

“The Impact of Streaming Services on the Music Industry”



Cierra Evans | December 5th, 2024

Introduction:

The music industry is one that is forever shifting with each year that passes—whether it’s through different sounds and trends or an introduction of new genres, there’s always something different to expect. What many consumers don’t seem to talk about enough, however, is how drastically both the way we listen to music—and the way artists create it—has changed in just 15 years due to the rise of the streaming era.

Once upon a time, in 2009, music consumption was still driven through purchasing CDs, listening to popular radio stations, and if it was listened to online—consumers either listened to their favorite tracks via iTunes or opted for illegally downloading the files. In this era, the concept

of streaming was something relatively unheard of, but a concept that was soon coming to take over the industry as we know it.

According to Stanley Baran's *Introduction to Mass Communication: Media Literacy and Culture*, streaming revenues increased over 70% between 2010 and 2023—Baran notes, "In 2010, streaming accounted for 10% of music revenues... Streaming now accounts for 83% of industry revenues" (Baran, 55). Baran also added that in 2023, the average American listened to an hour and 22 minutes of audio on their phones daily (Baran, 55). My personal Apple Music replay even coming out to a renown 32,098 minutes (or 534 hours / 22 days straight) of music streamed for the year of 2024, making this the norm for the majority of music lovers.

Despite Baran's claim that "Streaming has brought the recording industry from near collapse to record-level revenues" (Baran, 57), many critics like David Samuel believe that streaming has negatively impacted the quality of the songs sound and that other forms of listening, like CDs, offer clearer, richer sound, while streaming a song can be impacted by your connectivity. (Baran, 55).

Some consumers, despite the inevitable rise of streaming, even opt for CD's over subscription services—Writer Heather Hintze revealing in her article "CDs vs. Streaming: Why Physical Media is Still a Smart Investment" that "When you choose to own CDs, you are not at the mercy of record companies when they decide to pull their entire catalogs from streaming services. When services decide to redesign their entire experience, it will not affect you, as you can listen to your music when and how you choose to." (Hintze)

And this is a valid point: Owning physical copies can be very beneficial despite the rise of streaming as music can easily be removed or even never uploaded to these services. Take the late R&B Singer Aaliyah's music for example: some fans, myself included, have had to rely on purchasing physical copies of her albums (and some even going back to illegally downloading

the files in order to listen to her music) as it was not officially uploaded onto any streaming service until 2021... 20 years after her death. Hintze adds a valid point in favor of the artists compensation that will also be explored by the end of this paper: "You are also helping support your favorite artists, as they usually get higher royalties from the CD purchase than streaming." (Hintze)

Through a thoughtful analysis of industry critiques, to the economic and statistical evolutions of music consumption overtime, this paper will explore the true impact of streaming services on the music industry as we know it. From the difference in artists being discovered more authentically before the 2010s to the amount of artists who have garnered fame due to streaming services and applications like SoundCloud, TikTok, and YouTube. Without these digital platforms, many artists we know and love today, like Pink Pantheress, Doja Cat, and Justin Bieber, wouldn't have become the global stars they are. Join us as we explore the historical background, the current status and even career opportunities in the music industry.

Historical Background:

The concept of streaming technically began with the increase of consumers illegally sharing MP3s in the late '90s (Baran, 57). At the time, CDs were just as popular as streaming is today, as they accounted for 88% of revenue in 1999 (Baran, 57). Baran states, "In the early days of music, illegal file sharing proved the popularity of downloading music from the internet" (Baran, 57). This triggered the domino effect into the streaming era...

As you can guess, the result of this popularity was Apple taking note and introducing the iPod in 2001 (Baran, 57). On this iPod, you could buy songs for 99 cents. Although it was a temporary aid, It didn't necessarily stop the phenomenon of consumers pirating songs though—After a while, music executives realized that many music fanatics weren't going to spend nearly a dollar per song, as the cost adds up overtime. The easiest way to combat illegal file sharing of songs

was through subscription-based forms of music. This realization resulted in the creation of one of the biggest streaming platforms to date: *Spotify*.

