

Disintermediation Effects on Independent Approaches to Music Business¹

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Abstract

In the aftermath of the digital revolution, business models are changing and disintermediation is impacting the music economy. In these circumstances, we observe the widespread claim that music artists are able to successfully reach the market on their own, leveraging access to networked global communications and the use of digital network media as a means of production. This paper argues such arguments feed on the ideals of independence in the context of an experimental and transitional stage that the music industry is currently undergoing, and that may be part of a recurrent cycle leading to the establishment of a new generation of intermediaries.

Keywords: Independence, disintermediation, digital network media, music industry

1 Introduction

With the advent of the digital revolution and the Internet, business models and strategies of the traditional players within the music industry's landscape have significantly changed. In this new reality characterized by easy access to networked global communications and the matu-

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ration of Web technologies, the effects of disintermediation are increasing (Chircu & Kauffman 1999: 112-114). The major record labels that created and developed a lucrative business model and had been the main driver of the industry over the past few decades, have been badly hit (Young & Collins 2010: 341). They have been reducing investment by cutting costs, laying off staff, and contracting ever fewer artists, mostly those who have proved themselves in the independent circuit (Dahl 2009: 210).

At this juncture, independent music production has become the most significant model of production (Hracs 2013: 6). With the introduction of digital technologies and the decrease of production costs, independent artists are making extensive use of home studios for production, and of digital networked media for dissemination and promotion (Leyshon 2009: 25). These platforms are continuously emerging with open and decentralized business models that take advantage of social networks and community resources (Benkler 2006: 138).

Digital networked media can be considered as a means of production within the context of a transformed music culture, that shifted from a push music culture, in which the few produce for the many, to a networked on-demand music culture, in which networks enable participation through music-related activities such as production, publishing, commenting and sharing (Winter 2012: 47). By offering affordances based on functions that typically integrate the value chains of traditional industry agents (record labels, distributors, record promoters, radio stations, etc.), these platforms are an example of media innovation that may support alternatives to an artist's autonomous and independent approach to his creative and business endeavours, as well as a more direct and successful relation with the consumer of his music.

The purpose of this paper is to discuss and to understand how the conditions and the affordances of digital network media, as a means of production and allocation, seem to affect intermediation processes in the independent sector of the music economy. Traditional intermediaries of the music industry organized these processes, but "ordinary people", "artists" and their networks are now able to have control of them.

The new business models that are developing in the digital networked media may help to understand the transformation of relationships within the context of contemporary independent music business.

We start by contextualizing the emergence and motivation of independent music artists. We then propose that disintermediation may support independent and do-it-yourself (DIY) approaches to music business, to which the affordances of digital networked media offerings contribute. Based on empirical support on disintermediation in independent music production, we will discuss how and to what extent the business approaches are changing. Finally we will address how disintermediation fits in with media innovation and explain how the music industry may be going through transitional stage that is part of a recurrent cycle leading to the establishment of a new system and new intermediaries.

2 Contextualizing the emergence and motivation of independent music artists

Within the context of the music industry, the term 'independent' or 'indie' is applied to agents with no ties to a major record corporation. It derives from the industrial organization behind it, the independent record company (Hesmondhalgh 1999: 35) and it is commonly applied to music artists and business professionals.

Hibbett (2005) contextualizes the political ideals behind the indie music movement as derived from the punk and anarchist ideals of democratization, decentralization and free access to the music market. The indie music movement "*demonstrates the principles and politics of a 'superior' art*" in which "*obscurity becomes a positive feature, while exclusion is embraced as the necessary consequence of the majority's lack of 'taste'*" (Hibbett 2005: 34). Indie correlates to artistic integrity, aesthetic quality and to the cutting edge; it stands as both 'trendy' and exclusive, acquiring meaning from opposition to the mainstream, in a perpetual construction that seeks and encompasses novelty (Hibbett, 2005: 58).

