a streaming service the opportunity to collect their favorite music in multiple lists. This is a great opportunity for the listeners and one of the things that makes streaming services able to compete with illegally downloaded “free” music. However, playlists also present problems for the industry, especially independent artists and record labels. The

problem with playlists is the power they have over the music market, especially official playlists such as Spotify's own playlists. Wikström (2020) argues that the playlists are more powerful than radio. Further Wikström explains that the success rate of songs featured on these playlists are massive compared to non-listed music. The core of the problem are playlists with a massive following, dictates the trends and what kind of music is getting to the masses. Again, this is also a parallel to the Schwartz (2005) explanation of human psychological behavior. Another problem with bigger playlists is the lack of cultural diversity. On Spotify's most popular playlists the same artists and genres are represented over and over, and this also influences the algorithmic playlists the streaming services provide the listener. This means that some genres are more represented than others, often these genres heavily influenced and controlled by major labels. This also means that the top artists also get the top revenue from streaming and creates a superstar economy.

The Superstar economy

The superstar economy is a term that often comes to mind when talking about the economics of music. The characteristics of a superstar economy is that the top percent of players earn most of the revenue. Kreuger (2019) explains that the invention of sound recording has been the main driver for the establishment of the current economic structure within the music economy. When records became available the reach of artists increased on a scale never imagined. Records replaced live music in restaurants and bars because of its convenience and recognition. This led to a greater demand for known and popular artists and less demand for unknown artists.

Digitization however changed this yet again, with the introduction of mass accessibility of music. The recording industry was late into the adoption of a new sustainable system and live music and touring took over as the main income source for artists. Recorded music today has become more of a promotional product than the main income source for artists and increases their popularity and reach.

The superstar economy makes it more difficult for new and independent artists when it comes to international breakthroughs and is a challenge many independent labels and artists face. The independent record labels often have one thing in common and that's their budget sizes compared to the majors. Independent record labels often have to take bigger risks and are more vulnerable

to bankruptcy and red numbers. A major company often has projects costing millions of dollars. Marketing budgets (and production budgets in many cases) may exceed in the millions of NOK (Norwegian Krone). While indie labels may work with budgets in the thousands (Borg, 2014). This means that marketing for indie labels is much harder because you may have to narrow down the audience more specifically than a major would. This is especially hard when releasing/launching a new artist without a well-established fanbase.

Defining the independent recording industry

The many disruptions and changes in the music industries within the past two decades has led me to think about how this has affected independent record labels. Wikström (2020, p. 33) and others argue that there are differences between big and small companies within creative industries. Smaller companies are driven by passion and creativity rather than money and are more likely to pick up new genres and inventions long before major companies. This shows us the vulnerability of music and creation within the industry when the major companies are growing bigger. One could argue that the music industries as a whole are dependent on independent record labels, because they are all different to each other (and the majors) and in general more open minded for new ideas. These companies give creative and inventive artists opportunities that would never have been in the interest of the majors. However, there are big differences between independent companies and perhaps even more after the digitization and the streaming economy took place.

Defining an independent record label is both hard and easy because of the many differences in how they operate and their size. Some of these companies consist of a few people and maybe a couple of artists, others are bigger businesses with over 50 and maybe a 100 or more employees. It might also be a company run by just one artist that produces, releases and distributes their own music. Looking at the recording industry today there are three major companies that have formed the industry into an oligopoly: Sony Music, Warner Music and Universal Music Group (Tschmuck, 2017) with a combined global market share between 65 and 70% (Mulligan, 2022). These companies are not only majors within the recording industry but also the publishing industry (Tschmuck 2017). I will therefore describe any record label or music company (that deals with production, marketing or releases of music) that is not a part of the major companies

as an independent in my study, although sizes and functions vary a lot between these companies. As in the recording industry, the music publishing industry is also an oligopoly with a few major companies dominating the industry (Tschmuck, 2017).

Although the Norwegian independent recording industry is an important part of this study there are also many independent companies in the live and publishing industry, as well as independent artists and songwriters that are relevant in this thesis. Before streaming it was easier to focus on one of the industry sectors, but in the market today there are changes within the industry that are changing how many companies work. One of these changes are the 360 contracts, which covers the artists career from traditional record label services such as recording and production to marketing and distribution, to booking, live performances, publishing and management, all done by one company (Wikström, 2020, p.144-146). The 360 model is a disputed topic and is disapproved by some and loved by others. However, this deal usually offers big advances to the artists and gives the record company full control of the artists career and ownership of copyrights. Wikström (2020) explains that the resistance towards the 360 model is a result of more knowledge about copyright in the industry, and that the free flow of information online has made everyone aware of situations that can be difficult in these kinds of business relationships. There have been several cases where artists have been exploited, especially younger artists. However, many record labels have to offer 360 agreements to be able to grow and work because the streaming revenue and record sales are too low to obtain a sustainable business.

In contrast to the 360 model, licensing has also become popular, which is a way for the artist to have full control over their own music and flexibility to work with different companies. With this kind of agreement, the artist licenses out their music (often a specific album or single) to a record label for a period over x number of years (7 years are normal). This means that the artists have the ability to change record labels for each release and also own their own music, however they are also financially responsible for the recording of the music. This also makes the risk of record labels smaller, which for small and big companies alike can be beneficial. Although this is great for both the artist and the record label, the amount of work done by the artists can be much more and for many artists, especially artists that don't have a management, this can be difficult. For the

record labels the success of the release can be great but it can be unpredictable for companies if the artist goes somewhere else with their next release (Wikström, 2020 p. 147-148).

This shows us the difficulties of being independent in the recording industry today. Independent companies do not have the funding that major companies have and when competing against the majors the independents need to think differently when signing a deal with an artist. Wikström (2020) explains that for many artists, the record label is an unnecessary part of the value chain because they can produce their music themselves and marketing promotion and distribution services can be done by the artist themselves or are available elsewhere. However, many artists do not have the knowledge, funding or capacity to do everything by themselves.

Although independent companies and artists are seen as underdogs from a financial perspective, the cultural value they represent makes them very important in the industry. Especially when looking at music genres. While both majors and indie labels work with popular music and traditional music, new music in traditional genres such as classical music and jazz are often represented by independent companies that share the same cultural values as the artists. Although the Norwegian independent actors in the music industries are experimental and often take risks, there are possibilities for everyone (regardless of size) to apply for public funding to help the companies in the cultural industries keep diverse and competitive. In Norway, Kulturrådet (Art Council Norway) is the biggest supporter of cultural projects on a national level.

Arts Council Norway helps to ensure that art and culture are created, documented, preserved and made accessible to the broadest possible audience. The aim is to guarantee the arts and cultural sector in Norway that is vibrant and diverse. Each year, the Council receives more than 20,000 applications for funding. In 2020, the Council will handle around € 150 million in state funds earmarked for arts and culture, which is about 10% of the national cultural budget. Arts Council Norway also manages government initiatives in the museum sector. The Arts Council has a staff of around 150 people. (Kulturrådet, No Date).

This shows us that in general there are a lot of projects in all cultural industries that are funded by Kulturrådet, and this also includes the music industries. However, applying for funding could be difficult for many companies and individuals, because there are a lot of different projects one competes with when applying. When applying for funding one can apply for different things in each project, examples of this is specific funding for marketing and promotion or specific funding for production or other processes in the project. However, one needs to document the spendings and it could therefore be more challenging for independent artists or small companies that don't have the expertise or the right documentation competence, and a hypothesis of mine is that some small artists or companies choose not to apply for bigger funding because of their capacity.

Social media and the music industry

Working with music has many difficulties especially with disruptions like digitization has had on the music industry. Although streaming has been the main talking point and reason for growth in the recording industry since 2015, there are a lot of issues and opportunities regarding all industries when it comes to marketing, promotion and involvement with fans. What I am talking about is social media and its huge impact and importance in the world today. Social media today influences our decisions and we can also see this in the music industry with the music industries losing control over their former gatekeeper functions. This also makes it difficult to navigate the market and one can no longer push music towards listeners. Word of mouth has always been important in music promotion and although radio has been and still is a great platform for marketing and promoting music, social media has been a huge disruptor when it comes to the global market (Wikström, 2020). Wikström also describes social media platforms as the new gatekeepers along with curated playlists, and if one is not popular or growing on these platforms, the artist has no value as a brand and product. To become an artist today demands recognition on these platforms because this is where most of us communicate, interact with each other, share our values, what we desire and what we don't like. At the same time, it is also difficult for many artists to be present on all the different social media platforms and every now and then a new kind of social media platform is launched. On one hand we have the older platform Facebook that was launched in 2004 which is a platform with almost 3 billion users worldwide (Statista, 2022) and with a large variety of functions that allows for a number of things, at the same time we have

other social media platforms such as TikTok that was launched in 2016 and has over 1 billion users (TikTok, 2021). Social media platforms are so huge in size, and going viral on one of the platforms is possibly life changing for both companies, artists and songwriters. One can therefore argue that artists, record labels, and other brand related industries have no choice but to be present on social media.

The pandemic

The covid-19 pandemic (that are still active in 2022) the last few years has been disrupting the industry and been hard on all sectors of the industry but especially on the live sector. When the pandemic arrived it was devastating for both people and industries all around the world, and there are over 6 000 000 deaths related to the disease that has been reported to WHO (The World's Health Organization) as of November 2022 (WHO, 2022). The rapid spread of the virus meant that the Norwegian government and other governments had to make decisions that would prevent the virus from spreading and this resulted in a number of restrictions. These restrictions were similar in many countries. However, they changed all the time because the situation in each country was different and varied from week to week. As a result of the restrictions, people were unable to socialize physically, this meant that they were unable to experience events and other social activities where people gather.

Reports like *Kunstnerne og koronapandemien* (Kulturrådet, 2021) and *Krise og kreativitet i musikkbransjen – koronapandemien 2020* (Gran, Kristensen, Molde, Hagen & Booth, 2020), concludes that both the music industries, artists, musicians and others in cultural industries such as the film industry, Visual art, and others, all has been affected negatively by the Covid-19 pandemic. In early 2020, between March 12th. and April 30th, as many as 84 % of freelancers and small businesses had to cancel their assignments, and 69 % had to postpone their assignments (Gran et al., 2020). These are numbers that definitely show us the problems that the industry has gone through. The report also concludes that there is a lot of changes in the way people work due to the pandemic, a great example is online meetings, which has been used by almost all industries in the world instead of meeting physically in a room. However, Songwriters and artists find this challenging in a different way, because of the way they work when collaborating with each other.

