University of Liverpool

The New Wave of Independent Labels

By

Hwanho Choi

Department of Music

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Acknowledgement

Main Objective/Research Question

This research focuses on independent record companies and the digitisation of music. There will be two main dimensions to the study. Firstly, how independent record labels are conducting their business given changes in the structure of the recording industry that flow from digitisation. The second concerns itself with how the aesthetics associated with independently-produced music are expressed in an era in which the ongoing digitisation of information and communication technology (ICT) has become central issue in terms of the ways popular music is consumed.

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1. Introduction

Throughout the history of popular music, various genres have been introduced and developed, driven by technological advances, changes in modes of expression or changes in patterns of consumption. Popular music cannot be separated from what goes on our lives or from changes in society. We can assume that when new genres or forms of culture emerge there are underlying reasons for their emergence. For instance, rock music was a reaction to various social, technological and industrial changes. The development of the phenomenon of youth culture and of 45 rpm records, the establishment of independent labels and the shift of the dominant media from radio to TV can all be cited as factors which contributed to the emergence of rock music (Chapple and Garofalo, 1977; Peterson, 1990; Negus, 1996; Keightley, 2001; Shuker, 2001; Geels, 2007). Although these factors came about independently, each of them was interwoven and engaged with others.

Rap music developed through similar intersections of technology, culture and business. Rose points out that 'rap and hip hop more directly to the process of urban deindustrialization in the 1970s, the post-industrial urban landscape in the 1980s, and their impact on African-American urban communities' (1994, p. 25).

The emergence of punk music can be compared with that of rock or rap. Punk came out of fairly similar circumstances, in terms of social and economic backgrounds, as rap, which was born in the Bronx neighbourhood of New York City. It has been suggested that punk music, like rock and rap, emerged from distinctive social, political and cultural circumstances (Simonelli, 2002; Moore, 2004; Spencer, 2005). The emergence of punk music can be compared with that of rock or rap. Punk came out of fairly similar circumstances, in terms of social and economic background, as rap, which was born in the Bronx neighbourhood of New York City. It has been suggested that punk music, like rock and rap, emerged from distinctive social, political and cultural circumstances (Simonelli, 2002; Moore, 2004; Szatmary, 2004;

Spencer, 2005). Simonelli points out that

> 'The punk subculture in Britain was the most outspoken effort to restore working-class values in Britain rock and roll in the late-1970s. Punk rock articulated the frustrations of working-class British youth in an era of unemployment and inflation, through the development of a new subculture, manifested in music, fashion and attitude' (2002, p. 121).

Punk music was also developed as a counteraction to corporate rock music, which was far from the reality of the audiences' lives. At that time, British society was hit by economic recession. Corporate rock music was not able to reflect the social conditions and distress of the youth (Simonelli, 2002). However, punk music, which expressed anger and political opinions, became a new cultural movement for the youth who were seeking for a way to express their identity.

The birth and development of Internet technologies have caused a big change in the music industry. This change has affected not only the production and distribution, but also the consumption, of popular music. The Internet has become a popular medium of communication, connecting artists and audiences, and making it possible for consumers to share ideas and opinions about popular music. What we once did in off-line places such as pubs or cafes can now be done online, and unlimited numbers of people, including musicians, can work together from places around the globe (Jones, 2002; Spencer, 2005).

These changes have affected the structure of the music industry. The monopoly status of major labels has been threatened, causing them to try to find a way to overcome the difficulties caused for them by this turbulent era. For instance, they have sued individuals who download MP3 files and developed new forms of copy protection technology (Hervey, 2002; McCourt and Burkart, 2003; Curien and Moreau, 2005; Gopal et al. 2006; Liebowitz, 2006; Sweney, 2008). In addition, the music industry is now keen to make "360 degree" contracts with musicians, which cover areas such as concerts, sales of merchandise and digital markets, aiming to recover revenue lost through illegal downloading (Leyshon et al., 2005). Although

major labels have blamed illegal file sharing for their problems, various researchers have suggested that their lack of in-depth evaluation of changing business environments and of audiences' tastes are more to blame (Fox, 2004; Bishop, 2005; Leyshon et al., 2005; McLeod, 2005). What they have done to defend their market power is fairly limited in scope, as they have not taken into account and examined the needs of their audiences.

On the other hand, technological advances have brought opportunities for independent labels. Although it is questionable whether they can prosper and expand their status in the music industry solely as a result, it has been pointed out that they enjoy advantages such as reduced distribution and marketing costs because of the Internet (Fox, 2004; McLeod, 2005; Wallis, 2006).   The independent music offers alternative and marginalised forms of music from the mainstream music industry. They are important in that they support creative freedom through their DIY aesthetics, whereas artists at the major labels are limited and controlled by them.

2. Objective

This paper will examine how independent labels conduct business in rapidly changing and challenging environments that have been driven by the Internet; it will discuss how a distinctive philosophy of independent music, the do-it-yourself (DIY) approach, which was sparked in the 1970s punk music in the UK, can be expressed in the present which the Internet has become an important tool. The Internet environments can be beneficial for the indie labels, but there is a lack of empirical research. Therefore, it would be valuable to look at the real circumstances. It would also be interesting to evaluate whether the traditional approaches that the independent labels take, in terms of management and aesthetics, are still valid or not. Concerns about intellectual property have been widely discussed and new forms of intellectual property, such as a creative commons, have been proposed. Therefore it would be

beneficial to assess that how this could work and what its impact would be. Research will be developed through the evaluation of prior materials on indie music and the music industry in the internet era, and through e-mail interviews with independent labels which conduct their business mainly on the Internet. The main focus of this research will be:

- To evaluate the status of the independent labels and their approaches, in terms of the ways the labels are managed in this swiftly changing period, and in terms of how their current state relates to their past experiences.

- To identify whether changes in the conduct of independent record companies have produced, or are taking advantage of, changes in conceptions of intellectual property.

- To establish the growth points of new business models in the independent record company sector.

3. Methodology

This research was conducted via six interviews from Internet-based independent labels and firms. These interviews were done through e-mails and asked seven or eight questions, which were developed to analyze how Internet-based independent sectors share similar experiences and aesthetics with past independent music scenes. In addition, past researches was compared to and analysed in light of the new wave of independent sectors.

4. Literature Review

4.1. Independent Music

Independent labels have been suffering from an inability to secure distribution channels. They would like to have an equal chance of getting their records into shops. Because they were forced to use the majors as distributors, there was a belief that the majors would not work as hard to encourage retailers to accept independent records as they would their own. Without a secured distribution channel, it was difficult to reach audiences because traditionally the place to buy music was in retail shops. With regard to this difficulty, Jones argues that 'the most critical monopoly held by the music industry was the means of distribution' (2002, p. 217). 'In the 70s, record distribution was entirely controlled by major companies. Even early independent labels like Virgin and Island had no alternative but to hand over their distribution to the likes of EMI or CBS' (BBC, 2009). It was obvious that records had to be distributed with the support of major labels. The concern with distribution channels is still a significant issue for independent labels. Recently, independent labels have faced severe problems due to the collapse of Pinnacle, an independent distribution channel (Taylor, 2008). This crisis indicates that the condition of independent labels is still fragile and emphasises the importance of securing a distribution channel for independent labels.

Although independent labels in the 1970s were considered to serve alternative forms of music, and often represented counteraction of corporate record labels to express their own identities, in the 1950s, independent labels were another form of corporate record labels to make revenue. According to Gillett (1996), in the 1950s, independent labels, which were started up by businessmen, saw rock music as a commodity and were even scornful towards the actual music. Independent labels in the 1950s, when rock music emerged, were focused on how the new form of music could generate revenue; they targeted a niche youth market while major labels were concentrated on jazz-oriented music.

However, it was punk that counteracted the dominance of major labels. When Rough Trade was open in West London, it signified an important new musical movement, punk (BBC, 2009). One of punk music's distinctive features was that musicians had do-it-yourself attitudes. According to Frith (1997), punk, which was against corporate recording labels, represented its credibility in two ways. The first is that it championed independently produced and distributed recordings. Secondly, it promoted a notion that 'anyone can do it' (1997, p. 168). The DIY aesthetic of punk was also well represented by self-published fanzines such as *Sniffin' Glue*, which were a tool to communicate for subculture communities and helped to establish punk identity and political movement (Triggs, 2006).