However, capital markets conflict with the ideals and political background of the independent movement. Hesmondhalgh (1999: 35-36) analysed the causes and the consequences that pushed independent record companies to adopt the practices of professionalization and partnerships with major corporations. Factors identified include working in a high-pressure business and industry, facing a high risk of bankruptcy, work overload and general management difficulties based on the dilution of personal and professional life areas and relationships. Nonetheless, professionalization was seen as undermining the 'indie' principles, given the implied compromises needed to secure commercial success and pecuniary rewards to the detriment of the original purism and idealism. Such circumstances led independent artists to professionalize to better cope with the industry's needs and by overriding the original ideals of independence and 'selling out', while driving other musicians and staff out of the industry (Hesmondhalgh 1999: 35-36).

With the restructuring of the music industry, following the digital revolution, independent music production has evolved from a niche market position to a mainstream model (Hracs 2012: 6). In the pre-digital revolution, "*traditional independent production was really an ad hoc system with inherent limitations*" (ibid.: 454); money and specialized professionals were required even for basic productions and distribution was limited to the streets and after-shows (ibid.). With the introduction of digital technologies and the decrease in production costs, home studios emerged, and music production was made more accessible to the general public (Leyshon 2009: 25). Independent artists are now making extensive use of home studios for production, and of digital networked media for global dissemination and promotion. However, while this may better provide them with a long sought-after autonomy and creative control over their music, it also demands more effort from a variety of required activities including musicianship, performance, technical, through to business aspects.

3 Disintermediation as a support for independent and DIY approaches to music business

In economics, an intermediary offers intermediation services between two trading parties, a supplier and a customer, or between other intermediaries. The intermediary acts as a channel for goods or services offered by the supplier, providing added value to the transaction. Disintermediation, also known as "cutting out the middleman", occurs when intermediaries are removed from the supply chain. The term was first used as a result of changes in the financial services industry, with the diversion of savings from bank accounts with low interest rates to direct investment in other financial instruments (Gellman 1996: 2). Several factors seem to explain this phenomenon such as the supplier's internalization of activities traditionally performed by intermediaries (Sarkar et al. 2006) and the extent of market transparency leading to increased knowledge of supply pricing for the buyer. (Picot & Bortenlanger 2006: 117).

Benjamin & Wigand (1995) argue that, within a ubiquitous communication network such as the Internet, the ability to support direct exchanges efficiently would benefit both a producer and the consumer: the manufacturers are able to retain more surplus value or generated profits, while the consumers benefit from both a larger choice and lower prices. This is what happened with the emergence of electronic commerce at the beginning of the dot.com boom (circa 2000), which was seen as a tool of disintermediation given that the Internet would allow consumers to purchase products directly from producers. According to Whinston, Stahl & Choi (1997: 555) the emergence of technologies for electronic commerce on the Internet provides new ways of interaction between the players in a market. In fact, the use of an information technology infrastructure shortens the supply chain, cutting costs, optimizing operations, and allowing as a consequence higher value capture and redistribution of profit along the value chain.

The most clear cut example of disintermediation in the music industry is posed by so-called 'Music 2.0' (see Leonhard 2008) which claims to create a world without major record labels, building on the communica-

tion and distribution potential of the Internet. Encompassed within the Music 2.0 ideal, is the incentive for individual musicians to adopt a do-it-yourself (DIY) and direct-to-fan business approach, to build a fan base independently and publish their music using the plethora of web tools and online platforms that keep emerging in the online landscape. The underlying argument appears to have permeated throughout the media, and can be observed in studies involving groups of musical artists (Young & Collins 2010; Hrac 2012) which confirm their awareness of the fundamental importance of the direct engagement with their audiences, of the resources that are required to build this relationship, and of the role of new technologies in enabling and developing it.