Although there are numerous possibilities to record and write songs together, the inspiration and work flow is heavily affected and often makes it difficult to be productive. As a consequence, 22 % of companies in the Norwegian music industries feared bankruptcy during the first months of the pandemic (Gran et al., 2020).

During the pandemic the challenges of social lockdown also created a demand for financial aid in the cultural industries. As mentioned earlier in this chapter live music has been increasingly important for artists as a main income source and with the social lockdown this has been a critical situation for artists and their management for a couple of years now. In this thesis it will therefore be interesting to see how independent artists and companies look at the pandemic situation and if it still affects them today.

Physical comeback

According to the IFPI (2022), physical record sales have dropped since 2001 and through 2020. However, 2021 was the first year since 2001 that has seen an increase in physical sales from 4.3 billion US dollars in 2020 to 5 billion US dollars in 2021. This is an interesting change and shows us that physical products still have an importance within the industry. There could be many reasons why, and for many years physical records have been seen as a kind of merchandise, often sold on live shows and websites to eager fans. One hypothesis is that the covid-19 pandemic could be a reason because we have been spending more time at home with almost no opportunity to experience live music. This may have led to more people using and buying sound systems that allow consumption of physical records to enhance their experience.

During my time as a student at University of Agder, it has been clear to me that there are companies out there targeting the right audience and finding new ways of selling physical records. I have been working with a publishing company on numerous occasions before and during writing this thesis and watched how crowdfunding has been used as a method to make it possible to create opportunities for physical record sales today even when music streaming has become bigger than ever. Crowdfunding is a method that is used when the knowledge about demand is uncertain and therefore makes a brilliant method to find which and how many copies

of the record one is able to produce and sell. And although streaming sales are much larger than physical records sales with streaming accounting for 65% of total global sales in 2021 compared to the 19.2% of physical records (IFPI, 2022), one can use this method to decrease risks within the market. Especially in a small market such as in Norway with less demand than for example in the US which is the biggest music market in the world. Domestic repertoire using the Norwegian language is definitely the most vulnerable in the Norwegian market when it comes to selling physical products. The Norwegian market share of streaming is much higher than the global, and domestic repertoire representing only 25 % of the market (IFPI Norway, 2020). Making crowdfunding a less risky method and a suited way of finding demand and creating business opportunities within the Norwegian recording industry.

3. Methodology

A Quantitative methodical approach

As described in the introduction of this study, the aim of this research is to map difficulties and opportunities in the Norwegian independent music industry, and to document views regarding the future of the industry. This is a difficult task and has been done to some degree before. However, regarding the Norwegian music market there has often been research on the Norwegian music industry or the global music industry as a whole and not necessarily with the focus on the smaller actors excluding the major labels.

The covid-19 pandemic resulted in a lot of studies on different topics regarding the industry, examples of this are, *Krise og kreativitet i musikkbransjen – koronapandemien 2020* (Gran et al., 2020), *Et halvt år med koronakrise i kultursektoren* (Menon Economics, 2020), and *Kunstnerne og koronapandemien* (Kulturrådet, 2021). All these reports and studies are detailed research on the results of the legislation and considerations that have affected the industry and are also relevant for the future. Other reports such as *The IFPI Global Music Report* (IFPI, 2022), which gives an overview over the total global music industry. IFPI Norway also has a similar report regarding the Norwegian music industry called *Musikkåret 2020*, an annual report, the latest issue is from 2020 (IFPI Norway, 2020). These reports are mainly focused on sales and highlights from the previous year. There are also reports focusing on other analytics such as music export, economics in different areas, what kind of music is trending, top artists and others.

In contrast to these reports and studies, this study's goal is to learn from these reports and do something to map the independent actors and companies and their views regarding the industry. The methodological approach in this study is similar but also different from the reports and studies mentioned above, because the research subjects are a slightly different demographic. The Norwegian independent music industry consists of hundreds/maybe thousands of small companies and people with sole proprietorships. This research aims to include information from as many as possible regardless of size, to enhance the value of this study and to find reliable data,

an easier and anonymous approach is more fitting. This is why I have chosen to use a quantitative method.

Although a qualitative method could be used to answer the research question, using a qualitative interview approach, my hypothesis is that there are many differences in how the subjects operate and views the opportunities and difficulties regarding the industry, to produce reliable data. The hypothesis is grounded on my background as a Record Label owner, and the issues as we saw in chapter 2.

Nardi, P. M. (2018) describes quantitative survey methods as the most suitable method to gather data from as many subjects as possible in a short time-span, and are more labor efficient. He also describes this method as suitable for guaranteeing anonymity and creates possibilities to reach more people regardless of geography, when using online surveys. This method is therefore the most suitable to gain data for this study, grounded on the wish to gather from all over Norway, the insight from chapter 2, and the methods used by reports and studies on the industry as we saw earlier in this chapter.

A cross-sectional anonymous market research survey

One of the inspirations for this study, was to motivate organizations in the independent music industry to establish an annual market research survey, gathering information to create data to change problems regarding legislations, regulations, digitization, and the industry's current state of mind. Removing arguments from major labels over time can help us understand the different pieces in the industry. Stockemer (2019, Chapter 3), explains that there are mainly two kinds of surveys, a cross-sectional survey and a longitudinal survey. The cross-sectional survey is a survey done once, and the longitudinal surveys are surveys conducted over a time period (for example annually), to understand changes and trends. I therefore think that a longitudinal survey would be better. However, this Study is a master thesis and I did not have the time to conduct a longitudinal study. Based on the Norwegian music industry in 2022, I don't see the value of multiple surveys in a short timeframe, but rather one survey that can gather more data over a longer period of time.

To gather as much data as possible the survey is anonymous. This is both an ethical and a convenient choice. When it comes to the ethical part, it is important that the research participants'/subject's information is confidential. This is to protect the subjects (Nardi, 2018). To obtain this I have created a survey that doesn't ask for personal information, although there are possibilities for me as researcher to see each respondent's individual answers, I do not know the identity of the individual participants/subjects, and individual answers are not relevant to this study on its own due to this study's nature, mapping the Norwegian independent music industry as a whole.

Stockemer (2019, p.63) talks about volunteer sampling, which is often used in the fields of marketing and psychology, and the survey in this thesis is using volunteer sampling to retrieve data. The positive side with volunteer sampling is that the respondents usually are interested in the topics in the survey. Which strengthens the credibility of the answers from the respondents in the survey. Stockemer (2019, p.63) also describes that many people are drawn to answer volunteer surveys because there is money or other forms of compensation involved. However, there are no compensations or prices for participating in the survey in this thesis, which means that there are probably answers from people with interest in the Norwegian independent music industry that have answered and provided data to this research.

Online survey

To implement the study and for an easy gathering of data, the survey has been conducted using the acknowledged online survey tool/service provided by surveymonkey.com, mentioned by both Nardi P. M. (2018) and Stockemer D. (2019). Surveymonkey.com provides a system that makes it possible to implement all the necessary functions and parameters needed to conduct a cross-sectional anonymous market research survey, and is the main reason for choosing this survey tool/service. Online surveys are easy to access for the subjects, and provide a dataset in a system, with readable diagrams useful for analyzing the data as a whole.

The Subjects

To approach the subjects for this study, several channels are used to reach them, this includes personal communication on Facebook towards the Facebook group “Bransja prat” (translates to: industry chat/business chat), this group is a gathering place for the whole music industry in Norway and provides the opportunity to reach a larger group of possible Respondents. Another approach I have used to get participants/subjects for this study, is reaching out to music business organizations within the industry, asking them to send the survey to their members. However, the conversations about this thesis and survey ended with these organizations not confirming their contribution, although this data could be relevant for them as support-organizations for the music industry in Norway. The result is that all the respondents on this survey are reached through the Facebook group Bransja Prat. This will help the survey reach a broader audience but there are more concerns to what kind of respondents are answering the survey as the goal is to reach independent businesses and companies.

Concerns

As Stockemer (2019, chapter 4) describes that there are concerns regarding surveys, with the researcher being biased. Especially when creating the questions in the survey and interpreting the data. In this study the representation of the industry might also be too small to represent the whole Norwegian independent music industry with only 62 respondents total and only 66 % of the respondents completing the whole survey. Although the aim is to approach businesses in the independent music industry, I cannot confirm that all the respondents are running a business in the music industry, due to the way I approached the respondents. Another challenge is that the questions asked in the survey are being interpreted differently by the respondents. I have also noticed that there are weaknesses in some of the questions themselves, making the questions vague or difficult to interpret. However, in the context of the other questions in the survey, these vague questions might be easier to interpret.

Questions and survey

The survey is targeted towards individuals and companies in Norway, the choice of language is therefore Norwegian. However, it is translated in this thesis for the sake of consistency and educational purposes. To choose the questions I have used the theoretical framework in chapter 2, to find questions that will be relevant for the main research question presented in chapter 1. The survey questions are in the attachments at the end of this thesis.

4. Findings

In this chapter I will look at the findings and results from the cross-sectional anonymous market research survey that I created. The results in general are more satisfying than I would expect. This is because there were challenges to overcome to get the Norwegian independent music industry companies to answer. However, I have more respondents than expected and the data suggest that both professionals, semi-professionals and amateurs have answered this survey. As mentioned in the previous chapter the survey has been conducted using the Services from [surveymonkey.com](https://www.surveymonkey.com). [surveymonkey.com](https://www.surveymonkey.com)'s services include analytical tools and has helped me during this chapter to get a precise overview of the data collected. The data collected that will be presented in this chapter will further be discussed in the next chapter.

The findings are a blend of different parameters that can help understand the Norwegian independent industry from different perspectives. These findings seek to extract concrete evidence of what kind of views the businesses have on different matters regarding the industry sector they are a part of, and the music industry as a whole in a combined relationship with each other and the market. The findings will include an overview of the respondents, economics, Digital Distribution, partnerships, the market, streaming, social media, the pandemic and the future of the music industry. The findings will further be discussed in the next chapter and I will go deeper into what the findings mean to the industry and the independent businesses within the industry sectors now and in the future of the music industry.

The Businesses

This thesis as mentioned earlier is about the Norwegian independent music industry and the companies and within it. The aim was to get over 50 respondents for this study and the total number of respondents are 62. However, not all the respondents have answered all the questions in the survey. Although there were a total 62 respondents in the survey. There was a drop-off in responses in the last questions of the survey even though the survey only took an average of 4 minutes to complete. However, the respondents might have seen the questions in the survey as

irrelevant for their business or lack of knowledge about the topics presented. Over all 66 % of the respondents answered all the questions.