Spotify launched in 2008 (Spotify, 2024) and located in their "About Us" tab is that their goal was to move “the music industry from a 'transaction-based' experience of buying and owning audio content to an 'access-based' model allowing users to stream on demand” (Spotify, 2024). As mentioned earlier, in 2010 streaming accounted for 10% of revenue, and in 2023, it accounted for 83% (Baran, 55). With these statistics being kept in mind, it's undeniable that streaming has clearly been on a steady rise with a unique history.

Music was once a form of entertainment with rare climbers to success—what I mean is... it wasn't very often you heard of a new artist or band, and if you did, they either were a one-hit wonder or a superstar, no in-between. Many could argue that prior to the streaming era, artists were discovered far more authentically: Artists would meet with labels, perform at local shows, give out CD's to prospective listeners and networked their way to the top. OH! And Instead of the normalized 2-minute-long song, the musical norm was 3-4 minute-long ones with dance breaks, guitar solos, and repeated choruses that gave the consumer the time to really sit with the track. Now, because of what counts as a stream, artists have shifted the way their songs sound in an effort to make a living.

According to The Atlanta Institute of Music and Media (AIMM), “In the pre-streaming era, new releases had a different lifecycle. An artist would drop a new single, which would climb the charts but often fade into obscurity within days or weeks, leading to intense chart battles” (AIMM).

At the center of these chart battles were those far lengthier songs mentioned earlier than the ones we hear today—Music Executive Justin Kalifowitz in an interview with *The Economist*, compares this shift: “The first song on U2's blockbuster 1987 album, *Joshua Tree*, begins with

40 seconds of ambient noise. A guitar arpeggio enters and accelerates into the driving rhythm of the drums and bass that arrive around 1:10. Nearly two minutes pass before Bono breathes the first lyrics. Such leisurely intros are no more” (The Economist). With all of this history in mind, how has the music industry shifted in the year 2024?

Current Status:

As of today, streaming accounts for 83% of music revenue (Baran, 55) and is the primary way that consumers engage with artists' content, taking the spot of CD's, resulting in a collapse of physical forms of music. As of 2023, the once leading CDs are only responsible for 5% of music revenue, dropping 83% since 1999 (Baran, 57).

Streaming is also being drastically impacted by platforms like TikTok, an app used for creating fun and trendy content. The content on tiktok typically features “sounds” the user can choose from to create trendy one minute long videos—resulting in fun for the user and exposure for the artist who's song is being uploaded.

In a *Forbes* article, “The Age of Digital; Music Executive Reacts to the Impact of Digitalization in the Music Industry” by Josh Wilson, Wilson explores the role streaming and social media apps like TikTok play in shaping an up-and-coming artist's career, stating, “Social media and streaming have combined to skyrocket fan engagement as the music industry has grown. Social media has helped humanize the artists more and enabled them to understand their fan base and connect with them” (Wilson).

In this very article, Wilson got input from Dr. Rick Hendrix, a respected CEO in the industry, to which Hendrix expressed, “Artists are now positioned better and can often attract some degree of success before labels get to them. This way, they come to the table with a loyal followership and can add directly to the bottom line” (Wilson). What Hendrix means here is that artists can come to record deals prepared, with fans already waiting for them to put out more songs! He

added, “This flexibility and liberty are what I have fought for my artists for years, and these platforms are making it a reality for the next generation of musical talent” (Wilson). Clearly, in comparison to 15-20 years ago, artists today are getting more exposure than ever, without having to work as hard for it. While this could be great for many future creatives to get their big break, it also has its negatives that will still impact them in different areas: their pockets...