4 The affordances of digital networked media and their contribution to the independent approach

Perceptual psychologist James Gibson (1978: 18) introduced the concept of affordances as objective, actionable properties of objects that are perceivable as such, denoting action possibilities that an environment provides to an individual. For Norman (1988: 9), a perceived affordance is a design aspect of an object which suggests how it should be used. In recent research, Gibson's theory of affordances has been extended in several directions, from collaborative affordances (action possibilities for joint actions) (Davies et al. 2010) to instrumental, auxiliary, maintenance, aggregation and learning affordances (Kaptelinin & Nardi 2012).

We propose to use of the concept of affordance analogously to Winner's (in Benkler 2006: 17) definition of affordances as "political properties" of technologies. Benkler considers the dynamic relation that regulates the tension between the technological affordances, the social and economic practices, the law, and its consequences in the *"practices of human interaction with information, knowledge, and culture and with production and consumption"* (ibid.: 26). We look at the affordances of digital network media in the same sense as Benkler does when referring to the characteristics and functions that social software is designed with

and *"that have a certain social-science or psychological model of the interactions of a group"* in order to enhance the survivability and efficacy of that group (ibid.: 374).

In this sense, digital networked media provides not only effective functional elements, but also cues about their importance and the possible ways for its target audiences to interact with in order to fulfil their needs. This suggests that what needs to be done to grow a successful project is available to anyone with the knowledge to use these tools, failing which is, willing to expend the required effort to learn how to. This converges with the notion that digital networked media can be seen as means of production available to everyone (Winter, 2012).

Figure 1 presents a diagram with mappings between a sample of selected digital network media and the affordances that they provide. Overall, these platforms seem to afford many, if not all, of the functions provided by traditional intermediaries. That covers financial support, management, marketing, promotion distribution, and social affordances.

Others have provided research on the impact of digital network media on the business practices of independent music artists. Wendel (2008) examines the significance of the role that social networks play in the practices of independent music artists, both in the offline and online contexts. The author provides a comparative analysis of two case studies: UK-based Rough Trade independent record label (1978–1991) as an offline social network, and MySpace (2003–present) as an online social network. Wendel examines the structure and the affordances of each of the social networks, focusing on similarities and differences that have affected independent artists' practices. The author concludes that social networks are fundamental for the success of any music project, both in the context of a record label or provided by a dedicated online service.

Valladares (2011) explored the landscape that web-based and social media tools have provided for independent music producers. He identifies production, promotion, and distribution as key areas where digital network media is having a significant impact on the strategies and practices of producers of independent music. He concludes that artists have

a diversified and flexible approach to online social networking platforms and Internet based tools.