The survey shows a variety of respondents from different sectors of the industry. The first question was a multiple-choice question, and asks what kind of roles/companies they have/run within the music industries. Because many individuals have multiple roles within the industries, as explained in chapter two, it is interesting to see how many there are in each occupation/role within the industry to get a sense of what kind of respondents I have in this study and what kind of businesses and occupations there are in the industry as a whole.

Hva er din virksomhet?

Answered: 62 Skipped: 0

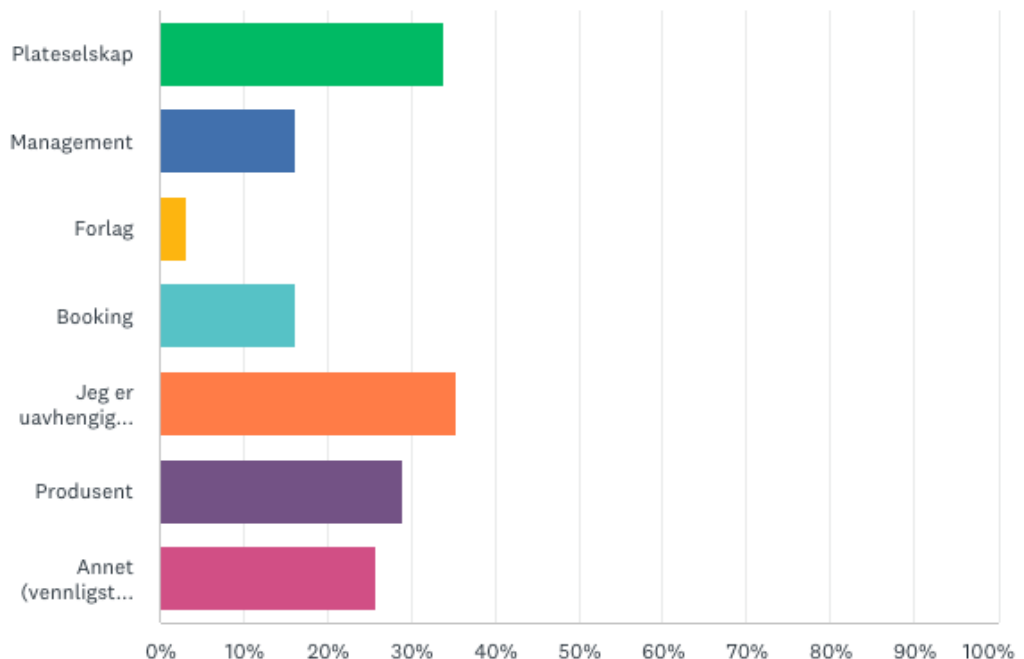


Figure 1. Is an overview of respondents in each occupation/involvement within the music industries. As explained above, there are respondents with multiple roles.

The figure above shows that 35 % of the respondents are independent artists (Orange) and are the largest group in the survey. The second largest group are record labels (Green) with 34 % of the respondents. There are many producers (purple) as well with 29 % of the respondents

representing this group, and these three are the groups that I mentioned in chapter 2. that are probably the backbone of the independent music industry. When I created the question, I had mostly focused on the independent recording industry (because of my own involvement within this industry), and this is why these groups are probably the ones that are represented the most compared to the other two sectors, the live industry and the music publishing industry.

However, this is not everything, although respondents to a large degree represent the recording industry, figure 1. shows that the live industry and the artists/management and even publishers are represented in this study. Both Managements (blue) and booking (light blue) represent 16 % of the respondents. Last, we have the Publishers (yellow) which represent 3 % of the p respondents. Others (pink) represent 26 % of the respondents. In addition to this answer, it is possible for the respondents to write down occupation/their involvement in the music industries and in this group, we find songwriters, musicians, studio technicians, promoters, festivals, technical suppliers, music organizations, and even journalists. Looking at the total number of respondents which are 62 and comparing it to the total number of businesses (occupations) which are 99, one can see that many have multiple roles within the industry.

Geographically the respondents in this survey are located in counties all around Norway with the exception of Troms & Finnmark (the most northern county in Norway) which is not represented at all. However, by far most respondents, 45 % of the respondents, run their businesses from Oslo, the Norwegian capital and largest city (SSB, 2022). The second most represented counties, are Vestland Fylke (with Bergen as the second largest city in Norway), and Viken, the most populated county in Norway with over almost 1.3 million people (SSB, 2022), both with 9.8 % each of the respondents.

Researching the independent music industries means that there also could be semi- professional (likely also amateurs) that have answered this study, which I explained earlier in this thesis. In figure 2. Below one can see that 58 % of the respondents are professionals and are making a living working in the music industries (Green). While 38.7 % are semi-professionals and or amateurs (Blue). Two respondents answered that they don't know (yellow). This means that we get answers from both semi-professional and professional.

Lever du av å jobbe i musikkbransjen?

Answered: 62 Skipped: 0

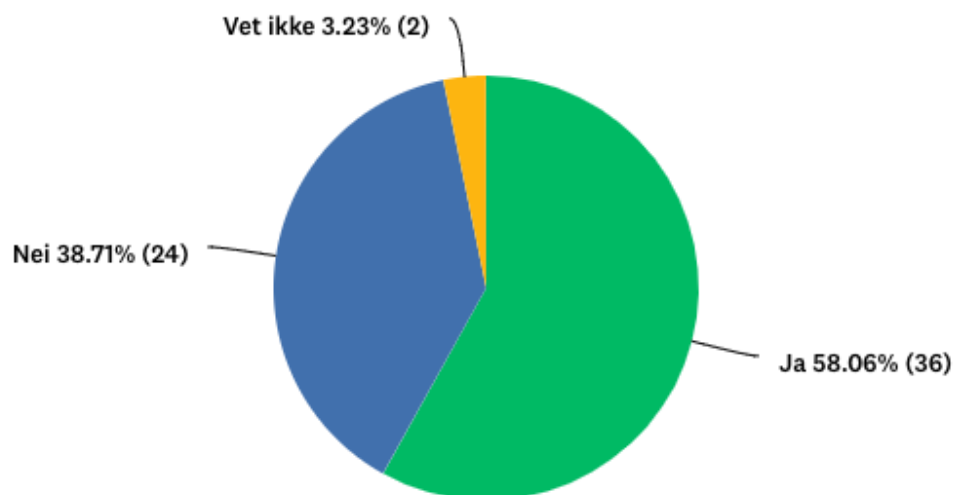


Figure 2. Explains the ratio between professionals and others in the industry. Asking the question: Do you make a living working in the music industry? With green as “Yes”. Blue as “No”, and “I don't know” as yellow.

The sizes of the companies that have participated in this study are mostly small companies with 1-3 employees, with almost 83.8 % of the respondents answering this. Many of these are probably sole proprietorships (companies with one owner and no employees). The next largest group is businesses with 4-9 employees, representing 9.6 % of the respondents. Larger companies are also represented but only 4 companies have above 10 employees and only 2 have above 20 employees. Which in total was expected as these are creative and independent companies.

As for their motivation to start up and run their companies, music in itself is the most common reason for starting up a company in the music industries with 66 % of the respondents answering this. If we exclude Music as the biggest reason there are multiple reasons why. 11.2 % find the opportunities in the music industries as their reason to start a company, above money/profits as the main reason, people who answered money only accounts for 6.4 %, which is interesting. In

my survey I didn't specify things too much, to make it easier for people to answer. However, it is interesting to me that nobody has answered “other” as a reason, when the answers one could choose from, were: Music, Money, People, Innovation, Opportunities, Challenges, Other and I don't know. On the other hand, these are vague terms and might not be specific enough to mean something, and probably means something different from person to person.

Economics

When it comes to the economy, the turnover differs a lot between the businesses. Most respondents, 33.9 %, answered that their business has a turnover of above 1 million NOK (kr). As one can see in the figure below (Figure 3.).

Ca. Hvor stor er omsetningen i din bedrift?

Answered: 59 Skipped: 3

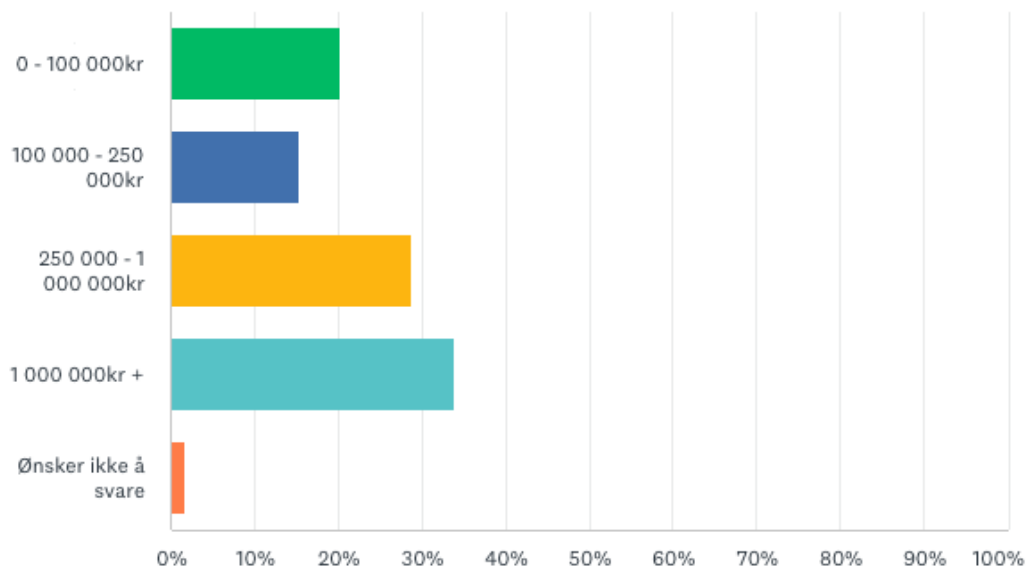


Figure 3. Explains the different turnover sizes of the participants in NOK (kr). The Question above the graph asks: Approximately how large is the turnover in your company?

Although the turnover might vary a lot between businesses above 1 million NOK (kr). The interesting thing in this graph, is the number of businesses, that have a turnover under 1 million +. Businesses that have a turnover of 250 000 - 1 000 000 NOK (kr) seen in yellow accounts for 28.8 % of the respondents, are small businesses but might be big enough for one person to live

off. However, the businesses with a smaller turnover, like 100 000 - 250 000 NOK seen in blue accounting for 15.2 % of the businesses, and 0 - 100 000 NOK in green accounting for 20.3 %, are both insignificant from a macro-economic perspective. One of the respondents did not want to answer.

In this next graph we can see the different revenue streams in the industries, and what kind of services and products that are the most important for the participating businesses.

Hva er den største inntektskilden for din virksomhet ?