What happened to popular music and the music industry in the 1970s can be revived in the 21st century. Leeds points out that 'there are new signs that a democratization of music made possible by the Internet is shifting the industry's balance of power' (2006). Due to the characteristics of the Internet, it is possible to bypass a distribution channel dominated by major labels. Online environments offer marketing, distribution and production can be done without the participation in offline activities, which have traditionally been considered crucial concerns. This environment can offers labels the possibility to operate without large amounts of funds and support from big corporations. Anyone can start online music labels, distribute music and do marketing through their own websites or the Internet communities. Therefore, the new technological advances can offer opportunities for independent labels to explode DIY aesthetics and their creativity as in the 1970s (Fox, 2004; Graham et al., 2004; Burkart, 2005; McLeod, 2005; Andrews, 2006; Leeds, 2006).

4.2. DIY Aesthetic and Independent Music

One of the distinctive features of independent music would be the DIY aesthetics of the 1970s, as mentioned previously. This aesthetic can be described as a form of alternative

expression through which music can be produced and distributed independently. It is the self-expression of like-minded people who feel that music should be judged on its creativity and authenticity, rather than on the amount of money spent, the number of instruments used or excessive emphasis on performing skills (Rosen, 1997; Szatmary, 2004; Davies, 2005; Spencer, 2005).

Moore mentions that 'within punk subcultures, the process of creating independent media and interpersonal networks in opposition to the corporate media is referred to as the "do-it-yourself", or DIY, ethic' (2004, p. 307). These aesthetics were born through the reactions of the independent labels to the majors, who at the time were enjoying success through their promotion of progressive stadium rock bands and disco music (Szatmary, 2004; Davies, 2005; Spencer, 2005). Triggs also states that 'punk music was seen as an alternative to the mainstream music industry and provided something new and liberating through its independent and "do-it-yourself" approaches' (2006, p. 70).

The DIY activities in the 1970s could be utilised by people who were interested in independently produced music and by musicians who could show their capability from the emerging new culture. One of the important initiatives was Rough Trade, which became a critical place for 1970s independent music. Their success as a record shop led to the development of an independent distribution channel, the Cartel. The establishment of distribution channels for independent music gave momentum to and allowed for the explosion of independently produced music. This offered independent music the chance to have a secured distribution channel and expand its market share. It would ensure that the large demand for the emerging musical culture could be delivered to audiences (Hesmondhalgh, 1997; Hesmondhalgh, 1999; BBC, 2009; Rough Trade, 2009).

Though music can be produced and distributed through independently minded activities and strategies; it offers that popular music activities can be operated from outside of the

traditional music industry hegemony. According to Hesmondhalgh, 'as the majors oriented their distribution channels to the high street chains, small shops increasingly turned to a new sector of independent wholesalers and distributors who moved in on the new gap in the market' (1997, p. 258). The independent distribution channel could offer music that could not be distributed by major labels and has resulted in much more diverse musical expression. Therefore, it can be an alternative arena for music that is marginalised and ignored in the mainstream music industry. In addition, the practice of the DIY aesthetic is important for the autonomy and musical freedom of artists. For instance, bands like Desperate Bicycles and Scritti Politti reported how much they spent on recording on the album's sleeve notes. It showed the audiences that producing music is not expensive and 'anyone can do it' (Rosen, 1997; Davies, 2005). People of DIY independent scenes often feel that successful indie musicians lose their creativity when they move to a major label (Strachan, 2007).

4.3. <u>SWOT Analysis of Independent Music</u>

Strength

One of the strengths of independent labels is that they are quick to respond to emerging musical culture. In addition, their aim to niche genres or a specified genre gives them a distinctive position within the music industry. (Lee, 1995 a and b). Moreover, members of the independent scene have set up barriers around themselves and developed an alternative system, so as to survive and maintain their distinctiveness (Hesmondhalgh, 1997 and 1999 and Rosen, 1997). Two examples of this would be the creation of alternative distribution channels and the use of alternative contracts for musicians. Setting up an alternative distribution channel is an inevitable step for the indie scene to stand against the mainstream music industry. This challenge would also ensure that their products can be stocked in shops. The distribution channel for independent music was indicated by the rise of specialist shops

that formed their own record label. In addition, this change encouraged new independent labels. The alternative deal would show musicians that they are not just accessories for a company to use to produce revenue. It would offer freedom for musicians and foster their creativity (Hesmondhalgh, 1997; Rosen, 1997; Hesmondhalgh, 1999; BBC, 2009).

Weakness

Although the distinctiveness of independently produced music can guarantee some level of creativity in the music, it does not guarantee its success. Independent labels have suffered from a lack of management skills, and must maintain their creativity to survive in the music industry (Lee, 1995 a and b; Hesmondhalgh, 1997). In addition, alternative contracts, which attracted indie musicians, became a critical concern because there was no obligation for artists in terms of length of contract or numbers of records. For instance, artists like Stiff Little Fingers left Rough Trade to sign with a major label shortly after they gained popularity, while they were still working with Rough Trade (Rosen, 1997; Hesmondhalgh, 1997; BBC, 2009). This problem led to fail to achieve future success of independent labels and partially related with lack of management skills, although they thought it would be a tool for autonomy, creative freedom and mutual trust. According to Rosen, 'the smaller label was thus deprived of the chance to benefit further from the band's success, which it had helped nurture. A commitment to autonomy can thus sometimes undermine itself' (1997, p. 7).

Opportunity

Independent labels are well situated for forming a community and making use of their distinctiveness as a cultural form. According to Lee, 'one central element of Wax Trax's ideology of independence was a sense of community' (1995 b, p.26). Hesmondhalgh also mentioned that 'the history of punk suggests that when a genre gains special subcultural

credibility, a particularly active audience is created' (1998, p. 237). Therefore, independent labels, which are aimed at specific audiences and markets, can be critical pioneers within a community to cultivate new ideas and subcultures. Forming a community and fostering a new cultural movement can be a critical force to gain momentum for independent music. This collective identity of independent music can also increase indie labels' competitiveness or self-protectionism. Strachan (2007) suggests that collectivism, which is a 'central defining feature of identity for DIY independent practitioners' (Strachan, 2007, p. 252), among micro-independent labels is a way to compete with major labels.

Threat

They are threatened by mergers brought about by the major labels, who often regard their creative and alternative music as a threat. In these cases, major labels with vast amounts of capital have bought out independent labels, which are considered a valuable income source. This also happens due to the imperatives of remaining a viable business. In addition, dealing with major labels is considered a crucial way to gain mass popularity (Frith, 1981; Lee, 1995 b; McCourt and Rothenbuhler, 1997; Hesmondhalgh, 1999). A once emerging musical genre could also become a popular genre that major labels would be involved in. This has been normal procedure, as has been observed in genres such as punk and industrial music (Davies, 2005; Lee, 1995 b). Therefore, indie labels should keep their creativity to attract audiences and to keep management capability from threats of major labels. Another threat can be emerging new culture. For instance, British punk music lost its popularity as a sub-cultural form when rave and dance music gained popularity (Hesmondhalgh, 1999; BBC, 2009). In addition, economic influence can be another threat to the independent music scene. As mentioned before, Pinnacle's crisis hit the independent music scene hard (Taylor, 2008).

According to Hesomndhalgh, the economic recession between 1988 and 1992 negatively affected the independent music scene (1999).

4.4. The Internet and Its Impact on Independent Music

Rough Trade was a particularly successful UK post-punk independent label. It signed many influential acts and for several years was one of the key components of the independent distribution company The Cartel. However, Rough Trade lost many of its most successful acts to major labels, and found it difficult to succeed as a business as its small operation did not have the expertise or investment it needed to survive. The company went bankrupt in 1991 (Hesmondhalgh, 1997; BBC, 2009; Rough Trade, 2009). Even so, the *ideals* it represented continue to be influential throughout the independent sector and these can be seen to have influenced the Internet-only independent companies that are the focus of this study.

