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Middle Eight

The music industry, technology and utopia – an exchange between Marcus Breen and Eamonn Forde

Busting the fans – the Internet's direct access relationship

Marcus Breen

A new struggle has emerged within popular music. This struggle is about technology and access to music through computer-mediated technology. Somewhat typical of the state of cultural things being more complex in their multiple articulations, this struggle runs in tandem with the historical struggle by youth for 'their music' against that of previous generations. The multiple characteristics of the struggle over cultural production, ownership and circulation represents a change from earlier days when pop music was articulated to youth culture and social movements, offering relatively direct relationships from one to another. (For example, 'The Sixties' became the shorthand reference for these cultural formations.) That relationship still exists, albeit in a self-conscious historical sense that requires continuous examination as it changes with the new generations of youth and the available technologies.

The new conflict is a challenge for the popular music establishment – especially producers who have seen their control of production consolidate over fifty years as a high-value capital-generating process. The current conflict is over getting music in downloadable form through the Internet. Transmitted as a digital set of signals, everything about popular music is changing and has changed. With this change nothing is as it was, although everything stays where it was. Music is now available in the virtual world, as long as it is stored on a server or on another formatted computer connected somewhere on planet earth (this is known as peer-to-peer).

Yet popular music is still performed and produced in exactly the same way as it has been since the breakout of the popular style! From small performances by singer-songwriter soloists in bedrooms, garages, bars and nightclubs, to super-bands of classic rockers, to plastic recordings to compact discs, to disco and dance club intensity and a myriad of musical developments from hip hop to punk and trashy country – even classical music in seedy bars was making an effort in the US in early 2003 – to everything we have ever imagined: it all coexists in an uneasy symbiosis. In fact, the accretions of popular music culture are as much a feature of an engagement with music as the music itself. That is to say that the creation and consumption of music is a series of accumulated historical acts, just as is any artifact. Indeed, a large

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part of our pleasure in the production of human cultural values through popular music is in the transmission of the history of pop that is implicit in the music itself as well as the way it is listened to.

Necessarily (is this the time to say essential, and beg the indulgence of those who would accuse me of essentialism?) the music industry is a part of the fundamentals of popular music. However, the music industry in the Internet Age is facing a crisis because it can no longer be assumed to mediate the relationship between the producer and the consumer. This has been increasingly the case since the early 2000s, as was announced in no uncertain terms by the cover article on *The Atlantic Monthly* in September 2000 which trumpeted the headline 'The Heavenly Jukebox From Hell: Internet piracy isn't the problem – the music industry is the problem' (Mann 2000). Supporting a revolt against the distribution system, writers like Charles Mann gave credibility to the new idea of creating a system that would remove the record industry from its established position of dominance and exploitation in the production-distribution process.

In effect, the Internet offers to remove the middleman (aren't they all?) and in so doing change the nature of the mediation. This change had a name: 'disintermediation' was a term couched in the Internet boom of the late 1990s to describe circumvention of the middle person with a Direct Access Relationship between producer and consumer. While disintermediation may no longer be *de rigueur* in Internet circles, it is still happening. And here is the rub! It is offering dramatic changes in the relationship between record companies and consumers and musicians and their fans. As Napster and related technologies that enabled music file sharing showed, the relationship is not clear cut – witness the strong attacks by members of the heavy metal band Metallica on Napster, who attacked their fans and technologists for avoiding copyrights with 'free' downloading.

It is as if the Direct Access Relationship that characterises the idealised experience of the singer-songwriter in performance with the fans, has moved into another realm. This experience is premised on a model of direct, even 'pure' communication between the musician and the listener and is considered the most valued of relationships.

Such technologically mediated potential offers redundancy to the record industry which has made a significant contribution to popular music not merely by selling it but by marketing it to create demand. 'Direct Access Relationship' suggests that the marketing and selling of popular music cannot be so clearly determined by pop star marketing campaigns. Consequently, the Direct Access Relationship marks an intensification of the relationship between musicians and audience. The relationship is no longer controlled by marketing campaigns from 'advertising central', but from the musical and cultural needs and interests of users. Furthermore, Internet interaction effectively increases the speed of music delivery, offering a sense of immediacy that record company marketing and sales campaigns cannot duplicate.