Answered: 59 Skipped: 3

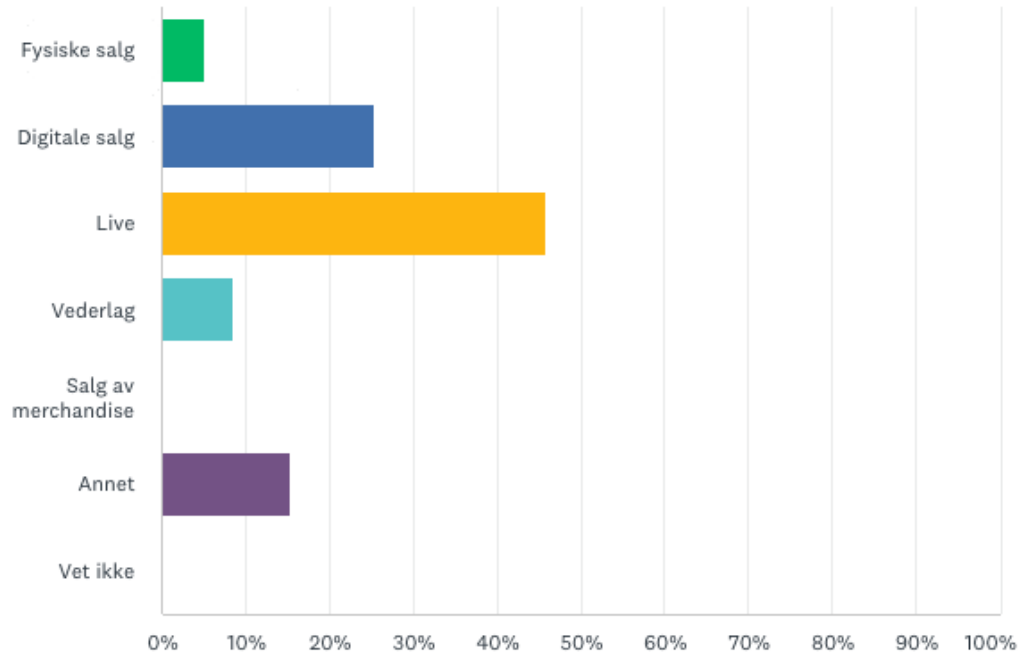


Figure 4. Shows what's the single biggest source of income to each company. The question above the graph simply asks: What is your business' biggest source of income?

The biggest source of income for most respondents comes from live (yellow), with 45.7 % of the respondents having this as their most important source of income. The second largest source of income is digital sales, which includes streaming (Blue) with 25.4 % of the respondents having this as their most important source of income. Physical sales (green), is an interesting one with 5 % of the businesses in this study having this as their most important source of income.

Remuneration (light blue) is also important, especially for songwriters, composers, publishers and some organizations and is most important for about 8.5 % of the respondents, and 15 % has something else as their most important income source (purple).

Many businesses in the independent Norwegian music industry use public funding and support as explained in chapter 2. And are very important to some businesses. In Figure 5. Below, one can see the number of businesses that use public funding.

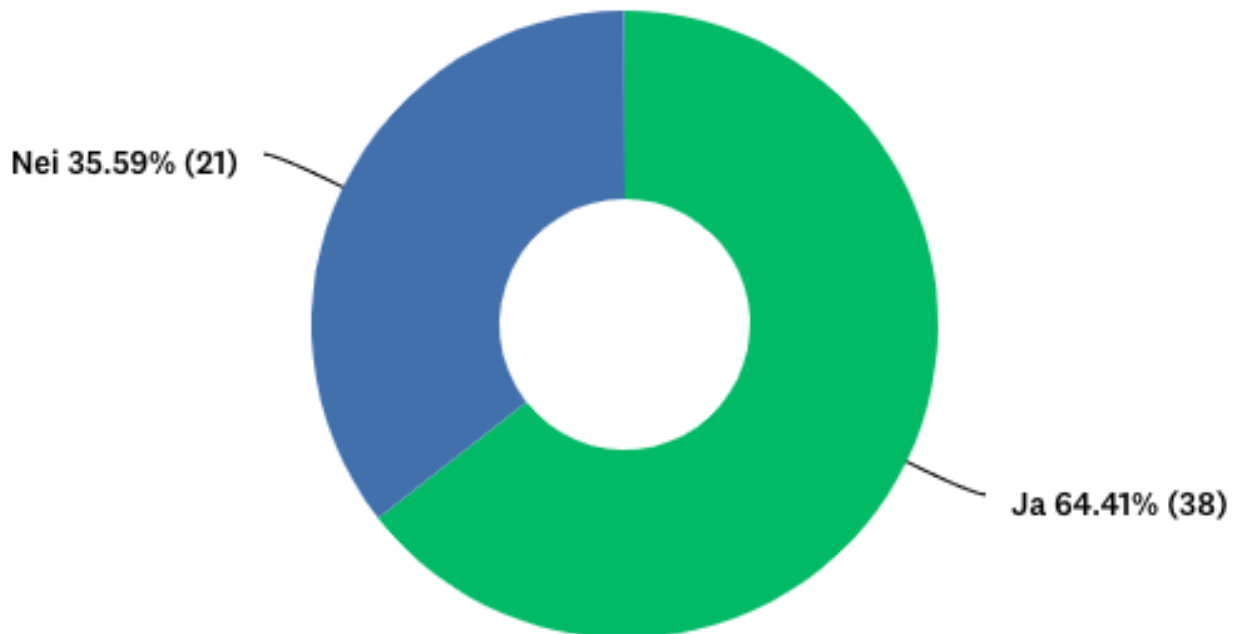


Figure 5. Shows the number of businesses that use public funding schemes. Green shows users of the public funding schemes and blue shows businesses that have never used these schemes before.

looking at figure 5. This means that 64.4 % use these public funding programs, while 35.6 % do not. This is interesting because it shows us that a significant amount of the respondents in this research have benefited from this. However, looking at Figure 6. We can see that the satisfaction

of these public funding programs is different for everyone, and we cannot not clearly see the benefits or problems with these programs.

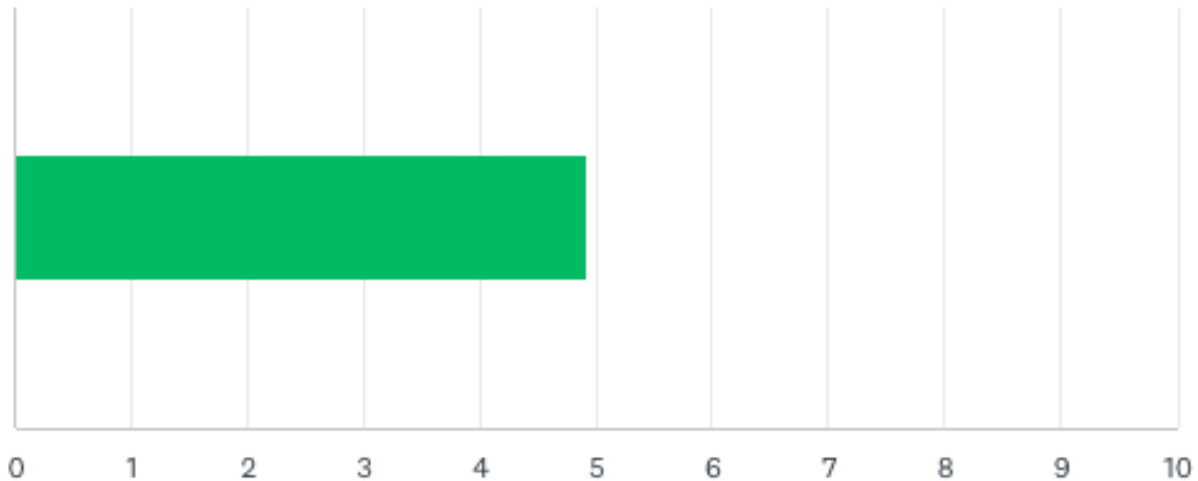


Figure 6. On a scale from 1 to 10 how important are these public fundings to your business? (Where 1 is not important and 10 is very important).

Digital Distribution

Digital Distribution is a topic that has been discussed for years. Some are happy with their digital distributor and some are not. In my findings I found that 53 % of the businesses were satisfied or very satisfied with their digital distributor. On the contrary there are 17.6% that are unsatisfied and very unsatisfied with very unsatisfied accounting for 5.9 %. An interesting observation is the number of respondents that don't have a positive or negative view on the digital distributors, and accounts for 29.4 % of the total number of the answers. For many businesses in the sector, it is important to state that they are not necessarily using one because they work in other sectors of the industry. However, it is possible that someone has an opinion on the subject either way. When asking the respondents about their expectations from the digital distributors, 60.8 % answered that the digital distributors contributed as expected, while only 11.7 % experienced that the

digital distributors contribution was more than expected. 27.5 % experienced that the digital distributors did less than they expected.

The Digital Distribution system and its value

To find more detailed satisfaction parameters among the respondents I wanted to ask questions about the digital distribution that would put ideas in perspective. Looking at figure 7. Below we can see that the industry is quite divided in the question about the relevance of the current digital distribution system. While the question asked is kind of a “Yes or No” question. There is also a significant part of the respondents that don't have an opinion on the matter. When asked if they have the competence and the capacity to distribute music digitally themselves without third party digital distribution companies, 14 respondents answered that they have the necessary capacity and competence to do it themselves. and are actually able to work without the current system. However only 42 answered this question.