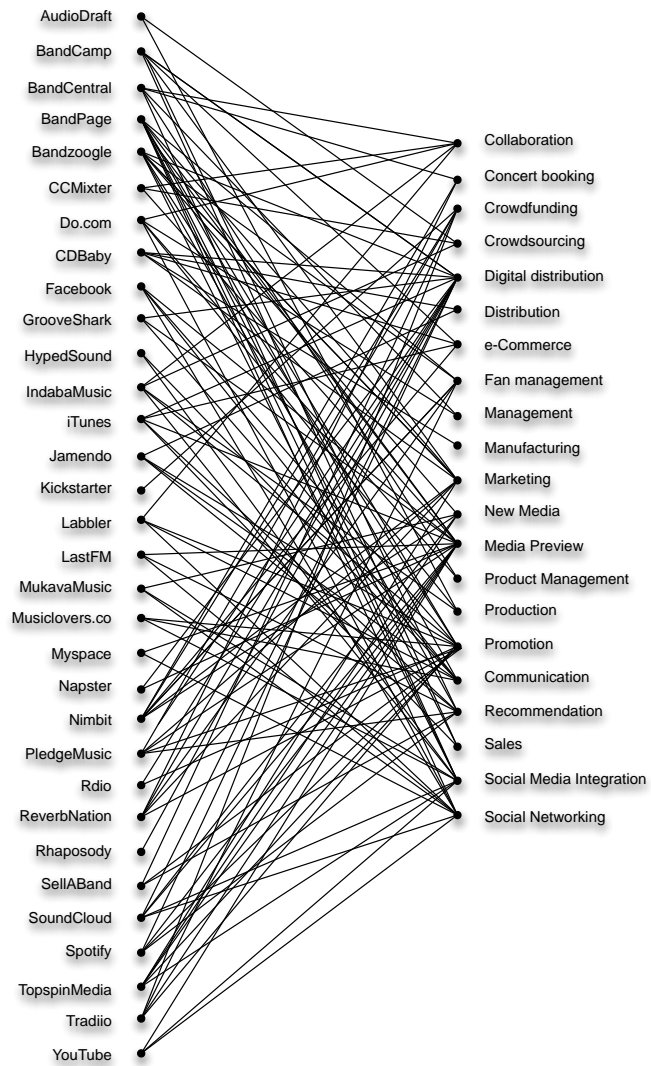


Figure 1: Affordances of digital network media

Besides distribution and promotion, independent music artists may currently assume other functions performed by the traditional label. Online management tools such as project and task management applications are now delivered in the cloud as software-as-a-service. Asana³, Do⁴ and Trello⁵ are generic tools that enable project, task and team management in a social and collaborative environment. In fact, these have paved the way for more specialized music management applications such as ArtistGrowth⁶ and Bandcentral⁷. ArtistGrowth has both web and mobile versions that help musicians and their staff to manage their careers. It provides a general utility toolset that aims to enhance the productivity of the artist, agency, manager and label, in exchange for a monthly fee. Functionalities range from smart calendarization through to financial management with revenue projections, expense tracking and reporting, facilitated submission of live set and royalty lists to BMI and ASCAP, merchandise inventory, contacts, social media and even access to an extensive database of venues, press and radio outlets.

Online social media such as Facebook, Twitter, Myspace, and YouTube, provide great tools to market products, services, and ideas. Several sites, online marketers and blogs provide guidance on how music artists can make the best use of these tools. Their use is considered essential to build awareness of music sales, ticket sales and merchandise, and for engaging with fans anywhere in the world. Other apps such as Topspin, Reverb Nation and Nimbit, are more focused on music promotion, and more oriented to the independent and DIY music artist. The Topspin web application, for instance, *"allows an artist to harvest, organize, analyse, and capitalize upon marketing information"* (Schafer, 2009). Topspin users can access recent music sales and marketing data, manage their assets catalogue, use embeddable widgets to create storefronts and acquire fans through email collection, and manage the fan base and customer orders.

³ Asana (n.d.), retrieved June 8, 2014 from <http://www.asana.com>

⁴ Do (n.d.), retrieved June 8, 2014 from <http://www.do.com>

⁵ Trello (n.d.), retrieved June 8, 2014 from <http://www.trello.com>

⁶ Artist Growth (n.d.), retrieved June 8, 2014 from <https://artistgrowth.com>

⁷ Band Central (n.d.) retrieved June 8, 2014 from <http://www.bandcentral.com>

A recent phenomenon is crowdfunding, a web-based funding model that potentially substitutes the funding muscle of record labels. In a crowdfunding campaign, promoters request funding from a multitude of individuals through an on-line platform, usually in return for rewards, such as future products or personalized gifts. Kickstarter⁸, Indiegogo⁹ and RocketHub¹⁰ are crowdfunding platforms have emerged and support different types of creative projects from musicians to filmmakers, writers, developers, visual artists, through to creative start-ups. Ordanini et al. (2009) argue that crowdfunding sites like SellABand¹¹ serve as a "network orchestrator, in that they do not execute specific activities, but create the necessary organizational systems and conditions for resource integration among other players to take place" (Ordanini et al. 2009: 35), and consequently, have the potential to substitute traditional intermediaries such as traditional recording companies.