For popular music fans this is another aspect of the changing equation in the relationship. Popular music offers immediacy where before the mediators were many and varied – numerous elements impacted the relationship between producer and consumer, including venues and travelling musicians; quality of radio and radio signal; retail outlets; transport to and from the retail outlets; technology to play the recording (vinyl, cassette, compact disc, tape); television; transistor radios and Walkman and so on.

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Now, the drama of the change is such that consumers who download music have been characterised as enemies of the music industry. In the *Wall Street Journal* of 28 January 2003, a headline read 'Is the record industry about to bust your teenager?' The subheading was more indicative still: 'Forget Napster: in shift, music labels now target people who download songs'.

A basic knowledge of capitalism helps appreciate that the music industry is replete with the exploitation of musicians. For example, the overpricing of products along with efforts to resell the same product over and over, while leveraging that to push merchandise and so on in a profitable capital-generating play is a music industry business strategy. What is less well appreciated is that the mediation of the industry was a tightly constructed marriage between producers (musicians and their managers) and consumers. Policy makers provided the intellectual property rights to guarantee monopoly profits along with national interest tax benefits and so on for record companies based in the US, Holland, Germany, the UK and elsewhere. But the industry had to understand and predict the tastes and needs of consumers, fans, customers, clients – call them what you will – in order to successfully take a song to market.

The Wall Street Journal article marked a shift in the relationship. Suddenly the mediator was threatened with irrelevancy in the relationship. The response appeared to be to attack the customer. It was as if an entire set of social norms had suddenly been removed. And the result was that the industry threatened those it most needed – the consumers – teenagers! In an affluent, increasingly computer-oriented, Internet-connected society such as the USA, the music industry has a new conflict with those it needs most. Consequently, the relationship between fans and performers has taken on new meaning with implications for the music industry, which seems destined to shrink in size based on volume of sales and annual turnover of the major companies.

Alternatively, computer-mediated communications may already mean that newer and more popular music will be in circulation. (A similar point has been made in relation to the film industry by Jacques Attali who argued that new technologies will make it possible to cheaply produce and commercialise films thus 'opening the door for local and regional artists'.) A universally richer cultural life could result from shared files, free of the record industry's intermediary process of creation and distribution. Such a utopian reading could mean that popular music rediscovers an authenticity that has been leeched out of it by the manufacturing and marketing processes of the industry's gate keepers.

While disintermediation may have been the moment that redirected the relationship between producer and consumer, it is the relationship of the industry to fans that is significant in 2003. What may be construed as an attack on music users and fans reinforces the view that record companies are ill equipped to deal with the changes underway. As Direct Access Relationships mature and as increasingly large numbers of users get their music on line, record companies scramble to find ways of staying in the business. Clearly, as Mann's article suggested, some commentators would welcome the demise of the recording industry, as we know it.

In addressing these matters, new questions are required for researchers to effectively contribute to shaping and explaining this transformation of popular music production–consumption and related interdisciplinary areas such as cultural studies, political economy, media studies and policy studies. Outside generalised descriptions of the overall changes in popular music and technology, such as those discussed above, it may be helpful to place the questions into a typology of research areas such

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as Producers, Consumers, Technology, History and cross reference them. This could result in a cross-referential pattern of research projects: Producers and Consumers, Producers and Technology; Producers and History; Consumers and Technology, Consumers and History, Technology and History. Whatever methodology, the struggle over music industry technology is about winning the battle over the high returns on distribution that have been the profit base for the major companies over several decades. Potentially new structural formations will create exciting possibilities for popular music that are well advanced. Changes in the organisation of the music industry will emerge in a move that could be as dramatic as anything that has happened in the history of popular music.

At the policy and political level there is an important feature of research that cannot go unmentioned in setting a research agenda. That is the divergent or convergent systems of development (or underdevelopment in Internet use and Direct Access Relationship). It cannot be assumed that every popular music user actually has access to the Internet (some estimates suggest that 40–50 per cent of the world's population have yet to make a single telephone call!) or a computer. This raises the crucial subject of resource allocation and its uneven distribution around the globe. Any research must be aware of the dramatic and widening gap between rich and poor in the world and while our research may examine the rich, the majority of the world's population may be making and consuming music with very little reference to technology – except radios and localised public performances. Wealthy Western teenagers and their music are one thing – the bulk of the world's population quite another!

