

Editorial

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This issue of the International Journal of Music Business Research covers a wide, if seemingly disparate range of topics. A closer scrutiny of the articles reveals certain links between them as they cover collecting societies, music in advertising and the peer production of live albums.

Professor Dietz, the former head of the Max-Planck-Institute for Intellectual Property and Competition Law in Munich (Germany) delivered a speech about the proposed EU Directive on Collecting Societies to the 4th Vienna Music Business Research Days in June 2013. An updated version of that speech is published here. Within the intervening time period, the European Parliament as well as the EU Council passed the Directive, which will be enforced within the EU member states. The new Directive aims to create a more efficient framework for collective licensing of online music uses by eliminating national monopolies over the global repertoire. In Professor Dietz's view this goal is in conflict with the principle of cultural diversity to which the Commission as well as other EU organs are strictly bound. He highlights the cultural function of copyright law as well as the collecting societies and in particular their role in protecting cultural diversity. The new EU Directive conversely, will strengthen the position of the large collecting societies administering vast and popular repertoires. As a result, those collecting societies in the smaller member states with minority languages will struggle to survive and may eventually disappear. This could endanger the smaller national repertoires and reduce cultural diversity within the European Union.

The second article by David Allan of Saint Joseph's University in Philadelphia (U.S.) deals with the relevance of popular music for brand and artist awareness in television commercials. He conducted a study

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among 48 undergraduates at a large U.S. university asking for ad familiarity and brand attitude in relation to different types of music. The study found that a favourite song in an ad has a significantly high impact on brand awareness. These findings are significant, since earlier studies that the author evaluates extensively, arrived at a different conclusion. It is therefore important for advertisers to become aware of the target groups' music tastes and favourite songs to develop a positive emotion towards the brands. Despite their high costs, licensing popular music titles for commercials pays off. Since advertising is an important income stream for music rights holders, it is essential to control large popular music catalogues for further monetisation. Although collecting societies are not always involved in licensing synchronization rights, Allan's study implicitly confirms Adolf Dietz's fear that niche music is under threat in an increasingly hit-driven music landscape leading to a reduction in cultural diversity.

The third article by Steven C. Brown of Glasgow Caledonian University (Scotland) explores the relevance of peer production for live music albums. Although the 'bootlegging' of music shows by fans has been a constant in the live music business, co-creation by peers is a new phenomenon that has emerged in the digital economy. Certain bands such as Pearl Jam, Nine Inch Nails and Blur fostered fan participation in their live music shows by encouraging them to record their shows on mobile phones and other devices for wider circulation. Allowing this not only strengthens the artist to fan relationship but creates added value for the artists as well. As consumer studies indicate "*(...) increased value is attached to both utilitarian and hedonistic products which are self-made as compared to otherwise identical products which were not self-assembled*" (p. 59). This shows there is an economic rationale to integrating fans within the overall production process of music. It also, however, begs questions of the traditional notions of authorship and suggests these could become obsolete. All those stakeholders actors preoccupied with the protection and monetisation of copyright, in particular the collecting societies, will, therefore, be under pressure to change their licensing and remuneration systems. Peer production additionally

could also change the rationale for making commercials if individual music preferences become more important for brand awareness.

In summary each of the three articles in this issue of the journal point to the future development of a music business that will be more participatory and interactive. This represents a challenge to the current legal framework as well as the functioning of the existing music licensing regimes.

The IJMBR is aimed at all academics, from students to professors, from around the world and from all disciplines with an interest in music business research. Interdisciplinary papers are especially welcomed if they address economic and business related topics in the field of music. Thus, we look forward to receiving as many interesting papers as possible and request that you send papers for consideration to:

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