The new Internet business environment offers another chance for independent labels. The Internet has flourished as a place for people to talk, interact and exchange information. Websites like MySpace have become a central place for audiences and musicians to come together. Online communities have been created to share information about music, and to spread information about unknown artists (Dolfsma, 2000; Kibby, 2000; Ebare, 2005; Leeds, 2006). Audiences and musicians are able to be active participants in the music industry, without intervention from media outlets or major labels. Therefore, it can be argued that the democratisation of the music industry initiated through the DIY movement is now being realised online. According to Spencer, 'it is advances in technology that has allowed bands access to their own means of production … This further breaks down any division between a band and its audiences' (2005, p. 349). In addition, cyberspace favours the feature of independent labels that Strachan calls 'collectivism' (2007, p. 252), a strategy used to differentiate them from, and to confront, the major labels.

The Internet is removed from traditional distribution channels, which have been controlled by the major labels (Fox, 2004 and 2005; Graham et al., 2004; McLeod, 2005). Therefore, independent labels now have advantages that were not previously available to them. The power of the music industry can shift, from the music labels to consumers (Fox, 2004; Graham et al., 2004; Leeds, 2006). The power transition from labels to audiences has an important implication. Consumers will gain authority, in that they can choose music in a diverse, unmediated manner. This creates possibilities for independent labels to gain market power in ways unavailable to them within traditional business models. Curien and Moreau pointed out that 'P2P networks reduce entry barriers in the music industry by decreasing distribution costs as well as favouring a better access to consumers for artists who do not belong to star-system' (2005, p. 19). Lee mentions that indie labels are 'more likely to pick up on emerging musical trends and bring them to market quickly' (1995 b, p. 13). This factor can be a competitive force within a market where consumers' tastes are changing rapidly.

4.5. Latest Trends, DIY Aesthetic and Independent Labels

Lee, who examined the independent label Wax Trax, mentions that

'Small label operators may need to turn away from musical genre and fundamentally rethink the process of music production and distribution. Perhaps the cyberspace of the Internet holds as music potential for redefining record company identity as it does for altering music production and consumption practices' (1995 a, p. 60-61).

One of the Internet's characteristics is that it can connect musicians and audiences directly. Kibby pointed out that 'an electronic place in which to "gather" enables a direct link between fans, and even makes possible a direct connection between fans and performers' (2000, p. 91). For instance, John Prine, who left a major label and then set up his own record label, exploited the potential of the Internet. The experiments of John Prine's Oh Boy Records, which opened a chat room, brought some commercial benefits and showed that it can be a

significant initiative to form a musical community (Kibby, 2000). The importance of interactions on the Internet between musicians and audiences has been proven by cases such as Arctic Monkey and Clap Your Hands Say Yeah (Hanley, 2005; Harley, 2006; Strachan, 2007; Rogers, 2008). Rogers states that 'The internet communities and peer-to-peer file sharing that helped make Arctic Monkeys known have fostered a revolution, helping scenes to flourish without the need for big-money marketing campaigns or focus groups' (2008). The importance of buzz on the Internet has also been suggested by Styven (2007). The author points out that buzz marketing of intangible products such as MP3s can be reliable because past experiences can guarantee the product's reliability and stimulate future sales.

Due to the easy access of the Internet, labels can even be started online. For instance, Fool House was started by bloggers who shared ideas about music. The label signs music rather than artists, choosing what fits in with their identity and projects (Collins, 2009). In addition, many things which cannot expect before is going on the Internet. For example, audiences can make mix tapes with available sound samples (Muxtape); customers can invest money in unsigned artists (Sellaband and Slicethepie); and unsigned musicians sign with a label or a company that is operating on the Internet, which adopts new Intellectual Property concepts such as Creative Commons, and offers music for free (Jamendo). It certainly shows that the Internet is very volatile and offers unexpected opportunities.

The independent labels' efforts to offer a variety of music have received positive feedback. Rogers states that 'now the drivers of the record industry are small, maverick labels that define trends and launch careers' (2008). Although major labels blame declining physical sales on illegal file sharing, independent musicians and labels have been keen to take advantage of the Internet and even give away their music for free. Musicians such as Crimea offer their new albums for free and labels such as !K7, the home of Quiet Village, offer samplers for free. Some acts, such as Wilco, have achieved increased sales as a result of

illegal file sharing. Acts who give away their music look at file sharing as a way to reach audiences and gain additional revenue from performances and merchandise (Mansfield, 2004). Although major labels are reluctant to give away their music, some music industry personnel understand its potential. For instance, Brian Message who manages Faithless and Radiohead, says that 'free music is a valuable part of the artist proposition. If we need to get into a market where we don't have a base, we can do something with free music to stimulate interest' (Perrone, 2009). In addition, as was mentioned before, the Internet allows the bypassing of traditional distribution channels, which has been a critical concern for independent labels and musicians. Fox says that

> 'Digital technologies and the Internet have radically altered the value chain for the music industry in a number of ways that reduce costs and barriers to entry. Among other things, this shift provides many more opportunities for independent music labels to diminish the major labels' historical hegemony over traditional distribution methods' (2005).

The environment of the Internet can be a place for reviving DIY aesthetics. It can guarantee artistic freedom and autonomy, which was championed by independent music in the 1970s. Pfahl argues that, through giving away music and through online communities, 'ultimate creative control will belong to them (musicians) and true artistic ability will return to music' (2001). The author's comment seems a bit optimistic, but the Internet can certainly offer various possibilities for the use of creativity, and can help maintain the success of independent labels and musicians. Kasaras points out that 'new technologies provide the "weapons" for artists to fight and regain creative control over the content. This freedom also allows artists to control their own intellectual properties rather than surrender them for marketing and distribution costs' (2002). Therefore, success of independent labels and musicians will depend on their creativity and innovation in terms of business models and music, and their capability for exploding their creativity as another cultural form and movement.

5. Main Body

5.1. <u>Personal Interests and Non-Profit Motives</u>

Various people involved with independent music labels comment that they started the label to share their ideas, to share music they like, and to produce and share music under their own terms.

> 'I started proc-records back in August of 2007 as a way to bring new ideas and concepts together, without any restrictions on the audio whatsoever (aside from it needing to fit the 'electronic' genre in some way). Before then, I had been producing music and releasing it on other net-labels and I found it frustrating at times to try to base my work around their criteria' (Interview with Adam Crammond, 23 February 2009).
> [To explain why the label was started:] 'partially as a winter hobby, back in late 2004. And partially so I could take the democratic net label Soulseek Record's idea of collaborative, sequential musical projects and evolve it, inviting many of my favorite artists to take part' (Interview with Peppermill Records, 8 March 2009).

Independent labels starters also emphasise the influence of their personal interests:

> [Explaining the reason for the start up:] '…because we were doing a blog and were frustrated to just put some great tunes out in the Internet. We needed to add a bit more meaning, to extract it from the quantity and to add something of our love to these tunes' (Interview with Fool House, 18 March 2009).

The importance of personal interest affects policy in terms of releasing music.

> 'If I would like to listen to it again in the future, I'm willing to release it. If I think it has some fundamental flaws, which would annoy me from listening to it, again I refuse the release. We have no pre-defined aesthetic line, just our taste in music and chance of demos we receive' (Interview with Filipe Cruz, 6 March 2009).

In addition, people who release music on an Internet-based label are doing so as a hobby to express their artistic identities. This was recognised in a work by Strachan, who interviewed DIY independent label owners, and commented that 'running a label is seen as an area of an individual's life untouched by the 'compromising' demands of work and commerce that they may experience in other aspects of their lives' (2007, p. 256).

Independents acknowledge this, themselves:

'A lot of the people who release music, not only here but elsewhere too, work full time jobs, go to school, raise families, etc. essentially normal people, facing normal problems and doing something that they love to do...express themselves through art of sight and sound' (Interview with Adam Crammond, 23 February 2009).

Sometimes business related issues are criticised because the aim of running the label is purely based the starter's artistic interests, and for fun as is mentioned here, 'as I do this for the fun and art of things, the business side takes the enjoyment out of running my own label' (Interview with Peppermill Records, 8 March 2009). The problem with business related matters is well known from the experiences of such labels as Rough Trade and Wax Trax!, who suffered from lack of management skills (Hesmondhalgh, 1997; Lee, 1995 a and b). But the fact that labels are run for fun and as an art form can be easily observed: they are not doing it to earn money. It is also related to what Strachan calls 'recognition' (2007, p. 255).