Indeed, as Internet teenagers are reconfigured as a new kind of enemy, getting 'busted' for downloading music, the terrain of the popular music industry will change in ways that will need reconceptualising. Technology will be foregrounded in the menu of struggles that characterise popular music. In fact, the Direct Access Relationship itself will take on numerous forms which will produce unanticipated moments of change in popular music history. Not least of these changes will be the struggle over the distribution and circulation of popular music; in short, a struggle over the control of popular music.

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So, what would the music industry say? Presenting a case for the defence

Eamonn Forde

Marcus Breen's article regarding music delivery online opens up a number of important issues relating to how music production and consumption is shifting. This ties into current themes dominating the music industry agenda – most notably: music compression technologies (MP3s, etc.); digital rights management (watermarking,

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copy-protection, tethered downloads, etc.); new delivery and promotional platforms; new music communities; direct marketing; and new politics of music consumption.

The piece posits the argument that the new and immediate delivery models that have emerged post-Napster will make the music industry in its current incarnation redundant. The idea is that the music industry as the 'middle man' is removed and artists have a direct relationship with their fans, determining the mediation and circulation of their own musical works.

This is an idea that has been circulating since Napster first appeared in 1999 and has endlessly been debated within music industry circles. Of course, in published academic terms, these ideas have thus far not been debated as much as they could/should be. While Marcus Breen's article makes an important call to action to have these issues considered in academic detail, the debates presented err on the side of the normative/utopian. For the most part, the notion of 'new communities' and peer-to-peer (P2Ps) networks are discussed in the abstract. It is important, therefore, to work through these arguments from the music industry's perspective and consider how the music industry has reacted and what steps it has taken to reposition its core business activities.

There is – implicit in Marcus Breen's arguments – the notion that the music industry is either too powerless or too cumbersome to fully control (and, therefore, capitalise on) music delivery online. Of course, these are debates that have underscored the academic work to date on the indies/majors schism in the context of market consolidation. The argument is put forward that P2P services such as Napster, Audio Galaxy, Grokster, Morpheus, KaZaA and so on have exposed a massive gap in the music industry's knowledge about its consumers' purchasing and consumption habits. The industry has been too slow to realise this, things are now out of its control and whole new artist/consumer relationships have emerged that record companies are locked out of. However, there are numerous developments and movements within the music industry at a legislative, organisational and technological level that really need to be considered if a fuller picture of what is currently taking place is to be arrived at.

There is in the article only a brief reference to how the music industry has responded to the rise of P2Ps, but this really needs to be addressed in more depth to get a better sense of the way events are currently moving with regard to labels simultaneously protecting copyright online and attempting to open up new marketing and revenue routes. There is a sense of 'this is all happening and the music industry simply cannot control it' running through the article, and this only serves to simplify not only what are very complex developments, but also developments that are still unfolding, so it is dangerous to speculate on the eventual outcome. However, the direct and indirect actions that the music industry has been taking in the past twelve months gives us a good indication of what direction 'music online' is being steered towards.

For example, the industry (represented by the RIAA) sued Napster in 2000–2001 and eventually the company collapsed, even after $90M of investment from Bertelsmann. And now Bertelsmann and the VC company (Hummer Winblad Venture Partners) behind Napster are facing massive lawsuits in the US brought by the legal representatives of the major companies.

Simultaneously, P2P sites such as KaZaA and Grokster are facing legal action brought by the music industry. The film and TV industries are also joining forces with the music industry as compression technologies increasingly allow the relatively easy

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sharing of movies and programmes over P2Ps. The industry is clearly not sitting back and letting this happen. The RIAA, IFPI and BPI have all targeted universities and large employers, warning them that they are legally liable unless they stop P2P activities over their networks, and packages like PacketHound allow them to do this. The scale of the legal actions being taken by the music industry needs to be considered concurrently with the utopian arguments about labels being superseded and gelded by online delivery systems.

The music industry (labels and publishers) is currently working on a multi-pronged approach to scupper P2P activities at source, by reigning in/suing Internet service providers (ISPs), such as Verizon in the US. The RIAA is also pushing through compulsory licensing on ISPs to make up for perceived loss of revenue. In Germany there is a proposed levy on PCs (with the levy passed on to rights-holders) and levies of blank media (CD-Rs mainly) in a number of other territories.