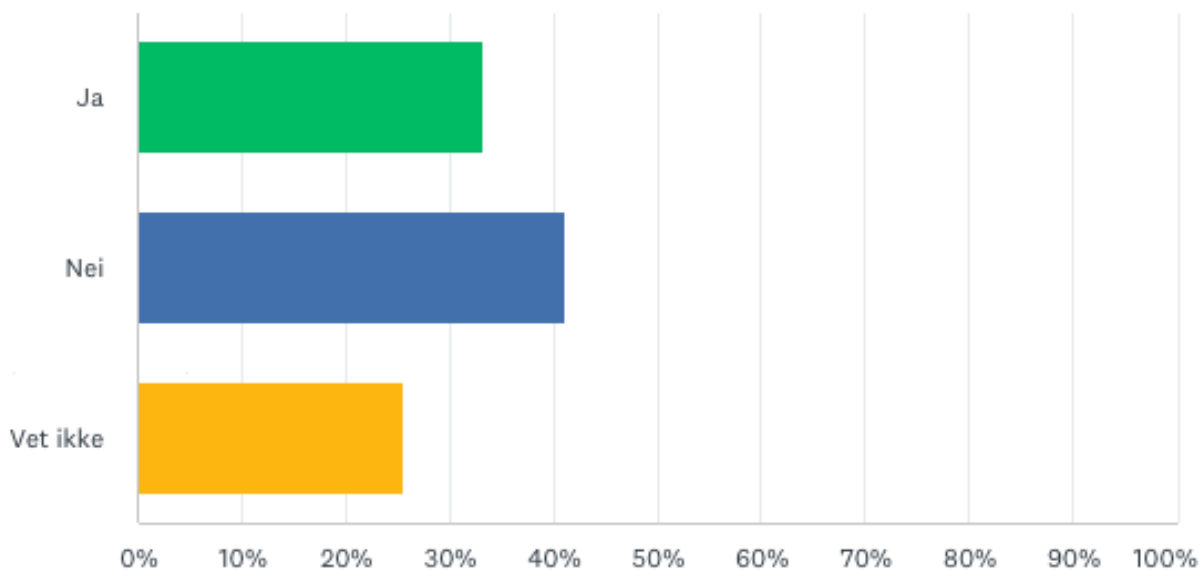


Figure 7. Explains the answers of the question: Do you want to get rid of third-party distributors and work directly with the streaming services and the digital stores? Green is “Yes”, blue is “No” and yellow is “I Don't know”.

Independence and dependence

Although it is called the independent music industry, the businesses in the industry are far from independent. Network, collaboration, products and services connect the industries' businesses together. Out of 44 answers 77.3 % answered that they are dependent on or very dependent on other companies to achieve their desired results. Only 13.6 % disagreed with this and are, according to these data, truly independent. It is necessary to say that the size of the companies can play a big role in this and also which sector within the music industries the business is a part of. When looking at the data I can also find that there are two kinds of businesses that are more popular and more important for the respondents to partner with, than the others. These are record labels and booking, both with 23 % each. While in third place we have distributors with 15 %.

At the other end we find businesses that are the least important partners for the respondents, and here we find consulting companies, Music industry organizations, management companies and publishers. Although these are seen as the least important partners, it is important to state business size matters when looking at these things. This does not prove that these kinds of businesses aren't valuable, but they might be irrelevant for the respondents' business in its current state.

The Market

The music market worldwide is a complex market with different challenges and opportunities. Looking at our respondents we can see what kind of markets are most important for their businesses. Looking at figure 8. Below, we can see that Norway (green) is the most important market for the participating businesses, with about 80 % having this as an important market. On the second most important markets we find the Nordic countries (Blue) and Europe (Yellow) which each have importance for over 30% of the respondents.

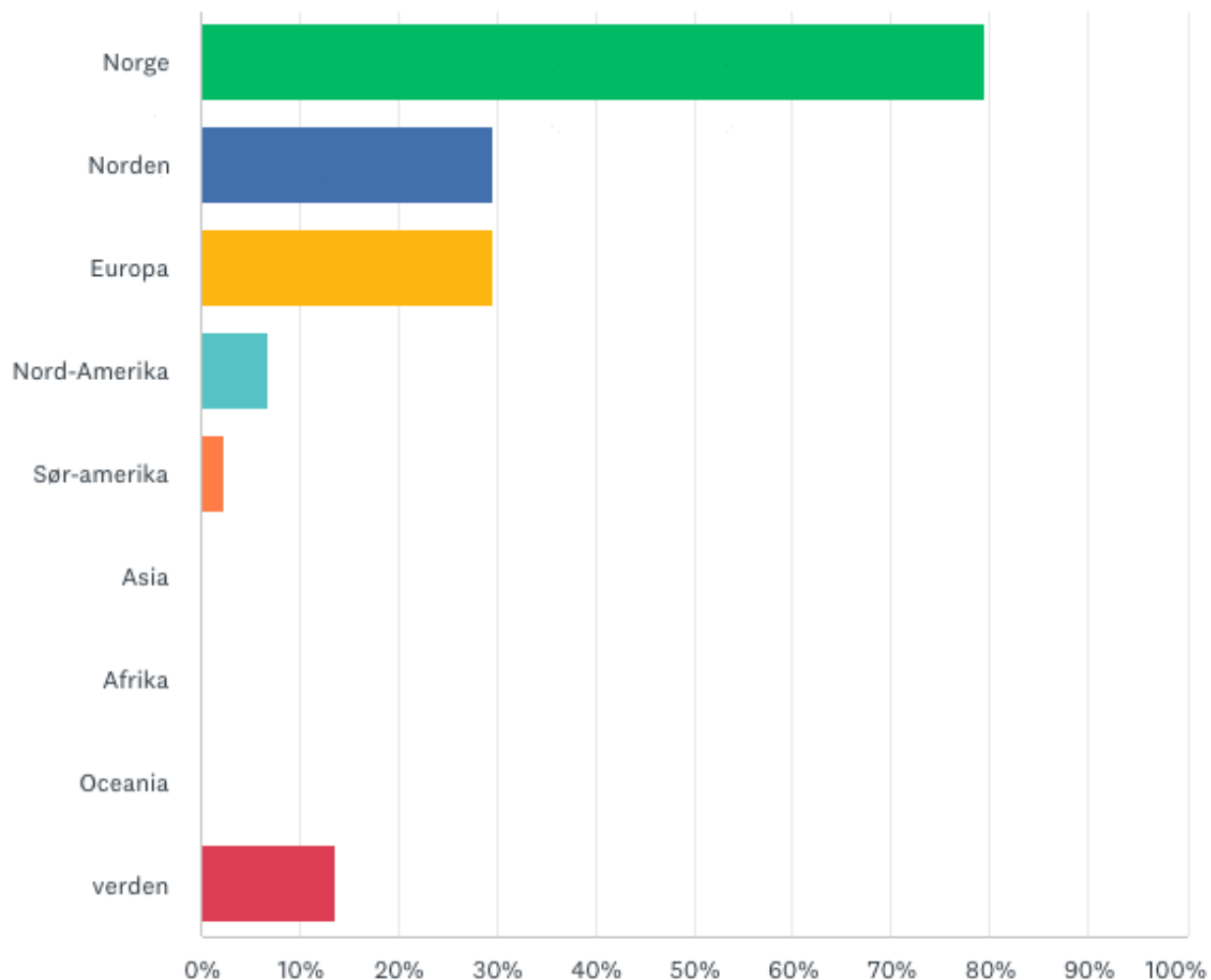


Figure 8. Explains which markets the respondents see as the most important ones for their business. 44 answers total, multiple choice.

In contrast to Norway, the Nordic countries and Europe, markets like Africa, Asia and Oceania are less important for the businesses with none of the respondents having these as one of their most important markets. At the same time North America (Light blue) was important to three businesses and South America (orange) is one of the most important to just one. As for the world market (red) with 14 %, this could be a sign of some releases or shows not having a specific trend and are spread out among countries in the whole world.

As well as current important markets the respondents were asked what market they see the most potential in, as well as what kind of market they see greatest challenges in. As for the markets

Norway came out on top as the market where people see the greatest potential in, with 45 %. This was expected. However, Norway also came out on top as the market with the greatest challenges with 23%, which shows us that although the respondents' home market is the most important one, there still are challenges within the market that need to be looked at.

As for other markets, Europe was the one to have the second most potential, possibly because it is geographically and culturally close to the Norwegian market. These data are not surprising but it is a good reflection of the independent businesses in the music industries and might also be interesting to look at when it comes to music export.

When it comes to market challenges it seems like Africa is seen as the second most challenging market to enter, although the African market has expanded (IFPI, 2022). The African market seems far off for many businesses. Like Africa, the respondents also see North America and the world market as difficult, and this is interesting because the US is the biggest music market in the world (IFPI, 2022), and possibly the market everyone wants to succeed in.

Streaming

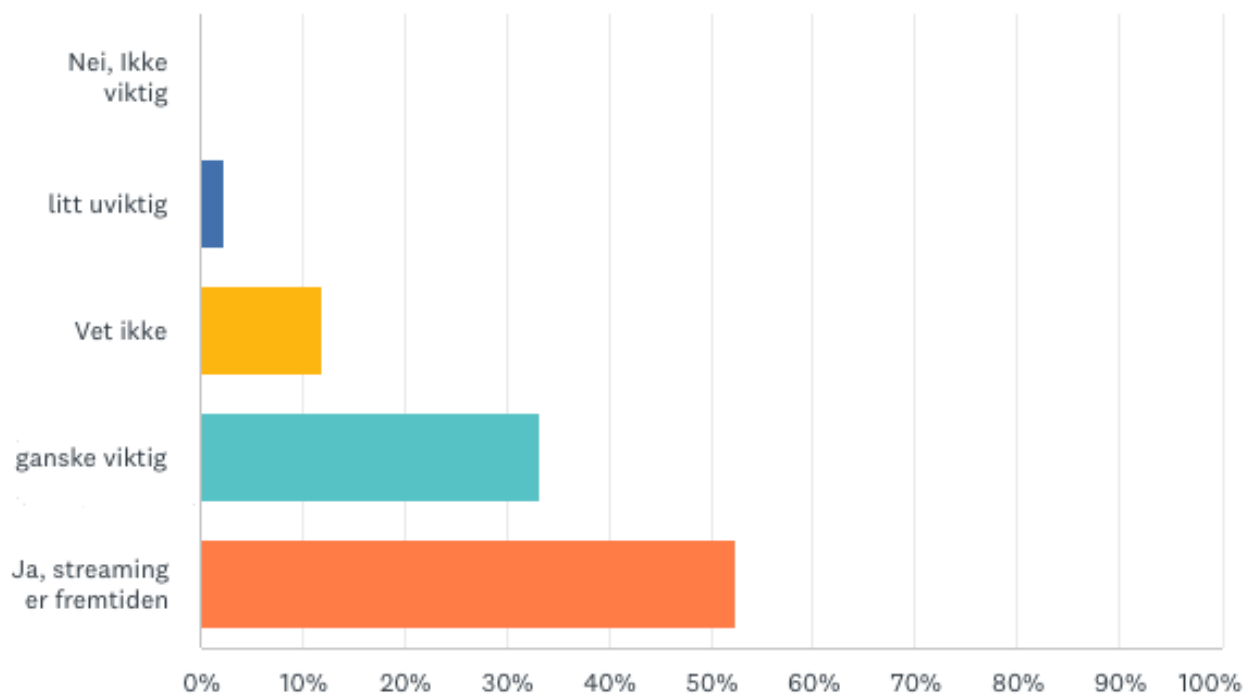
As explained in chapter 2 streaming is a disputed subject and especially independent businesses and artists have criticized the streaming model for years. In my findings I can see that this hasn't changed. 74% still look at the streaming model as unfair or very unfair. This is important to note and something that needs to be researched. Only 19% see the streaming model as fair. The reason for this can be explained by some of the challenges explained in chapter two.