'We always managed to run non-profit and without resorting to spam techniques. We do our thing and hope people will care to return once they discover us. Once we include it in our catalogue we will keep providing it for free to everyone and will refuse to stop distributing it. We'll do this always under a non-profit regime' (Interview with Filipe Cruz, 6 March 2009).

These reasons for starting a label - personal interests, fun, artistic freedom and recognition - can be explained by what Strachan describes as 'personal satisfaction and engagement' (2007, p. 250). Label owners make a huge personal investment into their label but the commercial aspect is relatively unimportant to them. In addition, Strachan suggests they have a sense of 'separation' (2007, p. 252) from the music industry. Their ideological position makes them want 'to share good or interesting music with other people, promote the work of some friends while at it, and avoid release bureaucracies for my own projects' (Interview with Filipe Cruz, 6 March 2009).

5.2. Independent and Major Issues

The personnel of Internet-based independent labels are concerned about their lack of marketing resources. This problem is related to their not-for-profit origins: as one interviewees said, 'we realize a non-profit part-time hobby cannot do the same kind of marketing as the music industry' (Interview with Filipe Cruz, 6 March 2009). Strachan notes the label's awareness of their business scale limitations, suggesting that it is rooted in 'economic uncertainty' (p. 250), but it also has to do with participants' goals. Traditionally, independent labels have been regarded by many bands as a stepping stone to signing for a major label. As mentioned before, bands such as Stiff Little Fingers, who first signed with Rough Trade left for a major label after gaining popularity (Hesmondhalgh, 1997). However, this has changed, since musicians involved with the Internet-based independent labels have different goals. Their concerns are related to self-fulfillment and artistic freedom more than major label deals and financial returns, and they have other sources of finance.

> 'Artists who release on netlabels typically have other sources of income to sustain them … and therefore do not necessarily rely upon selling their artistic ability for success. Also, people measure success differently. An album on a net label that has had thousands of downloads and positive feedback can be much more rewarding [than] selling thousands of albums and only receiving moderately positive reviews. Music and art should (in my opinion) be kept away from money as much as possible' (Interview with Adam Crammond, 19 March 2009).

Many independents believe that musicians who sign with a major label suffer from limited or restricted musical creativity. Such bands are often criticised on they basis that they become a cog in the corporate machine (Strachan, 2007). The view in terms of being a major label's artist is still valid as one of interviewee mentions that

> 'If you don't mind being a bit of a tool for corporate profits, it's a good way to get exposure and make some money. Just don't let it change who you are, and get out before it's too late. The superstars wouldn't be better off of course, but that's such a tiny percentage of "acts" anyhow that it's almost insignificant. Actual artists, for the most part, I think are much better off with independents' (Interview with Peppermill Records, 8 March 2009).

In addition, one interviewee criticised current commercial trends on the Internet, arguing for the value of a do-it-yourself attitude.

> 'You see new projects like Sellaband trying to take economic advantage of that current hype, most of the projects registered in there will never make it to putting out a disc, the few that do will most probably never be big enough names, they could've just as easily (in my opinion at least, others disagree) … built up their fan base support directly. Most bands accomplish this by getting their hands dirty, booking their own concerts, handling the promotion, producing the merchandise, own investment, which is a lot nicer [than] to just delegate to someone else to handle and rip the profits but most of the times it doesn't get done right by the label/promoters. so in retrospect its better to get good connections to delegate the concert booking and promo to a (or several) trusting concert promoters, and ask a friend with an online shop to handle your merchandise for you, and so on, then to haggle with a major over money due for these things (or with an indie who usually doesn't have as much capital and free time to invest in handling all these things properly)' (Interview with Filipe Cruz, 19 March 2009).

However, there is a view that it depends on an artist's goals. Martinez says,

> 'I think it largely depends on the goals of the band in question, and is something that each act must determine for them. Those who value retaining the publishing rights for their music may have an easier time for that with an independent label. For those that wish to target commercial radio airtime, it seems like the major label is a necessary path (at least here in the USA, situation may be different abroad). And for some, having access to higher quality studio facilities and personnel will be a tipping point in the major's favor' (Interview with Marc Martinez, 23 March 2009).

5.3. <u>Open Deals, Policies and Creative Freedom</u>

Traditional independent deals, such as the equal sharing of labels like Rough Trade, are still found among the Internet-based independent labels. As Fool House states, 'we share a fair percentage of the all the sales after recouping our expenses. But we try and have the biggest liberty as possible with the songs we release' (Interview with Fool House, 18 March 2009)

However, most of the Internet-based independent labels which participated in this research do not pursue economic gains. Therefore, they can offer great freedom and flexibility in terms of deals, intellectual property rights and policies. Many express the view that musical

outcomes, being dependent on the artists, belong to the musicians: the independent labels see themselves simply as aggregators.

> 'If you want to reuse your tracks for some other project or release of yours (commercial or non commercial), that's perfectly fine as long as no one will come ask us to remove the track from our catalogue. If someone else wants to use your tracks for something, or remix it and distribute it (commercially or non-commercially) they need to contact you directly and ask for your explicit permission' (Interview with Filipe Cruz, 6 March 2009).

Another interviewee has an even more open policy.

> 'Since day one, proc-records have been completely devoted to allowing artists to express themselves as genuinely as possible. By doing so, I feel that the music is much purer and more personal. The work released here inherently belongs to the artists that release it with us. We are simply a means of getting it heard by the world. If at any time the artist wishes to remove their work from us in an effort to release it on a "major" label, they have the right to do so. People are free to download the work and to share it with others, so long as the track file information is left completely intact. It can also be played in nightclubs, on radio stations, and even be remixed by others, so long as complete original credit is given to the original artist' (Interview with Adam Crammond, 23 February 2009).

> The importance of personal interest, the key reason for starting an independent label in

the first place, is reflected in their attitude to controlling intellectual properties.

> 'It is hoped that credit will be given where due but in the end it's just out there for anyone to do with what they want. Maybe someday it will come back to us in some way but if not its just awesome to have the technology and be able to put something we created out on the net for millions to have access to all with just two guys handling all areas from the website design/server admin down to recording each individual track for each song' (Interview with Marc Martinez, 17 March 2009).

It is observed that there are significant changes in terms of deals and rights ownership. As the Internet is open to all it allows everyone to create or participate in new ways of expressing musical and artistic creativity. Financial returns are not a significant concern, although it cannot be said that the labels are entirely uninterested as they target niche markets, offering an alternative route for delivering marginalised musical forms an audience. However, this is more demonstrative of their concern to allow personal artistic expression and to deliver or share it with as many people as possible. Fisher predicted this, stating that 'the opportunities

available to new artists and to bands that appeal to "niche" markets would increase rapidly through widespread adoption of the new technology' (2000). This seems to be the Internet-based labels' desire:

> 'Comparing to the archaic music industry record label model, we don't restrict releases to what will be more popularly accepted, we want to promote diversity and let the artists themselves figure out where they stand in relation to their music and their listeners' (Interview with Filipe Cruz, 6 March 2009).

5.4. Collaboration

The Internet's main distinction is its accessibility for communication with an unlimited number of people. Information can be easily shared. This has made collaboration by people who do not live or work in the same areas (or even countries) possible. This is also related to the low-cost technologies which have enabled the development of home-studios. This process – home production and collaboration - can be a step to co-creating new value. Ebare points out that 'the related convergence of home recording and other music-making practice with home computer technologies herald even more numerous points of contact between music production and consumption' (2005). This do-it-together process is apparent from a comment made by Marc Martinez:

> 'I joined the project to gain experience with mixing, to see my ideas join with other's work (hopefully to become greater than the sum of its parts), and as an experiment in distributed collaboration. Keep it available in digital format for free and also not mandatory but recommended is to share some or all of the individual tracks of material from music pieces so others can possibly create something new and share it. We hope to entice other locally available musicians to sit in and record, widening the available palette for new material' (Interview with Marc Martinez, 17 March 2009).

This can be described by what Kelly calls 'power comes from abundance' (1997) in contrast to past conditions, under which scarcity and inaccessibility increased value.