There is the major issue of industry-endorsed 'spoofing' too that needs to be considered – flooding P2Ps with bogus tracks to make the experience frustrating for the user. Of course, there are problems with the legitimate offerings (Pressplay, MusicNet, Listen.com, etc.), but their business models are (slowly) being revised to listen to consumers' needs. In late-April 2003, Apple launched its iTunes Music Store download service. Despite being confined to Mac users in the US, over 1M tracks at $0.99 each were downloaded in the first week alone. Unlike the other major legitimate download services, it operates on a per-track basis rather than a subscription model. Apple currently has a three per cent share of the computer market but, even so, the first week's success indicates that the music industry, with the help of the computer industry, is positioning itself around the new business opportunities opened up online. There is a long way to go here, but movement is being made and this needs to be factored in to all debates about the future of the music industry in the shift from physical to digital delivery.

In terms of consumers, beyond the obvious argument that legal alternatives are territorially-restricted at the moment, it is important to consider why consumers look to P2Ps. Studies from various bodies (e.g. Ipsos-Reid, Forrester, etc.) show that it is not simply for reasons of cost. Consumers want material that they cannot get elsewhere (either out of print music or demos/live bootlegs). This is, it should be noted, being addressed – albeit slowly – by legitimate offerings such as Sanctuary's The Vault, Apple's iTunes Music Store and Sony's Custom Mix CD.

The average P2P user experiences immense difficulties using the services. This is a fundamental consideration in terms of their evolution and, indeed, the evolution of digital music delivery. Music is not stored centrally on P2Ps, but is rather a case of 'luck' that users search for tracks at the same time as other users who have it in their directory are online. There are still connection failure problems while downloading that mean users do not get what they are searching for. An additional problem is the mislabelling of tracks and artists. How metadata is stored and updated on P2Ps and legitimate services is key to their development and adoption by consumers.

The massive paradigm shift in delivery and consumption of music online that Marcus Breen presents as a given/inevitability is certainly open to question. Online is simply a new distribution channel – it will not make music in a physical format redundant. A sense of historical perspective is essential here. The same debates were made in the 1970s saying that cassette would kill vinyl, and then again in the 1980s with the arrival of the CD. Vinyl in recent years has proven to be a growth format. Record sales are down, but this is not entirely to do with P2Ps and CD-Rs and the

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decline of the record label. For example, the French market has actually recorded growth (of around five per cent per year) for several years now. How can this be explained if people can get music for free online? Are record labels in France being erased? Why are the French buying more CDs than ever before? There are complex issues here about the industry's pricing model, competition for share of wallet, macro-economic issues, the quality of artists and music available, etc. Without consideration of them, the debates become too generalised and over-simplified.

To suggest that the record company will simply dissolve because of online delivery is quixotic. The complex structure of record companies as cultural intermediaries (A&R, marketing, plugging, PR, etc.) needs to be factored in here. Take the record company away and what are you left with? A free-floating morass of MP3s online that is impossible to navigate. The music industry's failure rate is anecdotally around ninety-two per cent (or ten in every twelve acts) and this does not even consider the thousands of acts they turn away at the A&R gate. So, will it really be 'better' (in terms of artists having a direct relationship with their fans) if the industry is removed from the equation? To imply that music consumers will exist exclusively online is to imply that the offline media will, too, somehow, become moribund and implode. This is patently not happening. Record companies gatekeep but also invest in the development of an act. How are the 'new online-only bands' going to pay for studio time, for example? Where will people find out about these new acts? How will they be mediated to the consumer? Yes, the music industry is due a lot of criticism, but to imply that it will simply be swept away does not address the complexities surrounding what is currently taking place here.

In the 'new media utopia', Marcus Breen also fails to account for other sectors and how the music industry is reconfiguring to capitalise on developments. The most obvious example – as third generation (3G) becomes established – is music delivery to mobile phones. The sales of polyphonic ringtones as well as streamed audio/video content is growing considerably and there is an argument to suggest that all the mistakes the music industry has made online since Napster have fed into its early exploitation and tight control of the revenue streams related to mobiles. This also needs to be factored in at a technological and a business level. 'New media' is not synonymous with 'online'.