These tools illustrate how particular kinds of digital networked media that potentially serve as means of production available to everyone, enable essential functions that were previously handled by record labels. Some of them are even marketed to independent artists, managers and labels. They seem to embody Music 2.0's ideals and enable disintermediation, by empowering independent and DIY artists in their business practices as suppliers internalizing traditional intermediaries' functions. However, claims such as the one underlying the Music 2.0 concept are far from universally accepted.

In a market where technology has levelled the playing field and entry barriers have been lowered, the competition levels are higher than ever before. Although DIY practicing musicians can now have full creative and business control, they face many challenges and trade-offs such as the administrative burden, the work overload, and the lack of connections and expertise in the required business areas. These issues may steal time for creativity and interfere with focus, lower the appeal for business and ultimately, compromise the quality of the artistic product.

⁸ Kickstarter (n.d.), retrieved June 7, 2014 from <http://www.kickstarter.com>

⁹ Indigogo (n.d.), retrieved June 7, 2014 from <http://www.indigogo.com>

¹⁰ RocketHub (n.d.), retrieved June 7, 2014 from <http://www.rockethub.com>

¹¹ SellABand (n.d.), retrieved June 7, 2014 from <http://www.sellaband.com>

The current scenario seems promising for independent music artists to leverage disintermediation and achieve success, but it is crucial to establish to what extent it is actually implemented as an effective practice within an artist's business.

5 Empirical support for disintermediation in an independent music business

To be considered truly effective, a successful disintermediated approach should be observable and show the way independent music artists are building their fan base from scratch, typically what constitutes the biggest challenge for an act at the beginning. The Arctic Monkeys are a meaningful example of a new act that achieved success by taking a disintermediated approach to sales and marketing. Their early success is mostly attributed to the way they engaged their fans through their MySpace¹² profile (Young & Collins 2010: 346).

However we need more than an isolated case to better understand this issue and therefore we must turn to empirical evidence to illustrate the scale of changes.

In his study of the German music sector, Handke (2010) focused on determining the market context and significance of self-releasers¹³ among amateurs and more conventional indie record companies. Handke observes self-releasers are a "significant minority" in the indie market but observes an apparent boom among these small independent record companies in the period between 1994 and 2004, revealing what appears to be a sustained *"trend that more creators set up record companies rather than record companies picking creators to cooperate with"* (Handke 2010: 345-348). The author appoints disintermediation as one of the possible causes (along with amateurisation) that may explain the increase of market competitiveness of 'indies' in the middle of the recession of the record industry (ibid.).

¹² Myspace (n.d.), retrieved June 7, 2014 from <http://www.myspace.com>.

¹³ A self-releaser *"predominantly commercialises sound recordings by composers or performers who also work in another function in the firm or who own the firm at least in part"* (Handke 2010: 345)

Handke's findings suggest that the benefits of a disintermediated approach may have been assimilated and operationalized by a growing share of independents, allowing them to obtain more market power. Although not entirely conclusive, Handke's study supports the idea that the disintermediated approach is not only possible but also that it may be gaining relevance and critical mass. However, will disintermediation remain merely a fragment of the market or will it grow to become an established creative path? Will there ever be full disintermediation in the market? Further research has to proceed in this direction.

Other research worth considering is the Artist Revenue Streams (ARS) project led by the Future of Music Coalition (FMC)¹⁴. The ARS project consists of a multi-method, cross-genre examination of US-based musicians. It used three data collection methods: face to face interviews with about 80 different musicians and composers, case studies based on the detailed financial data from 10 different individual musicians, and on-line survey data from 5,371 US-based musicians and composers. This study aims to assess the earning capacity of individual musicians concerning the diversity and dynamics of revenue streams by Future of Music Coalition (2000).

One ARS report¹⁵ indicates that the majority of participants demonstrated good levels of awareness and comfort in making effective use of technology for common musician-related activities (Thomson 2012) such as communicating directly with fans, collaborating with other musicians and self-managing their careers. The report concludes that emerging technology has had a measurable impact on the careers of musicians and composers, empowering them and levelling the playing field.