In my study I also find some challenges that are important to note that Many businesses have problems with when it comes to streaming. As explained in chapter two, playlists are a disruptive phenomenon and a challenge for many, and in this study, I found that 62 % of the respondents had problems getting their music on playlists. Another challenge is getting organic listeners with 45 % answering that they see this as a problem. Which also is connected to other problems I found in this study, like getting streams (19 %), and getting paid (31 %). Only 7 % of the respondents said that they don't have any problems with streaming. possibly because they don't work with streaming or because they are satisfied. The visibility on the streaming services is also a problem for many with 38 % of the respondents viewing this as a problem.

The future of streaming

However, looking at figure 9. Below, when asked about the importance of streaming in the future 85.7 % believe that streaming will at some degree be important in the future (light blue and orange) and of these 52 % believe streaming **is** the future (orange). Only 1 participant disagreed and thinks that streaming is somewhat unimportant (blue) and 12 % answered that they do not know (yellow). This means that there is somewhat of an agreement between the industries that we are going to have streaming in the future and that it will be important to many.

Figure 9. Explains the views of the participants when asked: Is streaming going to be as important in the future as it is today?



Social Media

Social media as described in chapter 2 is important for many businesses, and it is almost impossible to work within the music industries today, without being present on at least one of the social media platforms. However, there are different platforms and different businesses with different needs. What is interesting in my findings is that social media is **somewhat important** for 43 % and **very important** for 50 % of the businesses in this study. Which in total are 93 % and shows the importance of social media, regardless of industry sector.

About social media I also asked about which social media platform is most important for the respondents' businesses. On top came Instagram with 59.5 %, second is Facebook with 26 % and lastly TikTok with 12 %. Only one user of social media platforms in this study uses something else that is more important for their business. This is interesting because this shows that these platforms to some degree or another have the right demographic for the business, are a place they can connect with fans or get new ones, or as a marketing platform (as in other industries). This doesn't mean that this is the businesses main promotion or marketing tool, but is significant in one way or another. However, when asking if the businesses pay for advertisement on social media the answers are that 69 % of the businesses use paid advertising on social media platforms. 24 % of these, use paid advertisements frequently. On the other hand, 24 % also answered that they used to use paid advertisements but have stopped using it for whatever reason. Only 7 % answered that they have never used paid advertisements on social media platforms.

The Pandemic

This research is trying to figure out what challenges and opportunities the music industries face today and not about how the covid-19 pandemic affected the music industries. With that said it is crucial at this moment in time when I am conducting this research, that I look to see how the pandemic affected/affects the industry today to some degree to get as wide of a picture as possible of all the problems and challenges the music industry has had.

In this research I've asked four questions about the independent music industries' views and experiences. One of the many things that are important to note is how the pandemic affected the

economy of the independent businesses. In figure 10. Below we can see that from an economical perspective that 33 % of the businesses were negatively affected to a large degree (green), while 31% was negatively affected to some degree (blue).

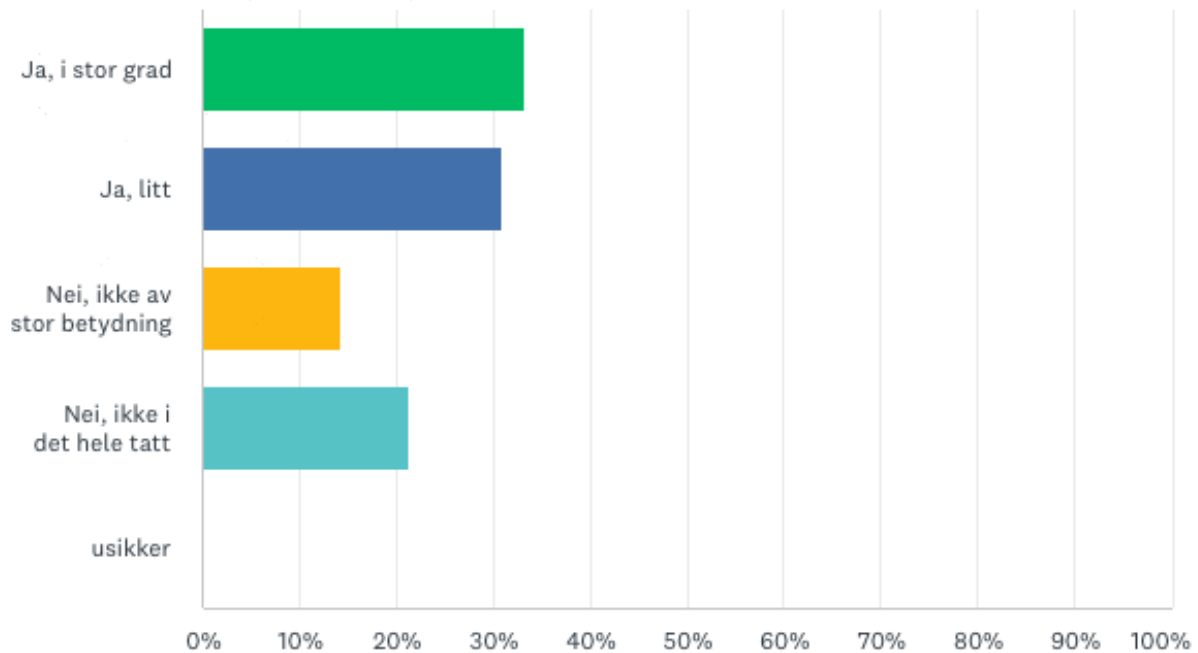


Figure 10. shows the degree in which the businesses in this study were affected negatively from an economic perspective due to the covid-19 pandemic.

Although some businesses were not affected that much and some businesses were not affected negatively economically at all. When looking at Figure 10. above, businesses that were affected, but not in a significant way (Yellow), accounted for 14% of the businesses, while businesses that weren't affected at all we find 21 % (light blue). This means that 78 % was affected by the pandemic in total. However, it only had a significant impact on 64 % of the businesses.

Of the businesses affected negatively economically, 19 businesses answered that they received compensation for their losses, by public funding and support as a consequence of the pandemic. However, only 15 of these were satisfied to some degree or very satisfied with compensation schemes made by the government during the pandemic. On the other hand, 8 businesses stated

that the compensation was very important for their business and 11 businesses stated that was important to some degree.

Challenges and opportunities

The music industry has gone through rapid changes the last two decades and the changes have affected some differently than others. New businesses that have arrived in the last couple of years probably see other difficulties and opportunities as older businesses. When asking businesses in the independent music industries it's hard to specify all the questions to make them relevant to all. When asked about what view the businesses have about the challenges in the music industry today's market, 54 % stated that they see big challenges within the industry today, while 44 % stated that they see some challenges. However only 2 % state that they see no challenges in the music industries at all, which is quite interesting.

When asked about their views on opportunities in the industry in today's market, 46.3 % said that there are good opportunities, while 48.8 % answered that there are some opportunities in the industry in today's market. 4.9 % answered that there are very few opportunities. Comparing how the businesses view both challenges and opportunities in the industry it is interesting to see that although the majority seems to find it challenging in the industry there are still opportunities within the industry today.

Finally, the respondents were asked: To what extent are you negative or positive about the future of the music industry on a scale from 1 to 10? (Where 1 is the most negative and 10 is most positive). The results show that the average number is 6 which means that the businesses are somewhat positive towards the future of the music industry.

5. Discussion

Discussing the findings is the purpose of this chapter. The findings from chapter 4 and the theory from chapter 2, will be used to find answers to my research question introduced in chapter 1.

When discussing the findings, it will be my intention to explain the similarities and differences in opinions from the businesses based on their answers on the survey, and explain the relevance of each finding towards the independent music industries. I will also elaborate which findings are more important and interesting from a theoretical point of view. There are obviously a lot of problems and issues in the industry to be discussed in this chapter, and the goal is to answer the research question in this thesis, and to find subjects that should be researched in the future based on my findings.

Lack of synergy

This thesis is all about the independent businesses and how they view the current state of the music industry and the views they have regarding the future. First of all, the survey in this thesis was conducted over a large geographical area. Before posting the survey on the Facebook group “Bransja prat” I reached out to multiple music organizations. These organizations usually work for smaller companies and businesses in the industry which I hoped they could help me reach. At first these organizations seemed interested in helping me in the beginning, but the conversations ended with few to no confirming answers. However, some of these organizations were regionally oriented and industry sector oriented. This means that I had to think otherwise and I chose to post the survey on the Facebook group instead. To my surprise this was probably a good choice because it made the geographically data more spread out around the whole country, which is good in the perspective that Norway has a long coastline and a small population, compared to other countries in the same size. The current Norwegian population is 5 475 240 people in late 2022 (SSB, 2022). This gives the independents participating in this study representation from all over Norway, however, not in Troms og Finnmark, which is the most northern and second most sparsely populated county in Norway (SSB, 2022).

When Wikström (2020), Nordgård (2018) and Tschmuck (2017) talk about the industry sectors, the recording industry, the live industry and the publishing industry, it is necessary to state that this is relevant looking at the music industry as a whole, but is not as relevant when looking at the independent music industry alone. This is because the businesses largely work as one single independent industry with many roles filled by one business, connecting them directly to each of the industry sectors. As shown in chapter 4, in figure 1, when comparing the total number of respondents to the question about what kind of business they have, there are multiple answers by some of the respondents, meaning they have more than one role in the industry. Dividing the number of answers on the total number of respondents, **which is 99 divided by 62, we get the number 1,6**. The number 1.6 means that the average business has 1.6 different roles, which is closer to two roles than one. Which means that the average Norwegian independent business in the music industry has more than one role within the industry.

As described in chapter 2, Wikström (2020) and others, explains that smaller businesses are driven by passion and creativity, and that money rarely is the biggest motivation. Larger businesses however, are more focused on revenue and profits. Compared to this theory, my findings were quite precise, with 66% having music as their biggest motivation for running a business in the music industry, and only 6.4 % having money as their biggest motivation, which confirms the theory. Although I can confirm this theory, it is interesting to see that the industry is diverse but yet so predictable in the way the businesses work and how music as a phenomenon is so strong in the culture and in the Norwegian independent music industry.