A final product can be produced through collaboration rather than depending on one artist for an entire album. Internet based-labels recognise the benefits of, and their own suitability for, producing and promoting collaborated works:

> 'Actually another big benefit would be the cross-promotion. We have such a high variety of genres and anti-genres represented, and most just contribute one short track per project, that it's a simple way to be heard by a new audience. We're not the best for an artist looking to release an entire album of their own, but perfectly suited to put out collaborative things' (Interview with Peppermill Records, 8 March 2009).

Co-creation and collaboration is not limited to on-line, but occurs in the local scene in off-line events to promote the artists' works and alternative forms of music.

> 'Organizing compilations of specific genres and organizing release parties helps thrive the local scene. We also try to support external event promoters who believe in our projects and have assisted in organizing local festivals for alternative and experimental types of music' (Interview with Filipe Cruz, 6 March 2009).

As previously noted, Strachan describes 'the ethic of collectivism' a central to the identity of the independent labels, in contrast to a 'perceived hegemonic mainstream.' He states that 'by actively encouraging the involvement of a larger number of individuals, practitioners are attempting to demystify the popular music process, and open up access to it' (Strachan, 2007, p. 252).

5.5. The Debate about Intellectual Property

Intellectual property rights have been actively discussed, particularly after the development of MP3, file sharing, and peer to peer sharing. Critics suggest that the current intellectual property laws cannot cover what is going on the Internet. Lessig argues that,

> 'The question should not be how to regulate the internet to eliminate file sharing. The question instead should be how to assure that artists get paid, during this transition between twentieth-century models for doing business and twenty-first-century technologies' (Lessig, 2004, p. 298-299).

During the intense debate, new concepts, such as Creative Commons (CC), have been developed. Most of the not-for-profit labels that participated in the interviews had adopted this concept. One interviewee said

> 'This is a great way to protect the artist. For many, many years people have been trading music to be heard by others on various formats (most notably through cassette tape, though currently CD-R seems to the most widely accepted way), without any way to keep it from appropriately getting "leaked" or heard by others. With the advent of the Internet, people have found a new way to get their art seen or heard by a much larger and direct audience. Creative Commons is an excellent way (and by far the most respectful way) of keeping the music free and protects people on both sides of the industry, artist and listener alike! :)' (Interview with Adam Crammond, 23 February 2009).

The CC license concept permits some freedom for people to access and use CC licensed works, without waiving copyright. The level of freedom can be set by the person who licenses the work (Lessig, 2004). Lessig says of the CC license,

> 'The aim is not to fight the "All Rights Reserved" sorts. The aim is to complement them. The problems that the law creates for us as a culture are produced by insane and unintended consequences of laws written centuries ago, applied to a technology that only Jefferson could have imagined' (Lessig, 2004, p. 284).

The author (2004) also recognises that the benefit of adopting a CC license is that it helps to spread contents. For example, Cory Doctorow's book was released off-line under CC license, and the strategy was successful. Rens also notes that 'Creative Common licensing offers a new way, especially when it is combined with digital technology that makes the creation of identical multiple copies fast, cheap and easy' (2006). Another benefit, according to Lessig (2004), is that sampling becomes easier and cheaper. This then presents an opportunity for musicians who create music from existing works.

However, there are concerns that CC licensing is too complex, and that it is just another form of a concept that does not provide much flexibility.

> 'To much jib jab for me, I see it simply as we created this, here it is now listen to it or don't but here it is' (Interview with McStrum, 17 March 2009).
> 'It is an unfortunate state of affairs that modern copyright law requires such elaborate mechanisms to express the above sentiment. Perhaps I spend too much

time with the Free/Libre-Open Source Software crowd, but Intellectual Property
law and concepts really give me a headache, I much prefer to just work on my
code or music and pass things along to anyone that inquires' (Interview with Marc
Martinez, 17 March 2009).

In addition, one individual, although highly positive to the CC concept, expressed concern

that as technology now offers such a comfortable route to participation in, it will become

increasingly difficult to be heard by public and benefit from you do.

'But with how technology has made music, and soon filmmaking, much easier for
anyone with some amount of creativity to create, things will never be as they used
to be, even once society has become comfortable with digital purchasing. Because
it takes new techniques to filter through the massive amount of media being
promoted online. I highly approve of this new overabundance, it's just a bit
frustrating for smaller labels to cut through and let others know what we're up
to' (Interview with Peppermill Records, 8 March 2009).

5.6. The Future Paradigm of the Music Industry

The on-line environment offers extraordinary opportunities for change and

experimentation. Activities such as marketing and distribution can be done much more

conveniently and cheaply than in the past. McStrum says,

'I see it in a massive shift in many new directions, from Napster to iTunes, now
YouTube and so many more online avenues for artists, do huge promotional
campaigns for nearly nothing more than access to the Internet' (Interview with
McStrum, 17 March 2009).

In addition, Peppermill Records suggest that

'The industry in general will I think embrace the digital age to a much larger
extent than it already has. They'll move farther away from "albums" I think, and
focus more on "singles", packaged together in threes, or maybe EP's' (Interview
with Peppermill Records, 8 March 2009).

Digital revenue has increased from 0.4 billion dollars in 2004 to 3.7 billion dollars in 2008,

and the market share of digital music has also increased, from 2% in 2004 to 20% in 2008.

Sales of single tracks in the UK have also increased dramatically. 110 million single tracks

were sold in 2008, up 42% from sales in 2007 (IFPI, 2009). One of interviewee anticipates a significant decline in physical products, such as CDs.

> I believe that music online will turn into a system in which you pay a monthly fee to be able to stream songs in high quality with no extra charges, and that the artists will be retributed [sic] like with radio airplay. And that physical music will return to vinyl and small structures (Interview with Fool House, 18 March 2009).

CC concepts are expected to be widespread in the independent music scenes, as another interviewee noted that 'Creative Commons will become more accepted by the indie music scene. Labels might go more towards a combination of free CC releases and paid releases' (Interview with Peppermill Records, 8 March 2009).

There is also an opinion that the current music industry is doomed as it is mentioned that '[the] music industry will eventually collapse on itself. The business model will shift even further to the online models of self managed artist labels using e-commerce to strive' (Interview with Filipe Cruz, 6 March 2009). This occurrence is what Pfahl (2001) asserts will allow musicians to gain creative control. The author suggests that 'free downloads will drive demand for an artist's music, which will drive demand to see the performer live in concert' (2001).

Paying fair royalties for public performance of music has experienced difficulties: the issue was selected as one necessitating a new business model because the current system does not guarantee value to musicians or licenser (IFPI, 2009). One of interviewee understood the issue well, commenting,

> 'in 2009, we will [be] selling music license "by the flow". We help restaurants, bars, grocer stores, dentists waiting rooms, hotel lobbies, and many others, to reduce the cost for commodity music, and to avoid invoices from collecting societies like ASCAP or BMI' (Interview with Laurent Kratz, 24 February 2009).

6. Discussion

This research, which has conducted seven interviews, shows how the music industry's independent sectors operate in new technological environments. In addition, it shows how recent trends are related to independent labels' experiences.

First, the research covers the reasons that Internet-based independent labels were started and how they are operated. This research has made apparent that running independent labels on the Internet is based on people's personal interests, fun, and pursuit of creative freedom and recognition, which past research on and experiences with independent music scenes discussed. Specifically, the matter of creative freedom has been related to debates between major and independent music. This is one reason that the do-it-yourself aesthetic has influenced independent music scenes. In addition, factors such as personal interests and fun are similar to the fanzine phenomena in the punk era. Therefore, independent labels on the Internet share similar characteristics, objectives and inspirations with past independent music practices, but within new technological environments.

Second, the Internet-based independent labels' perspectives in terms of major and independent characteristics have been discussed. Many independent labels still see major labels as marginalizing musicians' creative freedom, and true artistic fundamentals as coming from the do-it-yourself aesthetic. In addition, these labels are aware of their limitations in terms of business-related issues, which previous research already discussed. However, people have different attitudes because the activities on independent music scenes are part-time jobs or hobbies. The people who are involved with independent music on the Internet have different objectives from those of mainstream musicians, such as creative freedom and easier exposure to unlimited audiences. One of the assets of the Internet environment is that music can be exposed and distributed much more conveniently and cheaply than in previous

circumstances, in which independent music sectors have had difficulty securing their distribution channel.

