

MYSPACE MUSIC: TAKING THE “INDUSTRY” OUT OF THE MUSIC INDUSTRY

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All opinions and observations expressed in this paper are the author’s and do not necessarily represent MMC’s position.

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MySpace.com, one of the most popular social media sites on the Web, provides users an online platform to connect and communicate within their network of friends. The special features of MySpace allow its members to post personal profiles, blogs, pictures, and online bulletins that can be reached by users within their personal network and beyond. While MySpace is a great tool for friends to communicate, it is also a great tool for musicians to stay connected with their fans. According to one estimate by MySpace, at least 3,000,000 performers are utilizing the site to build their fan bases, to promote shows and upcoming releases, and to make new songs available for download.¹ One of the reasons for MySpace’s popularity is that it is free and the artists don’t need to know how to program a Website⁽³⁾. In addition, MySpace has a very valuable asset to offer musicians: its network of more than 150 million connected users. This network allows aspiring musicians access to a mass audience that in the past would only have been accessible with the resources of a record company or a professional promoter. As a result of its growing popularity with musicians, MySpace has since launched MySpace Music. Under this new offering, artists can now sell songs to the mass audience directly through their MySpace pages without being signed by a label. In addition, MySpace has even started its own record label to promote successful MySpace music artists. As MySpace becomes more and more of a one-stop-shop for musicians’ needs, we are forced to question what role is left for the traditional music industry.

There is a common belief that because MySpace can remove some of the long-established barriers to entry to the music industry that the support of a record company may become altogether unnecessary. According to MySpace CEO Chris DeWolfe, “Big labels in the past were the gatekeepers that would allow a band to make a living or not, but labels are signing fewer bands. Along with new production tools, MySpace allows a band to reach 43 million people (now 150 million). It allows a band to make a living and to fill up shows.”⁽⁴⁾ For example, a small upstart band like *We Are Lions* used MySpace to spread the word about its album, *Eight Arms Made This* and managed to market the CD to more than 2,000 fans, all without the backing of a PR agency.⁽⁵⁾ MySpace also allows artists to sell downloaded tracks directly through their personal pages. Chicago-area singer-songwriter Dick Prall explains that in the past, independent artists had to “tour their ass off” and sell their CDs to recover the expenses from recording and traveling. But now, with the use of MySpace, musicians can sell music to pay the bills without having to be constantly touring.⁽⁶⁾ In a recent move, MySpace took the selling of tracks even one step further by partnering with Interscope Records to start a new record label.⁽⁷⁾ MySpace’s venture into the recording business will be a much less risky and much more efficient way of finding talent compared to the traditional recording industry approach. While record company talent scouting is usually based on a gut feeling, MySpace will take the gut feeling aspect out of the equation and instead base its talent-sourcing decisions on actual fan response that is widely and openly documented within

the MySpace network.⁽⁸⁾ As a result of MySpace's influence, some people believe that there will be a shift in the way the whole music industry operates, leaving few opportunities for the traditional record companies. SFX Entertainment founder Robert Sillerman believes, "In all cases, there's more money performing than recording. He hints that in the future musicians will develop a new business model around offering free recordings and promoting paid performances with such services as MySpace."⁽⁹⁾

MySpace offers musicians alternatives to signing with a record label but many people still believe that you need to get signed in order to make it really big. Although MySpace provides the technology to circumvent traditional music distributors, go-it-alone musicians don't have the publicity or marketing power of conventional promoters. As a result of this lack of support, the bands will be limited to playing smaller, low-revenue shows as opposed to large arenas or crowded fields⁽¹⁰⁾. In addition, the selling of tracks through MySpace will never match the potential revenues gained through being signed with an established label. David Kusek, a vice president at the Berklee College of Music, says that music sales on MySpace are a great chance for independent artists to earn some revenues, but they will never become a large source of cash. While most songs will sell for around \$1 or less, MySpace and its partner Snocap will most likely take around a 45-cent cut.⁽¹¹⁾ Geoff Mayfield, director of charts for *Billboard* magazine, says that it is very rare for an unsigned act to reach widespread and sustainable commercial success. He refers to *Clap Your Hands Say Yeah* as being the only unsigned band as of yet to crack the *Billboard* album charts.⁽¹²⁾ Chris Medina, who plays in a band called *The Green Light Special*, says that although MySpace has allowed them to attract more than 3,500 fans, he doesn't believe that selling downloads through MySpace will ever enable them to make as much money as signing a deal with a music label. Medina says, "We definitely want to get to the top of the mountain and get the best part of the cake. That means a major label, that's the dream of most bands."⁽¹³⁾

There are MySpace musicians who still believe that there is a role for the recording industry. In fact, many musicians are using MySpace's promotional tools in the hope of eventually getting signed with a record label. Shawn Rios, drummer for the independent band *Slings and Arrows*, realizes that his band won't get big just from selling tracks online. He believes that making it big will require a combination of networking on MySpace along with the help of a good manager, good publicist, and good shows. Rios comments, "I still think there's an advantage to being signed, with distribution and booking. This risk of being independent is less financial; the risk is you might not be heard, you might not get out there, you might miss the boat, so to speak."⁽¹⁴⁾ MySpace works best as a promotional tool, and musicians are leveraging the technology to gain the attention of industry collaborators. Guitarist and lead singer Jonathan Buck of the indie rock group *Coppermine* says that because of the band's 115,000 "friends" on their MySpace page, they have been contacted by DJs, Webzines, managers, promoters, and various music labels.⁽¹⁵⁾ Along the same lines, the unsigned Chicago band called *Skybox* garnered attention from record labels after one of their songs featured on their MySpace page was plugged on the popular blogging site *Perez Hilton*.⁽¹⁶⁾

MySpace may not kill or take over the music industry; it may actually make the industry stronger. Tremendous savings in both time and money can be realized for both musicians and key music industry players by properly leveraging the assets of MySpace. Musicians can utilize the technology of MySpace to cheaply develop a mass fan base and record companies can then easily find these unsigned bands who have already gained mass appeal. Ultimately most bands want to be signed by a record label and most record labels want to sign a band with mass appeal. MySpace provides a common solution to this conundrum and as a result provides a win-win situation for the whole industry.

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