While Wilson and Hendrix aren't alone in their support for the streaming era, there are still valid criticisms and downsides that the streaming era faces. Music today, compared to 2010, is much shorter, and it's because artists are struggling to make ends meet—not because it's trendy—In Niko Smith's essay “Spotify and the War on Artists,” Smith argues that while streaming has benefits, artists who made a living off physical media before its rise are now taking a hit to their careers:

Smith states, “Artists large and small who previously made their living from the declining sales of physical media and live shows were now essentially cut off from sales of physical media as a whole” (Smith). He even argues that because of this shift in consumption norms, hit songs themselves have noticeably changed from being at least 3-4 minutes long to songs becoming shorter and shorter with the intention of producing more revenue: “Because Spotify, and other streaming and social platforms, incentivize creators to garner high stream and viewing numbers as fast as possible to achieve a level of profit maximization, it makes sense that much of the popular music that is produced in recent years is shorter” (Smith). Essentially meaning, music is shorter because it can hold the attention span of the consumer far quicker than a song that is 4 minutes long.

If a song is only 2 minutes—Like most of Pink Pantheresses or Ice Spice's hit songs, the streams will be counted sooner if a person only listens for a minute (as that is half the song). Shorter songs make for a quicker profit, and if an artist stays true to the lengthy format, they

could face losing out on pay for their hard work. It's very clear that music, while many songs are still fun, has become shortened due to the way streams are counted and even based on which section of the song would be more likely to go viral online.

Job Opportunities:

Opportunities in the music industry are virtually endless, from being a singer, to being a producer, and even a critic like the ones referenced earlier in the paper—however, there are two we will be exploring in this paper today as they are most relevant to the topic:

#1: Music Journalist:

According to Berklee College Of Music: “Music journalists cover the world of music for print publications, online journals, magazines, and broadcast media outlets. They review concerts and new releases, report on the business of music, write artist profiles and feature stories, conduct interviews, and break music-related news.” (Berklee) A great example of a music journalist is Nardwuar the Human Serviette, someone who's been interviewing musicians for years with his bubbly personality. He often is at festivals like Coachella and, most recently, Tyler, The Creator's Camp Flog Gnaw.

There are several types of qualifications one will need in order to be a successful music journalist. When it pertains to education, a music journalist will have at least a bachelor's degree where they crafted research and writing skills, and usually some networking opportunities as well. In addition to education and networking during your studies, you must have a passion for music to be well respected. Would you consider someone who hates science writing a piece about NASA? Probably not. The same goes for music journalism—the journalist must be well versed in the industry, hence why they attend concerts, listen to new albums, and stay up to date on different trends.

Content Creator / Social Media Influencers

Content creators (better known as influencers) are people who create content online and garner attention for it. They typically make videos/podcasts that then go viral. Content creators are one of the main groups of people responsible for the shift in the music industry that was mentioned earlier because of apps like TikTok. According to Baran, “Social media influencers are people on social media whose presumed knowledge or expertise on a specific topic attracts a following. They post regularly on one or more social media sites to generate a following of enthusiastic and engaged people.” (Baran, 90). How does this correlate to the music industry? Well, as mentioned, TikTok is one of the leading apps that has completely changed how music goes viral, mostly due to its accessibility for aspiring artists to share their music as a sound.

This seemingly simple act of using a sound and clicking upload boosts unknown songs and artists to mainstream success almost overnight. Social media influencers on this app specifically use their creativity to post content like trendy dances—take Charli D’Amelio doing the popular “Renegade” dance in 2019 as an example—or even Doja Cat’s “Say So” gaining more attention due to Haley Sharpes 2020 Tiktok dance to the song.

These influencers don’t always dance around on TikTok; some also vlog on Youtube and make niche content with the intent of entertaining their audience as well. The TikTok approach to music promotion, however, has allowed content creators to play a strong role in reshaping the industry's dynamics piece by piece. The main qualifications an influencer would need is knowledge on how to edit content, but the majority of influencers come from luck.

Conclusion:

When all is said and done, it's clear that in just 15 years the music industry has undergone quite the large transformation—Ranging from one dominated by physical CD's and records, to the era of illegal MP3 file sharing that prompted the rise of Apple's Ipod, and finally to the uprise of

Spotify and other streaming platforms that followed soon after. This transformation, one heightened by social media platforms like TikTok have completely altered how music is both created, consumed, and even distributed, as well as how artists are paid for their hard work. While this shift comes with its ups and downs, one thing is certain for the future: streaming services are now a part of the music industry's foundation, and they are here to stay.

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