Third, this research has analysed the tendency to adopt open policies in terms of deals and intellectual property concerns, which can foster creative freedom. Because the various labels that participated in the interview are nonprofit, the authority to control musical works belongs to the musicians who create the music. In addition, this open-minded approach fosters diversified musical genres and autonomy for musicians.

Fourth, one advantage of the Internet is its accessibility, which can promote communications and collaborations. Internet-based independent labels are well aware of this advantage. This collaboration with seemingly unlimited resources and people stimulates the co-creation of new values and do-it-together environments. These collaborative works have been realised by producing compilation albums and organizing offline events. This collaborative attitude is one of the identifiers of independent music. This research shows that the Internet environment can offer more opportunities than the traditional environment can to favor independent musical activities.

Fifth, the research has discussed a new intellectual property concept, Creative Common. Intellectual property concerns have been a key issue in the music industry. In some critical ways, however, the current intellectual property concept is outdated and irrelevant in new technological environments. To narrow the gap between conventional intellectual property concepts and these new environments, new concepts such as Creative Common have been introduced. Most of the nonprofit, independent labels that participated in the interview use this concept. On one hand, independent labels' personnel state that this concept is a way to spread their musical works. Others, on the other hand, argue that the concept is still in its infancy and that the overabundance of information and available cultural works could negatively affect independent music sectors.

Last, the interviewees suggested how concerned they are about the music industry's future. They predict that the Internet will produce extensive opportunities and that the market structure will move further toward the e-commerce arena. They also suggested that sales will be moved to a single format. It is apparent from sales figures of single formats and artists of major labels offer luxurious box sets to provide high value and to bolster their albums' sales. Radiohead made its recent album available on its website, and let customers decide how much to pay for it. On the other hand, the band also produced a lucrative box set. In addition, the Internet will nurture self-managed musicians. This also can be related to the concert and merchandise industries' current expansion. Therefore, artists' concern in the future will be how to expose themselves and their works. It also will be how far they can be creative and innovative in terms of their musical works, and the strategies that can benefit them in the Internet space.

7. Conclusion

This research was initiated to see if past independent music experiences and aesthetics are relevant in the Internet environment. This research shows that Internet-based independent labels still accept aesthetics, such as the do-it-yourself mentality. In addition, these labels still see that major labels marginalise musicians' creative freedom, and believe that this freedom can be realised by the do-it-yourself aesthetic. However, the Internet also offers musicians various new opportunities. Within these changing, new environments, independent labels on the Internet have adopted different approaches in terms of policies and set up different goals and objectives. It shows that musicians can gain autonomy to control their intellectual properties and artistic creativity.

The Internet certainly has presented newly developed and changed circumstances to independent music sectors in the 21st century, and the labels are passionately participating in the new industry. Although Internet-based independent labels are still in a marginalised position in the music industry, the whole phenomenon in which the Internet has been introduced will expand and offer new opportunities. It is hard to say that major labels' influence on the music industry will suddenly disappear; however it is clear that the music industry is on the way to changing in terms of its market and business structure. This restructuring of the music industry can spread power, which major labels currently use to dominate the industry, to independent music scenes. However, the extent of this power shift depends on how actively and quickly Internet-based labels or whole independent labels can find new market needs and foster new cultural movements with creative and innovative works and strategies.

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Appendix (Interview Materials)

The Dejunair Project (Marc Martinez and McStrum) - http://www.dejunair.com/

Attached is the document with responses -- had to edit with OpenOffice.org, hopefully the formatting is suitable for your tools. Where there are multiple bullet points, the first answer came from McStrum, and the second is my followup -- this way you get the perspective of the project founder and a participant. (From Dejunair Project)

1. Why did you set up your label?
Partly because of being fortunate enough to acquire the equipment needed to get started I wanted to make it available to other musicians and artists who might not be afforded the same chance.
○I joined the project to gain experience with mixing, to see my ideas join with other's work (hopefully to become greater than the sum of its parts), and as an experiment in distributed collaboration.

2. What is your label policy in terms of releasing music?
○Keep it available in digital format for free and also not mandatory but recommended is to share some or all of the individual tracks of material from music pieces so others can possibly create something new and share it.

3. What policy do you have with regard to who owns the rights to the recordings you release?
It is hoped that credit will be given where due but in the end its just out there for anyone to do with what they want. Maybe someday it will come back to us in some way but if not its just awesome to have the technology and be able to put something we created out on the net for millions to have access to all with just two guys handling all areas from the website design/ server admin down to recording each individual track for each song.

4. What do you think of the new approaches to owning Intellectual Property – Creative Commons for instance?
○To much jib jab for me, I see it simply as we created this, here it is now listen to it or don't but here it is.
○It is an unfortunate state of affairs that modern copyright law requires such elaborate mechanisms to express the above sentiment. Perhaps I spend too much time with the Free/ Libre-Open Source Software crowd, but Intellectual Property law and concepts really give me a headache, I much prefer to just work on my code or music and pass things along to anyone that inquires.

5. What would be benefits for musicians who work with your organisation in terms of creative freedom, promotion and future careers?
○For creative freedom, anything goes – we are certainly willing to release alternative versions of tracks that omit particular adaptations, and with our normal approach of including individual instruments others are free to re-assemble in any way that suits them. There is not very much we can offer in the way of traditional promotional handling, but it does seem impressive how the word gets around once a few people start recycling materials. Since we are a community driven artist collective rather than a traditional publishing house, promotion and future careers seem a bit out of place for us.

6. Would you believe that acts might be better off on an independent label when compared with a major?
I think it largely depends on the goals of the band in question, and is something that each act must determine for themselves. Those who value retaining the publishing rights for their music may have an easier time for that with an independent label. For those that wish to target commercial radio air time, it seems like the major label is a necessary path (at least here in the USA, situation may be different abroad). And for some, having access to higher quality studio facilities and personnel will be a tipping point in the major's favor.

7. How you see the future of the music industry and intellectual property concepts
○I see it in a massive shift in many new directions, from napster to itunes now youtube and so many more online avenues for artists to do huge promotional campaigns for nearly nothing more than access to the internet (excluding music creation costs themselves).
○Hopefully the future will be stranger than I can imagine. The maze of intellectual property handling is a large part of what drove me away from trying to make a living playing music when I was younger. While I try to be respectful of other artists who do thrive within that system, the prevailing concepts seem misguided to my naïve perspective.

8. Please explain the current status of your organisation and how you see the future of your organisation
○Day to day keeping it free and open.
○For current status, things have been moving at a very halted pace for the past year, with each of us relocating our homes and settling into new "day jobs". One thing that seems to be inhibiting other musicians from joining in more readily is the somewhat high bar of handling the software side to interact with our existing process. As we both try to build up our own studio environments, we hope to entice other locally available musicians to sit in and record, widening the available palette for new material.

Enough Records (Filipe Cruz) - http://enoughrecords.scene.org/

1. Why did you set up your label?
Wanted to share good or interesting music with other people, promote the work of some friends while at it, and avoid release bureaucracies for my own projects.

2. What is your label policy in terms of releasing music?
I f i would like to listen to it again in the future, I'm willing to release it. If i think it has some fundamental flaws which would annoy me from listening to it again i refuse the release. We have no pre-defined aesthetic line, just our taste in music and chance of demos we receive.

3. What policy do you have with regard to who owns the rights to the recordings you release?
I can show you the terms of release which i show to every single artist:
by agreeing to release at enough you're giving us permission to distribute your music non-profit under a creative commons license by-nc-nd
this basically means three things:
- once we include it in our catalogue we will keep providing it for free to everyone and will refuse to stop distributing it. we'll do this always under a non-profit regime. mostly online through direct download http/ftp servers (scene.org, archive.org) but also p2p sites (soulseek, direct connect, torrent sites) and other media repositories / online radios (last.fm, jamendo). we also do some occasional cdrs and dvdroms of our editions and compiled catalogue, so its possible it'll also be included in that media, always in non profit regime.
- if you want to reuse your tracks for some other project or release of yours (commercial or non commercial), that's perfectly fine as long as no one will come ask us to remove the track from our catalogue
- if someone else wants to use your tracks for something, or remix it and distribute it (commercially or uncommercialy) they need to contact you directly and ask for your explicit permission, of course you can also choose a different cc license allowing you to wave that right if you want, just tell us what other license you'd like to use if that's the case (creative commons has several other options for example) and we'll refer to it on our release.