Another ARS report¹⁶ focuses on the impact of the team and of partnerships on the artist's revenues and concludes that some team members had more impact on income than others, and either represent

¹⁴ The Future of Music Coalition, retrieved June 8, 2014 from <http://money.futureofmusic.org>.

¹⁵ "Are Musicians Benefiting from Music Tech?", retrieved June 8, 2014 from <http://money.futureofmusic.org/are-musicians-benefiting-from-music-tech-sf-musictech-presentation/>.

¹⁶ "Musicians' Team Mates and their Effect on Earnings", retrieved June 8, 2014 from <http://money.futureofmusic.org/teams/>.

a net positive or increase an artists' capacity. The understanding of which teammates could have a most positive impact on earnings is considered fundamental.

The final ARS study¹⁷ we focus on highlights a case study of a indie composer-performer profile, which is characterized by working full time in music, and taking on several roles such as that of the performer, composer, bandleader, sideman and session musician, and reveals discriminated financial information.

The findings seem to indicate that both the efficiencies and the hypercompetitive market have been acknowledged as technological outcomes, for the good and bad. This also indicates that a mixed approach is most often taken to deal with the workload and the use of a team is highly regarded to build capacity. However, results seem to highlight the indie music artist's urge to follow the independent path. This was observable in the practice of subsidization the project with most creative freedom, through other acts and occupations through time, even by taking on more risks and costs. So would indie artists typically opt for a mixed approach, or have a dual approach? Or would this be analogue of growing a side business aside in the hope that it becomes sustainable?

In our previous research (Bernardo 2013; Bernardo & Martins 2013), we performed a multiple-case study in which seven independent music artists and professionals were selected and analysed, based on the strategic approach they had taken to business and on the evolutionary career path they had been pursuing.

The independent artists that made up our sample were selected using a range of organizational structures, business models and approaches. The spectrum of selected subjects varied from the minimal structure (Zoë Keating) with a full DIY approach, to the independent band that managed to successfully deploy a global infrastructure of physical distribution with the support of their professional manager (Metric). For the sample centre, we chose a set of independent Portuguese artists that are employing strategic approaches to business and music professionals

¹⁷ "Case Study: Indie Rock Composer-Performer", retrieved June 8, 2014 from <http://money.futureofmusic.org/case-study-a/>.

that work in the independent music sector, some of them in different roles such as managers, agents, and executives at indie labels.

Among the Portuguese artists, we identified the most common pathway the option to take an initial DIY approach, followed by a flexible and mixed approach to business with the introduction of traditional intermediaries and professional services in their business models, following an initial period of growth. One project returned to the independent path, after saving enough money as result from mixed approaches towards the support of a self-release and the constitution of their own label.

Participants considered the use of digital networked media as invaluable and effective, as it increased productivity and facilitated the execution of essential business functions. Digital networked media was acknowledged as a potential alternative to traditional media and intermediaries, but with a limited and specific reach was unable to fulfil the needs of professional services and address traditional media. This was confirmed across all the Portuguese subjects, in the evolution of their practices from a strict DIY approach based on digital network media, to an approach that also focused on traditional media with the support of professional services.

We observed a highly concentrated use of digital network media technologies, supported by an attitude of resistance or lack of interest to try new platforms or to acquire more advanced or specialized ones, when the essential functions were already available. Business-supporting technology seems to be approached as a means to an end and on a needs-only basis. For the majority of the participants, music and creativity is the core; that is the main focus rather than the technology or business. This supports the notion they tend to outsource the management of these areas to focused professionals, and are therefore inclined to adopt a mixed approach.