Marcus Breen's obvious excitement about the possibilities of digital music delivery is understandable. But the article lacks a degree of critical reflexivity/distance by considering it as exactly/exclusively this – *possibilities*. Yes, things are changing, but not to the scale that is implied here. The music industry is commonly criticised for being monolithic and lumbering, but it is seeking alternative revenue sources beyond the exploitation of physical content. In recent years, the majors have all set up dedicated new media teams, setting particular profit goals for exploitation of content over new platforms (interactive TV, online, mobile, etc.). Add in to this the immense revenues that synchronisation licensing departments (for music use in ads, in films, on TV and increasingly in computer games) bring in, and it is apparent that the music industry is working to consolidate its position in markets that have nothing to do with the retailing of physical product. Much was made in 2002 about Robbie Williams' £80M (if guesstimates are to be believed) deal with EMI. EMI will now get a share of his touring and merchandising revenues (as well as any TV/film revenues he generates). This is, however, not a new development. For several years now, labels have been adding a similar clause into contracts for new acts. Of course, the majority are deleted at the contract negotiation stage. However, it does show that labels are

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repositioning themselves and moving into revenue areas where previously they were excluded.

Yes, the music industry is being forced to change and how they are changing can be criticised for not doing enough quickly enough. Online delivery is not the death knell for record companies. It should be seen, ideally, as the wake up call they so dearly needed.

Neurotic Reactions*: utopian dreams

Marcus Breen

I am delighted to be characterised as a utopian, erring on the side of the normative. Surely the purpose of academic engagement is to present theoretical ideals in terms of real-world issues within the broadest possible scope of human ambition. As such, my discussion of digital downloading technology and popular music suggests ways to present a critical point of view on the numerous forces pressuring popular music production and distribution. Conversely, Eamonn Forde offers a 'music industry agenda' reading of the article which is excellent, yet limited by his focus on 'the music industry's perspective'.

A position that uncritically positions the capital-intensive music industry as the foundation point for discussion raises concerns about the power relationship between business and culture, which is a rich vein of investigation in itself. It may be appropriate to argue from the industry's point of view, if only to make the point that the dominant force in music has become an industrial formation that is increasingly problematic as technology changes.

It may also be appropriate, as Eamonn Forde frequently suggests, to recognise that the intervention of digital technologies into business-as-usual assumptions has created a new, complex set of considerations. This has always been an issue with new technologies in any era – the creation and diffusion of newness which improves human creative and capital production and the historical struggle over retaining the old. Complexity offers new opportunities for musical production and distribution, which in turn offers new possibilities for political and policy formations that a normative approach suggests can improve human civilisation. If the record industry is holding back the unfolding of the complexity along with new opportunities, it deserves profound criticism, as it hears its own death knell sounding in its ears.

The point of the 'digital revolution' is to throw into relief assumptions about the history of popular music production, especially the role that has evolved for the recording companies. My starting point is that the recording companies and commercially driven, global media production firms generally have created a culturally compromised industry, where marketing and sales objectives have overwhelmed music culture. Everybody suffers as a result: including the industry, which now sees its turnover at about US $20 billion compared to US $40 billion at its height in the1990s.

Examples of recording industry action against Napster and other downloadable technology providers such as P2P, KaZaA *ad nauseum*, should not be taken as seriously as Eamonn Forde suggests. This is a case of the legal tail wagging the industry dog. Here the industry has attacked new providers and others in highly publicised cases meant to maintain status quo control. Legal action is often a smoke screen – as is a lot of industry-generated publicity about copyright – intended to keep

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change at bay while the industry waits for the lawyers to write another *post factum* law, such as the hotly contested US *Digital Millennium Copyright Act* of 1998 and other similar acts undertaken by misinformed governments who did not engage in public debate on such issues. Such strategies usually backfire, show the industry up as poorly regulated and exploitative and are antipathetic to the public interest and popular music consumers (as the Australian copyright case suggested, documented in my *Rock Dogs: Politics and the Australian Music Industry*, Pluto Press, Sydney, 1999).

Furthermore, suggestions that the music industry is 'seeking alternative revenue sources beyond the exploitation of physical content' supports my argument that the music industry may care more about star producing revenue than music culture. Such synchronisation is an important change, but so what? I cannot dance to a T-shirt, a cap, a picture of Robbie Williams or an EMI logo, although I want to understand how all those pieces fit into and have meaning in society. I also want to understand how the 'Direct Access Relationship' will improve my overall experience of and engagement with music, which is what any good record company executive will tell you the industry is really about – and I happen to believe that without the industry the proliferation and power of popular music would never have evolved in the way it has.

All this to say that a public debate about popular music production and *ownership* is an important consequence of the digital technology paradigm shift. It is also controversial. If public debate about such issues can be commonplace, then the interests of all parties can be included in reflecting my utopian view for the possibilities of popular music: whatever they may be.

