

What has the digital decade meant for music?

The way in which we consume music has been revolutionised, but rumours of the death of major labels have been greatly exaggerated

Today it's hard to imagine a world without access to millions of songs at your fingertips. But less than a decade ago, it was virtually impossible to buy digital tracks.

iTunes didn't launch until 2001, and wasn't available on most computers until 2003, when it finally became available on Windows. YouTube, let's not forget, is less than five years old.

At the beginning of the decade, record labels (in particular the majors) tried to limit the perceived risk they faced through illegal downloading. They sued sites like Napster and Kazaa, often managing to shut them down and receiving big pay-offs in damages (some majors eventually shared the money with the artists, after much pressure, others never did). They applied DRM to the tracks they were making available for purchase. For a while, people found that they couldn't transfer the CDs they had bought to their MP3 players.

Towards the end of the decade, record labels realised that they needed to provide an attractive alternative to p2p sites. We've seen a slew of legal music services in the last couple of years. There are now subscription services like eMusic and Sky Songs, and downloads for as little as 29p on Amazon and free, adfunded services like Spotify and We7.

So what has a decade of digital meant for music? In 2004, Chris Anderson predicted that the result would be a wider spread of music consumption, described as the Long Tail.

Instead of the top-selling 20% of artists being responsible for 80% of all music sales, the Long Tail theory proposed that the other 80% of artists would instead be responsible for more than half of all music sales.

Some predicted that the unlimited availability of niche artists, self-released or on independent labels, would make major labels less powerful. Some even hailed the death of the majors. But what we're looking at today is far from this prophecy.

Yes, there are fewer major labels. We entered the decade with five (Universal, BMG, Sony, EMI and Warners) and we've left it with only four, after Sony and BMG merged. Plus, with Terra Firma suing the City Group for misleading them into buying EMI, there are fears we might one day end up with just three.

But fewer major labels has not resulted in a redistribution of power favouring independent labels. It's just made the few that are left even more powerful. Ged Doherty, head of Sony Records, even said at the Musexpo conference in 2008 that the dominance of his label and Universal is not healthy for the future of music.

This kind of thing can become self-perpetuating. Let's use Universal, the biggest major, as an example. Universal knows that any new music service that wants to be successful has to have them on board, as it would be difficult to attract a big audience without tracks from acts like U2, Amy Winehouse and Jay-Z. So Universal demands a big up-front payment, and maybe even shares in the company. Meanwhile, independent labels or self-releasing artists get nothing for signing up to the service (Merlin, which represents many indies, has managed to negotiate better terms, but not even close to what the majors have). Thus, financially, the gap widens between the two sectors.

The fact that music fans have access to millions of tracks has not, as was predicted, spread the wealth. The top 10% of artists are now responsible for 90% of all music sales. The spread is no better on p2p sites. Eric Garland, CEO of online media measurement company, BigChampagne, says that the activity on these sites is often even more tilted towards the top artists.

And so, it appears, rumours of the death of the majors have been greatly exaggerated. But with sites like Pledge Music emerging, there are now more opportunities than ever for artists to have a career without signing a contract. And if they do, the creation of the Featured Artists Coalition in 2009 will hopefully mean that the majors will eventually be forced to operate in a more transparent manner in the coming decade. I, for one, feel pretty optimistic about 2010.