As we saw in chapter 2, Wikström (2020) also describes the views of the independent artist today, about how independent artists are looking negatively at record labels and the old established companies in the perspective of the streaming economy. In chapter 4 I found that 58% of the respondents were professionals that make a living working in the music industry and 38.7% do not make a living working in the music industry. Compared with the number of businesses and their size with most (over 80%) being a business with the size of 1-3 employees, one can assume that many of the businesses not making a living in the music industries, are independent artists and producers that do everything themselves, from songwriting, producing, promotion and marketing. This could be explained by Wikströms (2020) theory and shows that

many of the businesses don't want connections to fully professional companies and rather work on their own with full control.

In connection to Wikströms (2020) theory above, researching the independent industry in Norway has shown a great deal of weaknesses in the industry, and to some extent also the lack of knowledge in the industry about other businesses. When looking at the data we can see that only 2 companies in this research have 20 employees or more. And 16 % has more than 3 employees, which to a large degree shows us that the majority of companies are small. This doesn't mean that they aren't making money, but they could be uncompetitive in the market because they don't have enough knowledge and manpower compared to the bigger businesses. As presented in Chapter 4, one can see that 77.3 % of the businesses are claiming that they are dependent on or very dependent on other businesses to achieve their desired results in the industry. At the same time Norwegian universities (like Inland University and University of Agder), and local, regional and national music and music business organizations (like musikkkontoret.no, Fono, Kulturrådet, Music Norway etc.) and other organizations use resources to research, professionalize and connect the industry together. However, as explained in chapter 4, none of the respondents answered that music business organizations were their most important partner, at the same time music business organizations were among the top least important partners to the respondents in this study.

Although I don't have data of the music organizations success rate, I think there is something happening in the joint between these organizations and the businesses. The numbers from the survey suggest that knowledge of and cooperation between businesses are insufficient. It is understandable that private businesses want to keep their secrets, however, basic knowledge about contracts, marketing and industry standards seems to be weak in the independent businesses when looking at the findings in chapter 4. One hypothesis that might describe this, is that Norwegians live in a society where there are few risks in life, but that the will to take risks also are small (when compared to other countries). On the other hand, one can also imagine that the ones that are willing to take the risks, want to do this alone to have complete control of their music or business completely. And I would argue that this is something that is connected to what

Wikström (2020) and others say about the contracts that are popular today, the 360 contract and the license contracts.

The argument I am trying to prove here, is that there is a lack of synergy in the music industry as a whole. The major labels, the major publishers, the live sector and all the small businesses do their own thing. As explained earlier, **music** is the most important motivation to start a business in the music industry, however from a financial perspective the winners are the ones that get the most profits. One can argue that a healthy industry is an industry that is sustainable with multiple businesses, not dominated by a few large companies that creates an oligopoly. Based on all the arguments above one can see that the music industry is suffering from not cooperating and finding solutions together, they all do their own thing. Based on all these arguments, one can suggest that if more independent businesses knew more about each other and the industry, there could be a healthier music industry despite the power of the major companies.

A counter argument from the industries may be the works of business organizations supporting independent businesses, like IMPALA. As explained in Chapter 2, IMPALA works for the independent recording industry, supporting their members on matters such as legislation, competition and other topics that are relevant for the future of the independent recording industry in Europe. On a national level in Norway, we have FONNO.

FONNO is the non-for-profit trade association for independent labels in Norway, representing approximately 150 labels across Norway, covering all musical genres. FONNO promotes and supports our members interests commercially and politically and provide insight and knowledge to the local music industry professionals. FONNO is a member of the Pan-European trade association Impala (FONNO, no date).

However, my data suggest that these organizations are invisible for most of the businesses in this study. As a FONNO member myself I would argue that networking and connection with the industry is important to expand and make new partners. However, it seems to me that these organizations drown in the massive independent market, with semi professionals and amateurs

taking more space in the industry. I have personally been at FONO events several times before and interestingly I have felt that there are a majority of people of an older generation, than the up-and-coming generation that grew up with streaming. This is just a personal observation and might not be true if one dives into the member lists of FONO. However, this is something I would like to see researched. This could help the study explaining the findings in this thesis, and lead to more understanding about the relationship between music business organizations, their members and possibly future members.

Economic challenges and opportunities

From an economical perspective the superstar economy as explained by Krueger (2019) and others, are devastating to the independent businesses in the music industry. This is because small companies are forced to take higher risks than the market leaders. With a market share of between 65 % and 70 % each year, the major record labels are able to put pressure on smaller companies' budgets. Borg (2014) describes that while major companies have budgets of millions of dollars the indies have budgets of thousands. As shown in chapter 4. I found that only 33.9 % of the respondents had a turnover of over one million NOK a year. While the remaining 66.1 % has a turnover below that. which confirms the theories about the superstar economy and the power of major companies in the music industry. When I made the survey, I didn't have a tick box in the survey that represented specifically a higher turnover than one million NOK, which I should have. This would probably show that some of the bigger indies in this study have a much bigger turnover than we can see from this survey. However, it is very interesting to see how the differences are between smaller businesses.

Regardless of size, almost all the respondents used social media in connection to their business and the majority of the respondents answered that they were using paid advertisements on social media as shown in chapter 4. As we know from chapter 2, social media as well as streaming, has been a disruptor in the industry and changed the power of the gatekeeper functions to the audience, through word of mouth on social media and through large curated playlists (Wikström, 2020). However, using advertisements on social media for music is difficult, because advertisements on social media still need to draw potential listeners to streaming platforms to

have a value. The people receiving the advertisement also get information that this is paid for. Getting a following is therefore really important so that the value of promotion and marketing gets credibility.

Instagram, Facebook and TikTok are the most important social media platforms in the Norwegian independent music industry. Only one respondent chose a different social media platform. Both Facebook and Instagram are owned by Meta Platforms Inc (formerly known as Facebook Inc). As we saw in the last chapter 59.5 % of the respondents have Instagram as their most important social media platform, while Facebook comes second with 26 %, which means that one company has stakes in marketing and promotion of 85.5 % of all the independent businesses. This is another oligopoly and shows again that the independent businesses are stuck in a market and world that is controlled by a few giants. As explained in chapter 2, the music industry today is fully dependent on having followers on social media to gain and grow popularity, and to promote their music. There are few exceptions to this kind of marketing and promotion, and being on the largest social media platforms is definitely something they have to do. From an economic perspective this means that when unsuccessful in promotion and marketing campaigns and the release or event is failing, one company, Meta Platforms Inc, gets the profits, while the businesses fail to recoup the spendings and loses to a company outside the music industry. Which again shows the dependency, in this case, on companies in other kinds of industries.

Looking in the context of public cultural support schemes provided by Kulturrådet and others, means that a lot of the money put into marketing and promotion in reality could end up in the hands of one of the largest companies in the world. The point being here is that the respondents in this study using paid advertising on Facebook and Instagram or other social media platforms owned by Meta Platforms Inc, might experience these pitfalls. Once again, the independent music industry is relying on giant corporations to be able to function in a competitive market, although there certainly are exceptions to this too.

The economic challenges in the music industry are many and there is no doubt that the findings in this thesis highlights some of the challenges in the industry today. The businesses in the independent music industry are in a market controlled by large corporations and troubled services

and contested opportunities in many ways. As explained in chapter 2, the Norwegian market has traditions that aim to conserve cultural businesses to maintain diversity in the market, both for the audience and users of music. In the sense of both normal conditions and in crisis, the Norwegian government has had support schemes that have helped the industry to get through a range of different challenges. Regarding normal conditions we talk about subsidy schemes that are there to help the industry but are not supposed to be critical to the operations of the businesses. In my findings in chapter 4, looking at figure 5, I found that 64.4 % of the respondents had used these schemes before. This is a good thing because it shows us that the funding goes to the majority of the businesses in the independent music industry. However, the findings also show that the businesses placed these support schemes as 5 on a scale from 1 to 10 on average when it comes to its importance to the businesses. This can mean that the businesses on average are not dependent on these schemes to be able to function. However, this can also mean that it is important for half the industry and insignificant to the other half. However, with 64.4 % using these finding schemes, one can assume that it is of great importance to some, and more as a grant for others.

The pandemic situation however has been a crisis situation where businesses have had to cancel events as a result of new laws regarding the spreading of the Covid-19 virus. The live sector in the music industry was one of the industries that was hit hardest. As shown in chapter 4, when looking at the biggest income source, there are a majority of the respondents that have live music as their greatest income (45.7 %). This means that 45.7 % of the businesses were affected by the Covid-19 situation in Norway. As mentioned in chapter 2, the report *Krise og kreativitet i musikkbransjen* concluded that 84 % of freelancers and small businesses had to cancel their assignments, and that 69 % of the freelancers and businesses had to postpone their assignments (Gran et al., 2020). Which are rapid and unsustainable changes most businesses cannot overcome. Luckily the government wanted to help and funded compensations to a lot of businesses that were affected by this. In chapter 4, one can see that 78 % of the businesses were affected by the pandemic in some sort or another. The findings also show that 64 % of the businesses' economy were affected negatively. Of the businesses in this study, 19 businesses received compensation from the government, for 8 of these businesses this was very important (probably necessary to avoid bankruptcy). Which shows us the importance of these compensation and what it does for businesses in the music industry. However, the compensation funded by the government was not

making everyone happy, as shown in chapter 4. Only 15 of the 19 businesses receiving support were satisfied with the schemes regarding compensation due to the pandemic. This shows us that although there are solutions for some in the industry, the economic situation of the businesses is different from business to business. The term “one size fits all” clearly doesn't apply for businesses in the music industry regardless of industry sector, and thanks to reports and studies on the subject, present and in the future, one might find solutions that have fewer loopholes and pitfalls.

Digital and physical sales

Streaming has revolutionized the music industry and although the music industry is bigger than ever, music streaming has a lot of problems. As shown in chapter 4, 74 % of the businesses view the current streaming model as unfair. Which explained in chapter 2, has been the reason for many businesses to withdraw their music from the streaming services. However, many of the artists that withdraw their catalog from the streaming services are bigger artists or artists that had a business affected during the transition to streaming. While some disagree, 85.7 % of the respondents view streaming as important in the future. However, music streaming has a number of problems that organizations like FONO, IMPALA and others want to change for the better. As described in chapter 2, IMPALA has proposed numerous solutions that could change streaming for the better. However, these changes only solve some of the issues tied to the streaming services. Changing streaming is a difficult task, because the music industry has to rely on these services to get paid, and changes might have shortcomings that will disrupt the music industry even more. According to the respondents there are multiple issues that make the music streaming services difficult to work with. The biggest ones according to my findings, are getting placements on playlists (62 %), to get organic listeners (45 %), and being visible on the platforms (38 %). Getting paid is only one of the issues with 31 % mentioning this as one of the problems they have with streaming services, and as mentioned above, other issues seem to be more important to solve for the independent businesses.