However, amongst all the case studies, Zoë Keating was shown to be an interesting example of the fully disintermediated approach; she has no band, no manager, no entourage, even though occasionally there is someone selling merchandise. She performs alone and usually tours

with her son, her husband and a nanny, which cuts costs.¹⁸ Keating's DIY and activist approaches to the music business brought her public attention. It attracted great attention because she was making good money on her own, something considered by many as an "anomaly". In fact, in 2012, Keating disclosed the details of her earnings with Spotify, Pandora, radio plays, and from her affiliation to ASCAP by releasing them publicly in a Google Doc spreadsheet (Keating, 2012a).¹⁹ The document comprised all the accounting data of her online music sales and streaming from the period October 2011-March 2012, and its release made quite an impact on the community.

Keating admits that she would be in a worse financial position if she were a signed artist. She considers her instrumental cello music has very few chances of breaking through to the mainstream and that any label investing in expanding the reach of her music's would not recover its costs.

Overall, results seem to indicate that independents appear to be taking a flexible and mixed business approach that depends on their team structure, business knowledge and financial viability (Bernardo 2013). They appear to be configuring the use of intermediaries and professional services within their business models, in order to optimize revenues and workload. But the question of creative control and freedom seems to play an important factor as well.

There are some artists who are regarded as reference models that reflect the appeal of full disintermediation. Radiohead released the "In Rainbows" album independently through their own website, retaining full ownership of the recordings and compositions rights and introducing the "pay-what-you-want" model. Later in the same year, Trent Reznor announced the end of the contract between Nine Inch Nails and Interscope, presented the band as a free agent in direct relationship with their audience (NME 2007). Nevertheless, it should be noted that, even if each example demonstrated that mainstream artists could succeed

¹⁸ "On-demand touring", retrieved June 8, 2014 from <http://www.economist.com/blogs/prospero/2013/06/music-industry>.

¹⁹ "My Streaming data", retrieved June 8, 2014 from <http://zoekeating.tumblr.com/post/16086277627/my-treaming-data>.

with a disintermediated approach to distribution and compensation, the previous conditions that created their mainstream careers must be considered as responsible for their large fan base. In fact, these are most likely consequences of traditional intermediated careers, and the accumulated efforts of previous record labels in building their fan base are a most probable cause for the success of such actions.

6 How disintermediation and independence fit with media innovation

Tschmuck (2012: 223) conceives innovation, from the perspective of innovation and creativity in the music business, as the process of collective action that leads to emergence of novelty, with changes in existing action routines. The continuous evolution that is taking place in independent music makes this sector ideal to observe innovation practices. The motivation that emerges from the political and aesthetic ideals seems to provide independents with a greater impulse to innovate. These ideals align with the socio-psychological causes for innovation appointed by (Schumpeter 1911/2008: 93):

"First of all, there is a dream and the will to found a private kingdom, usually, though not necessarily, also a dynasty ... Then there is the will to conquer: the impulse to fight, to prove oneself superior to others, to succeed for the sake, not of the fruits of success, but of success itself ... Finally, there is the joy of creating, of getting things done, or simply of exercising one's energy and ingenuity."

The aesthetics of new independent music is based on the creative urge to push new music through and takes place by breaking with the control of gatekeepers; on the one side, the academia and their strict impositions based on theory, performance practices and historical music traditions; on the other side there is the mainstream music industry, exerting market control through high-entry barriers and bottlenecks, based on safe investments in pre-established styles in the market. At the same time, the less sophisticated structures of independents give them

more flexibility to engage and experiment with new business processes and actions. They leverage contemporary digital network media as a means of production, for their structural arrangement, technological, creative and connective affordances they provide.

Wendel (2008: 104) argues that independent artists will continue to depend on these networks for cooperation and proximity with fans, and that the future entails a progressively diverse set of models to achieve viability and sustainability. It still remains to be seen however if this will continue as an independent reality, in the process of media innovation, or if new intermediaries will control these models.