4. What do you think of the new approaches to owning Intellectual Property – Creative Commons for instance?
I think it's still a flawed hack that was thrown together to fix a much deeper problem, but a useful tool to a lot artists. A step in a better direction at least.

5. What would be benefits for musicians who work with your organisation in terms of creative freedom, promotion and future careers?
Comparing to the archaic music industry record label model, we don't restrict releases to what will be more popularly accepted, we want to promote diversity and let the artists themselves figure out where they stand in relation to their music and their listeners. We promote by distributing the releases online (scene.org, archive.org, last.fm, vuze, soulseek), printing and offering occasional physical editions (mostly audio cdr, and data dvdrom, but have also already do vinyl and are planning to do cassette tapes just for the cult of it)
 As for future careers, we plan to promote what gets released on our catalogue, we realize a non-profit part-time hobby can not do the same kind of marketing as the music industry but we try to help build a listener base to our artists and support them in any way we can.

Organizing compilations of specific genres and organizing release parties helps thrive the local scene. We also try to support external event promoters who believe in our projects and have assisted in organizing local festivals for alternative and experimental types of music. We don't ostracize popular music types but we prefer to promote non mainstream, its usually in a worse lack of attention shape.

6. Would you believe that acts might be better off on an independent label when compared with a major?
It largely depends on their objectives. surely a major has more capacity to promote a hit single and take the project's image to more mainstream media. on the other hand they'll take 90% of the earnings from your work and leave you stranded in a corner if you arent producing a follow up garanteed hit.
Of course there are lots of grey areas between majors and indies. i think for a project to maximize the benefits he should dwelve in both if possible, problem is that that concept makes the project seem somewhat hypocrit so most acts go all in on the poker challenge and hope for the best. usually the house, being the music industry, wins. neubaten, radiohead and nine inch nails are good examples of well executed plans to seperate waters between having to rely on the majors and the independant way to just get your work out to the people who'll listen and pay, but they're not coming up with any new or revolutionary plans, other projects have been doing similar things in the past, these 3 acts just happened to already have a well established name and a large enough fan base to support the venture, most starting acts do not. you see new projects like sellaband.com trying to take economic advantage of that current hype, most of the projects registered in there will never make it to putting out a disc, the few that do will most probably never be big enough names, they could've just as easily (in my opinion atleast, others disagree) have built up their fan base support directly.
most bands accomplish this by getting their hands dirty, booking their own concerts, handling the promotion, producing the merchandise, own investment, which is alot nicer to just delegate to someone else to handle and rip the profits but most of the times it doesnt get done right by the label/promoters. so in retrospect its better to get good connections to delegate the concert booking and promo to a (or several) trusting concert promoters, and ask a friend with an online shop to handle your merchandise for you, and so on, then to haggle with a major over money due for these things (or with an indie who usually doenst have as much capital and free time to invest in handling all these things properly)
so: its a complicated question, but i believe most bands are better off going solo and adhering to random indie labels then binding themselfs for life with a major who wont nurture for them unless they meet their quota. going solo doenst work for all projects though, some just dont care about doing proper promotion/PR, so having a trusting manager and representative could have a new found relevance in the indie scene again.

7. How you see the future of the music industry and intellectual property concepts
music industry will eventually collapse on itself. The business models will shift even further to the online models of self managed artist labels using e-commerce to strive. I have no clue what will happen with intellectual property concepts, i reckon the lobby will keep it alive but the piracy scene is responding quite strongly against it. Personally i would like to hear derivative work without bureaucracy involved in getting it distributed. On the other hand i disagree of getting fame and fortune on the work of others. I find creditation of sampling and influences very important (much like it has been in the scientific world where a of citations destroys your credibility and reputation) but i also believe the general public is oblivious to

these concerns and lacks much education on what is creative work and what is recycled pop for the masses.

8. Please explain the current status of your organisation and how you see the future of your organisation

we started with a net radio which died out, we grew into a respectable net label trying to promote new and established artists alike, local and foreign talent alike. We always managed to run non profit and without resorting to spam techniques. We do our thing and hope people will care to return once they discover us. We have co-organized festivals and compilations with release parties, along with occasional events featuring our local artists. We been running 1 person show for over 5 years, with some assistance on printing physical editions and organizing events.

We plan to keep doing this and recruit more assistance in organizing events, marketing / design.

The future lies in subverting the music industry some more:

a) use the campaign against illegal download to inform people there is also quality and legal free music available.

b) educate the victims of the organizations who illegally extort intellectual property taxes from places which airplay music that they shouldn't be paying to play music unless the money is guaranteed to go to the actual artists who have been air played

Ideas for restarting a net radio are also bubbling

And support even more all local events of net audio activism in any way possible.

Fool House - http://foolhouse.fr/

1. Why did you set up your label?
Because we were doing a blog and were frustrated to just put some great tunes out in the internet. We needed to add a bit more meaning, to extract it from the quantity and to add something of our love to these tunes.

2. What is your label policy in terms of releasing music?
Limited edition 12 inches vinyls, no repress, photograph sleeve made especially by Gala Collette which include herself in a self-portrait series. We also do digital packages including extra tracks because it is a way to make the music more known, but the object are the heart of our project.

3. What policy do you have with regard to who owns the rights to the recordings you release?
To put it simply, we share a fair percentage of the all the sales after recouping our expenses. But we try and have the biggest liberty as possible
  with the songs we release. The label is like a thematic compilation coming in several volumes and a song released on Fool House is so to say as much a Fool House song as the artist song.

4. What do you think of the new approaches to owning Intellectual Property – Creative Commons for instance?
Looks fine as long as you are not aiming to get money with it.

5. What would be benefits for musicians who work with your organisation in terms of creative freedom, promotion and future careers?
It's good for them in terms of image and promotion mostly. With 500 vinyls you can't make a lot of money. If a release has an incredible success digitally you can make a few money.

6. How you see the future of the music industry and intellectual property concepts
I believe that music online will turn into a system in which you pay a monthly fee to be able to stream songs in high quality with no extra charges, and that the artists will be retributed like with radio airplay. And that physical music will return to vinyl and small structures.

7. Please explain the current status of your organisation and how you see the future of your organisation
We are a French association (law of 1901). We might turn into a French SARL (small business) to propose edition deals.

Jamendo (Laurent Kratz) - http://www.jamendo.com/en/

1. Why did you set up your label?
Jamendo is not a label. We do not ask the creators to transfer rights
to Jamendo. Jamendo is the biggest Creative Commons Licensed music community of the world. We distribute, filter, promote Creative Commons Licensed Music and share revenues with artists. Jamendo started early 2005 and has been funded mid 2007 by Mangrove Capital Partner. We've manage to grow pretty well to a critical mass of 100.000 tracks, nearly 15.000 albums from 60 countries. And most important of all, the music is good! Start listening Jamendo using our radios :http://www.jamendo.com/en/radios/
Jamendo business model is to certify the music comes from unsigned band. We sell this certification for licensing usage "by the cut" for movies, corporate CDs, corporate websites. In 2009, we will selling music license "by the flow". We help restaurants, bars, grocer stores, dentists waiting rooms, hotel lobbies, and many others, to reduce the cost for commodity music, and to avoid invoices from collecting societies like ASCAP or BMI.

2. What is your label policy in terms of releasing music?
Creators have to guarantee they represent their content, they are not encumbered by exclusive deals like the ones with labels and collecting societies.

3. What policy do you have with regard to who owns the rights to the recordings you release?
Creators keeps the rights, but have to choose one of 6 CC licenses for public release.

4. What do you think of the new approaches to owning Intellectual Property – Creative Commons for instance?
Jamendo is world's biggest CC music community. We are CC music on steroids.

5. What would be benefits for musicians who work with your
organisation in terms of creative freedom, promotion and future careers?
Jamendo is one of the tools ... No exclusivity. Nice exposure, some revenue, nothing to loose.

6. How you see the future of the music industry and intellectual property concepts
Pas de problème.

Peppermill Records - http://www.peppermillrecords.com/

1.Why did you set up your label?
Partially as a Winter hobby, back in late 2004. And partially so I could take the democratic
net label Soulseek Record's idea of collaborative, sequential musical projects and evolve it,
inviting many of my favourite artists to take part.

