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Why Streaming Is a Good Thing For the Music Industry

By Ailey Butler

According to the RIAA, 75% of the recorded music industry's revenue in 2018 came from music streaming. Streaming is how most of us get our music now. Physical sales and digital downloads have been declining in our post-Napster world, and streaming is the dominant form of distribution. Although there continues to be a lot of talk about streaming killing the music industry and the measly royalties artists get paid from streaming, industry professionals should give streaming more credit. Streaming has helped people listen to more music than ever before, it is now easier for smaller and DIY artists to get their music heard, and it has largely eliminated music piracy. All of these reasons point to why streaming is beneficial for the music industry, even if it has not been able to bring us back to the music industry's heyday of the late 1990s yet, with respect to revenue.

People are listening to more music now, from more artists than ever before because of streaming services and their prevalence. Spotify and Apple Music make it easy for us as consumers to pick and choose what we want to listen to since there are over 30,000,000 songs ready to play on Spotify alone. Consumers can now tap on a song and hear it instantly, instead of being limited to only listening to the album they just bought. This is a phenomenon that well known music writer Kendall Deflin commented on. Drawing from research by Buzz Angle Music, he reported, "because of the ease that streaming services provide, over 28 million unique songs were played, compared to the seven million songs that were purchased [in 2016]" (["More Music Is Being Listened To By More People Than Ever Before"](#)). This proves that the rotation

and amount of songs being played on streaming services is much greater when compared to the smaller amount of songs being listened to that were purchased. On Spotify, it is easier to jump around from genre to genre or from song to song than it is with digital downloads, since you still have to purchase individual songs to download them. The variety that we have access to on streaming services is amazing, and it is a good thing for the music industry since people can be immersed in many different types of music.

In the same vein, music streaming also makes it easier for us to discover new music and lesser known artists because anyone can put music onto streaming platforms. Distributing music online is much less complicated and requires fewer resources than distributing physical product. This means that DIY artists are able to get their music on a platform and start racking up streams, even without a label. This helps to level the playing field of the music industry since it takes power away from the major labels. Artists used to need labels because labels could distribute huge quantities of physical product, but in the age of the Internet, this is changing.

Macklemore is a well-known artist who is an example of someone who succeeded without a label. The opportunities that he was provided from the Internet, streaming services like YouTube, and social media were what allowed him to work around a label. It is as easy as a four-step process to put an artist's music out on Spotify (Wikihow), meaning that smaller creators and DIY artists are able to get their music on there and on YouTube easily. Music streaming is a good thing in terms of diversifying the industry by giving more power to artists, and for consumers since who can discover so much new music.

Possibly the most interesting thing about streaming is how it has largely eliminated music piracy. Piracy ran rampant in the early 2000s after Napster, and it cost the industry so much

money since people began refusing to buy records. Ethan Wolff-Mann touched on this in his article about the business side of music piracy. He is a well known financial writer who is educated on the profit side of this issue. “[Piracy] crippled the music industry’s revenues, which fell from more than \$12 billion in 2004 to \$6.9 billion in 2010” ([“Spotify Doesn't Make \(or Lose\) Money for the Music Business. Here's Why That's Actually a Victory”](#)). Fortunately, streaming has helped build the industry back up again, and eliminates the need for people to pirate music in the first place, which is undoubtedly a benefit. Streaming services make it so cheap to get access to a huge catalogue of music, plus there is a free ad-supported version anyone can use. Since we are not forced to buy physical product anymore and streaming services are so cheap and easy, there is much less desire to illegally download music, which serves to benefit the music industry as a whole.

Of course, as with any new technology, there are downsides. Streaming may make a lot of revenue for the industry, the numbers are pretty impressive (streaming raised \$4 billion in 2017 alone [McIntyre]) but only a small fraction of that money actually gets to the artist. Streaming royalties are low for artists compared to what they use to be, and that is why legacy artists and superstars speak out about it, believing that streaming and the small royalties are not fair to artists. Thom Yorke (from Radiohead) frequently uses his social media to report how dissatisfied he is with the royalties, and popular Taylor Swift refused to put her music on streaming sites for a while. These artists may have a point. With the current way that the revenue is split, not a large percentage goes to the artist, and their royalty checks do not look like they did in the 1990s. There is also the issue that streaming cannot support as robust of a recording industry as back in the heyday. People simply are not going to spend as much on music as they

used to in the 1990s, especially not now that you can get a per-month subscription to all the music in the world for only \$10 a month, less than the cost of purchasing one new album as a download.

Streaming is a very complex facet of the music industry, and it seems to only be growing from here. However, with all the bad press about streaming, it is important to remember that streaming has made it easier for consumers to listen to a variety of different songs, helps smaller creators get discovered and eliminates the need, if not the act, of music piracy, which was a real plague to the industry in the early 2000s. Overall, the music industry and its players should give streaming more credit for its benefits to the industry.

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