In the beginnings of the dot.com boom, between 1995 and 2000, electronic commerce was seen as a tool of disintermediation given the potential of the Internet to allow consumers to purchase products directly from producers. Sarkar et al. (2006) contend that intermediation will remain a structural feature of electronic marketplaces, given the roles of intermediaries can be multifaceted and cover a set of functions that are not easily assumed by producers. This is evidenced by events, i.e., the emergence of new intermediaries in the digital landscape (Sarkar et al. 2006). This phenomenon can be designated as reintermediation and takes place with the reintroduction of an intermediary between supplier and consumer, whenever disintermediation had previously occurred (Chircu & Kauffman 1999) or as the reformulation, realignment and pruning of intermediaries, but without total elimination (Carr 1999).

Chircu & Kauffman (1999) provide a model for the changes occurring in market interactions in terms of a cycle of three stages: (a) intermediation, (b) disintermediation and (c) re-intermediation (IDR). This cycle is repeated recurrently with the introduction of new technological innovations, and according to this model, a reintermediation stage should follow a disintermediation stage. Evidence of both disintermediation and reintermediation may be found in the dynamics of market interactions within the music industry, with the introduction of new intermediaries such as Apple, Google Music, Spotify and YouTube. In fact, YouTube has begun showing aggressive sign to indie music community,

as well as new intermediaries piggybacking the model such as music networks.

This is also convergent with the model of paradigm change (Tschmuck 2012: 239) that suggests we enable an increase of diversity and complexity, based on the emergence of new social actors and interactions, new technological possibilities and new music and business practices.

The innovation impulses lead to either incremental or disruptive innovation. Either the disintermediated and mixed approaches to music business by independents, or the developments in the mainstream and in digital networked media, can be framed within innovation theory. They are emergent innovation patterns and creative trajectories that among others may be eventually be controlled by new actors implementing routinization and standardization.

According to both models, it is foreseeable this diversity of actions will eventually converge to more stabilized paths, which in turn will shape and establish a new system of production, distribution and reception, new intermediaries and ultimately, a new paradigm.

7 Conclusion

Considering the current phase the music industry is going through, and all the available means of production that currently exist in the digital landscape, there seems to be more than ever a great appeal for an independent, DIY or disintermediated approach.

On the one hand, we have the intrinsic motivation based on independents' political and aesthetic ideals, which provides them with a greater innovation impulse. In addition the independents' less sophisticated structures give them the flexibility to engage and experiment with new business processes and actions.

On the other hand, we have the affordances and conditions offered by digital networked media as means of production available to everyone. Digital networked media are designed with affordances that pro-

vide cues about the importance of their functions and that allow ordinary people to easily operationalize them.

The general argument that has been gaining attention and dividing opinions claims that digital network media enable independent and DIY music artists to fulfil their business needs, and provide a closer, stronger, and more meaningful connection with their fans. It also helps digital network media to attract users and gain traction and market power. Contemporary mainstream examples of success strengthen this ideology and reinforce the dissemination of these practices.

We argue that although the disintermediated approach is possible, the mixed approach seems to be more effective and efficient for independent music artists. In fact, the disintermediated approach may be successfully operationalized, which is demonstrated by an apparent sustained upward trend in the market share of self-releasers. Nevertheless, this approach is residual and highly dependent of the idiosyncrasies of each case, such as the organizational structure, business knowledge, technological skills, financial availability and fan base. The mixed approach appears to be a mature choice, most commonly adopted and leading to greater creative freedom and higher revenues. This may provide the necessary competitive advantage to deal with the hypercompetitive music field.

Moreover, we argue that this context, apparently favourable to a disintermediated approach, may be elusive and based on the conditions and characteristics of a transitional stage that is part of recurrent cycle. This is convergent with both the IDR cycle model (Chircu & Kauffman 1999) and the model of paradigm change (Tschmuck 2012) that suggest that this cycle iterates with the introduction of disruptive technological innovations in the direction of a new system of production, distribution and reception, new intermediaries, and ultimately, a new paradigm.

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