The issues regarding streaming might also be in connection with the current distribution model. As explained in chapter 4, 54 % of the respondents were satisfied or very satisfied with their

digital distributor, which means that the majority of the businesses are satisfied. Only 17.6 % said that they were unhappy with their digital distributors. There are many different distributors and some are more costly than others, however digital distributors manage the music differently, and some have closer relationships to the streaming services or major companies than others, which in some cases may influence new releases regarding placements on curated playlists on Spotify. The digital distributors may have some impact on the music industry and are by many looked as an unnecessary part of the industry. While Major companies distribute their own music, independents are forced to use third party distributors as a link between themselves and the streaming services. When asked, over 30 % of the respondents answered that they want to get rid of the third-party digital distributors. 14 of the businesses also answered that they have the capacity and competence necessary to distribute themselves. On the contrary, the majority of the respondents are positive towards the digital distributors. Yet again as discussed above and in chapter 2 there are still disruptions in the industry that don't satisfy everyone in the industry. As Nordgård (2018) and others points out, competing with free music online is a difficult task, and yet again we can see the disruptions causing problems affect businesses differently.

On the opposite side of streaming there is still a way to work in the recording sector of the music industry without having to rely on streaming. As we could see in chapter 2, according to the IFPI (2022) physical releases on its way up. Although the global revenues from physical sales were at a bottom low in 2020 with 4.3 billion USD in revenue, the global revenues from physical sales in 2021 increased with about 700 million USD, this is a total of 5 billion USD. In chapter 4, I found that 5 % of the respondents had physical sales as their main source of income, which means that the independent businesses also are a part of this. There may be explanations to this regarding the Covid-19 pandemic and the isolation of people as a reason for this, however this might be an example of opportunity in the industry. In opposition to this, the numbers from the IFPI (2022) show that there has been a decline in physical sales the last two decades and that 2021 is only an exception. As explained in chapter 2, streaming has been growing since its introduction, and since 2015 streaming has been the sole reason for the growth in the industry. However, if the future shows that physical sales are increasing year by year it might be good opportunities for independent businesses to explore this.

The markets might also be different in the future. According to IFPI (2022) the global music markets all around the world were growing. It is especially interesting to look at North Africa and the Middle East, as IFPI describes: *“With exceptional revenue growth of 35.0%, the Middle East and North Africa (MENA) was the world’s fastest growing region in 2021. Streaming increased to 95.3% share of the market as overall revenues grew to US\$89.5 million.”* (IFPI, 2022).

As we saw in chapter 4, none of the respondents answered that Africa or Asia is one of their most important markets. Which means that the Norwegian businesses have not been present in the African or Asian markets on a competitive scale. However, if research and connections are established, the growing African market in particular could be a great opportunity for music businesses.

Challenged optimism

The businesses in the music industry are affected by many parameters. The challenges and opportunities in the industry are in many ways static and a business needs to work within a set of rules set by an oligopoly and digitized world without a lot of options to do things differently. In this chapter we have seen that the businesses to a large degree are fueled by the dream to work with music, and for most of the businesses, money comes second. However, there are multiple successful large, medium and small businesses that work with the one thing they love. Streaming is still a disputed subject, and live is the most important income source in the Norwegian independent music industry. On the other hand, one can see that many of the businesses don't have strong connections to one another and to organizations that work for the industries trying to make a better future for the independents. As described in chapter 4, there is an agreement in the industry that there are challenges in the industry, with only 2 % of the respondents answering that they don't see any challenges in the industry today, while 54 % see big challenges in the industry. Which is a concern and something one must work on to change, however as described in chapter 2, Wikström (2020), Nordgård (2018), Tschmuck (2017) and others all agree that there are challenges affecting all sectors in the music industry.

Although the respondents view the industry as challenging, they also agree that there are opportunities in the industry with 46 % answering that there are good opportunities in the

industry, with only 4.9 % of the businesses looking at the industry as a place with very few opportunities. This shows us that despite big challenges, that there is a sense of optimism among the respondents and the industry. At the end of the survey, the respondents were asked to rate their views on the future of the music industry on a scale from 1 to 10, where 1 is very negative and 10 is very positive. The average number is 6, which means that the industry in general views the future of the music industry as positive. Compared with the industry Nordgård (2018) researched a few years ago, the optimism seems to have changed and that the music industry is more positive towards the future now than they were in the most challenging years of the industry a decade ago. One could argue that the challenges and solutions from the past that still affect the industry today, are not seen as severe as it did before, and that changes will happen over time, stabilizing the industry in the end. Although looking at the music industry's past history as shown in chapter 2, new technology and disruptions might find its way into the music industry in the future as well, creating new opportunities and challenges that again needs to be solved.

6. Conclusion

As Wikström (2020) and others describes, the heart of the independent music industry is the creativity driven businesses that experiments and fuels the cultural industries with music in all kinds of genres. This is also one of the reasons for my interest in the Norwegian independent music industry. During my time in the music industry both as a student in the field of popular music, and as an independent record label owner, I've researched and experienced a lot of the problems discussed in this thesis. The disruptions in the industry from two decades ago until today are creating problems that require research to solve and change the industry. This has also led my investigation about the music industry towards the independents rather than the music industry as a whole. Using a theoretical framework, and a quantitative research method conducted through an online survey, has then again led to the discussions and results of this study, which aims to find data about the businesses in the Norwegian Independent music industry and answer the main research question presented in chapter 1. The main research question in this thesis is: *How does the Norwegian independent music industry work in 2022, how do the businesses operate and what are the opportunities and challenges present within the industry today and what are their views on the future?*

Through a 32-question online survey, with a total of 62 respondents, data has been collected and examined to answer the research question. The research question is an important and broad one. The results of this research have led to some interesting observations that have been discussed in chapter 5, and describes the Norwegian independent music industry in the present and the industry's thoughts about the future.

Examining the data, I came to the conclusion that the Norwegian independent music industry is a blend of small and medium companies that is suffering from lack of synergy. On a national scale the businesses in the independent music industry in Norway seem to go in different directions. At the same time business organizations created to support the music industries, seem to have lost their relevance or visibility to many of the businesses in the industry. As a result, being a small independent business in the Norwegian music industry today, means few opportunities to influence the standards and issues in the industry today. To be successful, this research has shown

that the businesses are dependent on other businesses in the industry to be able to reach their goals. This is not only the music businesses between themselves, but also relations through or with digital distributors, social media platforms and music streaming services. The examination of the research also shows that independent music businesses on average, have multiple roles within the music industry, and the largest income source among independent businesses is live music. Regarding streaming the businesses struggle to get the visibility they want, getting their music on playlists and growing an organic fanbase. Which also can result in lower income and lower budgets. This again results in small businesses having huge risks. Although there are challenges in the independent music industry, there are also opportunities. Some of the examples are growing markets like the African and Asian markets, exploring physical products and new business strategies and being more focused on revenue when running the business. The respondents also have opportunities to use music organizations to get more knowledge about the industry. Regarding the music industry now and in the future, the Norwegian independent music industry sees the industry as a challenging industry with opportunities. The industry seems optimistic now and towards the future, after both two decades of disruptions and two years of the pandemic.

Regardless of optimism and challenges, the businesses in the Norwegian independent music industry are very dependent on others, and on several income sources to function. This makes the Norwegian independent industry difficult to work in. Compared to the major companies in the music industries, which to a large degree control all of their operations internally within the company and work independently, businesses in the Norwegian independent music industry are more dependent on others, and perhaps a more appropriate word for this part of the music industry is the Norwegian “dependent” music industry.

Researching the Norwegian independent music industry has been interesting. Because there are many studies on the music industry as a whole, I would like to see more research on subjects like this, that excludes some parts of the music industries to get a more accurate picture of the music industry. I would also like to see the findings in chapter 4, be interpreted by someone else, with another context related to the Norwegian independent music industry.

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Attachments

Survey questions:

Page 1.	Your involvement in the music industry
Question 1.	What kind of business do you have? (Multiple choice)
Question 2.	In what Norwegian county is your business based?
Question 3	Do you make a living working in the music industry? (Yes or No)
Question 4.	How many employees are there in your company? (Non-specific answers)
Question 5.	What is the main motivation for running a company in the independent music industry? (Money, music, the people, innovation, the opportunities, the challenges, others?)
Page 2.	Economy
Question 6.	Approximately, what is your company's turnover?
Question 7.	What is your company's biggest revenue source? (Various products and services)
Question 8.	Has your company made use of public funding schemes? (Yes or no)
Question 9.	On a scale from 1 to 10, to what extent is public funding important for your business?
Page 3.	Distribution
Question 10.	To what extent are you satisfied with your digital distributor?
Question 11.	To what extent does your distributor contribute, according to your expectations?
Question 12.	Do you want to get rid of third-party distributors and work directly with the streaming services and the digital stores?

Question 13.	(optional) If you answered yes to the previous question and want to get rid of third-party distributors, do you have the competence and capacity to do it yourself?
Page 4.	Other actors in the independent music industry
Question 14.	To what extent do you feel that you are dependent on other actors to achieve the desired results?
Question 15.	Which kind of actor is the most important partner for your business? (multiple alternatives)
Question 16.	Which kind of actor do you see as the least valuable partner for your business?
Page 5.	The Market
Question 17.	Which markets are most important for your business?
Question 18.	In which market do you see the greatest potential in?
Question 19.	In which market do you see the greatest challenges?
Page 6.	Streaming
Question 20.	The streaming model is a much-contested topic, to what extent do you perceive the streaming model as fair?
Question 21.	What are the biggest challenges with streaming services for your business? (multiple-choice)
Question 22.	Is streaming going to be as important in the future as it is today?
Page 7.	Social Media
Question 23.	Is social media an important part of your business?
Question 24.	(Optional) If you use social media in your business, which platform is most important for your business?
Question 25.	(Optional) If you use social media in your business, do you use paid advertisements on social media?
Page 8.	The pandemic

Question 26.	Did the covid-19 pandemic negatively affect your business from a financial perspective?
Question 27.	Did you receive compensation from public funding schemes as a result of the pandemic?
Question 28.	(optional) If you received compensation from public funding schemes, to what extent was this important for your business?
Question 29.	To what extent are you satisfied with the public support during the pandemic?
Page 9.	Challenges and opportunities in the industry
Question 30.	How do you view the music industry when it comes to challenges in today's market?
Question 31.	How do you view the music industry when it comes to opportunities in today's market?
Question 32.	To what extent are you negative or positive about the future of the music industry? (On a scale from 1 to 10)