2. What is your label policy in terms of releasing music?
Everything is freely downloadable, via a Creative Commons license. Meaning it can be
shared, but not sold or altered without our permission. We've flirted with the idea of also
selling hard copies of the albums, but in these transitional times, it's too much effort to bother,
as I do this for the fun and art of things, the business side takes the enjoyment out of running
my own label. It's a one-man operation by the way, for the most part. I like having total
control over the final product. But since so many people are involved in every release, and
I'm always open to ideas, it's not such a lonely job.

4. What do you think of the new approaches to owning Intellectual Property – Creative
Commons for instance?
I really like it. Art is a form of expression, and there's an almost unfathomable amount of
talented people out there willing to contribute their work under a CC license, for no pay at all.
I do believe that the most talented and dedicated ones should be able to make a living off their
art, and i think it'll become a bit easier to do once again in the future. But with how
technology has made music, and soon filmmaking, much easier for anyone with some amount
of creativity to create, things will never be as they used to be, even once society has become
comfortable with digital purchasing. Because it takes new techniques to filter through the
massive amount of media being promoted online.   I highly approve of this new
overabundance, it's just a bit frustrating for smaller labels to cut through and let others know
what we're up to.

5. What would be benefits for musicians who work with your organisation in terms of creative
freedom, promotion and future careers?
There's a lot more artistic freedom overall. Depending on the project of course, as some have
certain limitations, time or theme-wise. But there's a benefit in that as well, as artists have
told me that, for instance, being forced to make a song from scratch in 24 hours kick-started
them out of a bout of writer's block and started them on a creative frenzy. I heard that from
more than one participant in our 30 Days album. Also, Peppermill doesn't have all the same
legal loopholes to jump through, as it's sort of a hobby/fringe label. Actually another big
benefit would be the cross-promotion. We have such a high variety of genres and anti-genres
represented, and most just contribute one short track per project, that it's a simple way to be
heard by a new audience. We're not the best for an artist looking to release an entire album of
their own, but perfectly suited to put out collaborative things.

6.Would you believe that acts might be better off on an independent label when compared
with a major?
The superstars wouldn't be better off of course, but that's such a tiny percentage of "acts"
anyhow that it's almost insignificant. Actual artists, for the most part, I think are much better
off with independents. Or just go label-less. Although most do prefer a support system that
local label provides, interacting in person with like-minded others to perform shows with and

tour with, and with a label can focus on creating things instead of worrying about the promotional side. But hey, if you can get signed, why not. If you don't mind being a bit of a tool for corporate profits, it's a good way to get exposure and make some money. Just don't let it change who you are, and get out before it's too late. Which is a tall order, but some manage, at least with the more specialized major-label offshoots.

7. How you see the future of the music industry and intellectual property concepts
Firstly I think people will return to a higher fidelity, and mp3's will eventually sound inferior to most ears, as they should. Everything will be lossless audio. Vinyl will stick around in some form, and cd's will have their retro place among very diy labels, but the industry in general will I think embrace the digital age to a much larger extent than it already has. They'll move farther away from "albums" I think, and focus more on "singles", packaged together in threes, or maybe EP's. But I'm not sure about that, I hope the LP sticks around. I also think that Creative Commons will become more accepted by the indie music scene. Labels might go more towards a combination of free CC releases and paid releases. Which I personally find a bit cumbersome right now, but will probably get used to if it becomes the norm. Maybe because too many free albums are of inferior quality, and in this day when any music can be freely previewed almost instantly, why settle for filler? I would like for some of the things we're doing at Peppermill, and a few others are doing also, to become more common, which is doing themed, highly conceptual musical art projects. Or at least collaborative albums of the highest quality, given away by the label free of charge, in between the single-artist albums that they sell. Something in that order I believe would work well, no idea though if it'll catch on.

8. Please explain the current status of your organisation and how you see the future of your organization?
I picture the Peppermill as growing to the point where it's recognized by most indie media as a specialty label worth watching. We don't put out as much as most, but what we do we do well. And with stuff coming up like these audiofilms we're starting soon, we'll start pushing the envelope a bit more, we might never be a household name but hopefully we'll be a beacon for lovers of adventurous melodies and rhythms.

1. Why did you set up your label?
I started proc-records back in August of 2007 as a way to bring new ideas and concepts together,
without any restrictions on the audio whatsoever (aside from it needing to fit the 'electronic' genre in some way). Before then, I had been producing music and releasing it on other net-labels
and I found it frustrating at times to try to base my work around their criteria.

2. What is your label policy in terms of releasing music?
Since day one, proc-records has been completely devoted to allowing artists to express themselves as genuinely as possible. By doing so, I feel that the music is much purer and more personal. Unlike many other net-labels who ask for specific file types and encoding qualities (for example, 192kbps Mp3), I let the artist decide for themselves how they wish to release THEIR work. If they feel it sounds better at a lower bitrate, they should be allowed to release it in such a way!

3. What policy do you have with regard to who owns the rights to the recordings you release?
The work released here inherently belongs to the artists that release it with us. We are simply a means of getting it heard by the world. Each release comes complete with it's own catalog number, and each track is labled as being shared both by proc-records, and by the artist themself.
If at any time the artist wishes to remove their work from us in an effort to release it on a "major" label, they have the right to do so. People are free to download the work and to share it with others, so long as the track file information is left completely intact. It can also be played in nightclubs, on radio stations, and even be remixed by others, so long as complete original credit is given to the original artist. Follow this link for more details...
http://creativecommons.org/licenses/by-nc-sa/3.0/us/

4. What do you think of the new approaches to owning Intellectual Property – Creative Commons for instance?
In my humble opinion, this is a great way to protect the artist. For many, many years people have been trading music to be heard by others on various formats (most notably through cassette tape, though currently cd-r seems to the most widely accepted way), without any way to keep it from appropriately getting "leaked" or heard by others. With the advent of the internet, people have found a new way to get their art seen or heard by a much larger and direct audience. Creative Commons is an excellent way (and by far the most respectful way) of keeping the music free and and protects people on both sides of the industry, artist and listener alike! :)

5. What would be benefits for musicians who work with your organisation in terms of creative freedom, promotion and future careers?
Over the past year or so, proc-records has quickly become an internationally recognized respected net-label. The main page receives an ample amount of views and downloads daily, and the response from many people has been extremely positive. In many cases, this has been the most exposure a few of our artists have ever received and has helped get the creative juices flowing (or keep flowing haha). A lot of the people who release music ,not only here

but elsewhere too, work full time jobs, go to school, raise families, etc. essentially normal people, facing normal problems and doing something that they love to do...express themselves through art of sight and sound.   Proc-records is a great place for people to do so, with a very "come as you are" style and welcoming atmosphere. I feel this approach to the net label concept has been a *tremendous* advantage to the success that proc-rec has incurred.

6. Would you believe that acts might be better off on an independent label when compared with a major? I think that it really all depends on what the artist(s) are trying to accomplish. Obviously, even the "major" labels started out small at one point, and there were artists at that time who felt that particular label was best suited to their needs. Artists who release on net labels typically have other sources of income to sustain themselves upon, and therefore do not necessarily rely upon selling their artistic ability for success. Also, people measure success differently. An album on a net label which has had thousands of downloads and positive feedback can be much more rewarding that selling thousands of albums and only receiving moderately positive reviews. Music and art should (in my opinion) be kept away from money as much as possible.

7. How you see the future of the music industry and intellectual property concepts
I feel that the net label will find <u>some</u> commercial success, though for the most part, it will remain very much underground. With many people focusing their intentions on becoming rich and famous as opposed to making quality, strong, heartfelt music, labels like proc-records will continue to thrive without much interference from the outside world, aka people who get their music from major retailers.

The mission statement of proc-records will always remain the same. We welcome strangers and new-comers alike, and I try to answer ALL emails in a timely fashion. I try to make sure that the music released here fits the electronic genre, and also make an effort to test it's genuiness. For example, whether or not someone actually cared about the music they have just created.
I feel that by focusing your intentions on becoming wealthy or famous from your work greatly impacts the quality of the material. There are other ways to *make money* off of making music (performing live for example). Proc-records will always remain underground, and I am happy with such an honor. :)