This exchange occurred between May–June 2003.

*With apologies to Lester Bangs: *Psychotic Reactions*.

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World Record Sales 1992–2002

Dave Laing

The retail value of global recorded music sales in 2002 was $31 billion. This total is published by the International Federation of the Recording Industry (IFPI) and is based on information supplied by large and small record companies in sixty-nine countries. The 2002 figure was almost 8% lower than the total of 2001 record sales. In terms of format unit sales, the number of CD albums sold in 2002 was 2.25 billion (5% less than the previous year), cassette album sales were 487 million (19% less), singles sales in all formats were 17% less at 265 million and vinyl LP sales were 8.5 million (28% less). Note that these are sales of new LPs only. The IFPI figures do not include the used or second-hand market, or the 'pirate' market whose sales are estimated by IFPI to have been $4.6 billion in 2002.

It is clear from the Table showing annual world sales since 1992 that the 2002 results confirm the existence of a long-term downward trend in the global record industry's income from sales of sound carriers. The value of sales has fallen in each of the last three years, but it is seven years since there was growth of more than 1–9.8% in 1995. It is worth adding that the early results for the first half of 2003 indicate that the downward trend is continuing. The Table shows that there was a sharp break in 1996 from the high growth rates of the previous four years shown in the Table and infact several years before that. What are the reasons for the seven-year slump in recorded music sales?

Table. Annual world record sales since 1992.

Year	Retail Value ($ billions)	% change
1992	29.0	+12.4
1993	30.8	+6.1
1994	36.1	+17.4
1995	39.6	+9.8
1996	39.8	+0.4
1997	38.1	−4.3
1998	38.2	+0.2
1999	38.5	+0.7
2000	36.9	−4.5
2001	33.7	−8.9
2002	31.0	−7.9

Writing about the previous great slump in recorded music sales (1978–1981), Bruce Haring (1996) listed its causes as 'home taping; competition from video games, cable TV; youth unemployment; changes in radio formats with rise of AC (adult contemporary) and country, genres whose audiences were not record buyers on a large scale'. Although Haring was writing specifically about the USA, some of the factors involved in the late 1970s are of equal relevance over two decades later. The direct contemporary equivalent of 'home taping' is the burning of CD albums onto blank CD-R discs. Market research in Germany found that 260 million of the 486 million CD-Rs sold in Germany in 2002 were used to make copies of music CDs. This

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was greater than the 178 million pre-recorded CDs sold by German record companies. An equally – if not more – important form of 'private copying' of music is, of course, peer-to-peer file-sharing (P2P) on the Internet. Although there have been many claims and counter-claims about the impact of such activities on purchases of CDs, it seems incontrovertible that at least some P2P participants are buying less music on CD than before.

The second factor mentioned by Haring is the competition for consumer spending from other entertainment formats. He mentions computer games and pay-television. In the contemporary market place, recorded music sales remain under pressure from game consoles and software, plus two more recent technologies: mobile telephones and DVD (Digital Versatile Disc). Japan is the most remarkable example of the popularity among young people of phones and their add-ons such as ringtones (from which the music industry derives a small amount in royalties). There, the market for singles has shrunk as phone sales have increased exponentially. And DVD has been the most successful new cultural product since the CD itself.

General economic circumstances must also play a role in the fortunes of the record industry. Haring cited 'youth unemployment' as a factor in 1978–1981 and today's global economic stagnation makes the competition for entertainment spending more intense, according to financial analyst Helen Snell who has stated that 'historical trends confirm a strong correlation . . . between music sales and consumer confidence' (Snell 2001).

But perhaps the primary source of the current slump should be sought in the main reason for the high growth rate of recorded music sales in the late 1980s and early 1990s. This was what Snell and others have called the 'CD replacement cycle'. The term refers to the fact that new adopters of Compact Disc technology generally bought far more discs than their annual average purchases of music, notably in order to replace the LP versions of their favourite albums. This, and the fact that CDs were expensively priced, led to a boom in retail spending on music. However, by the mid-1990s, all who wished to, or could afford to, switch to CD had done so and the boom was over.

It was this boom that led the record industry out of the 1978–1981 recession. Unless music DVDs achieve a popularity comparable to that of audio CDs, it is difficult to see another new carrier coming to the rescue of the industry this time.

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