Katie Jones
PWR II: Rhetoric
Prof. Alfano
13 February 2006

MP3s and Independent Music: A Threat to the "Big Five" Hegemony

MP3s are annihilating the music industry. At least, that's what the Recording Industry Association of America (RIAA) and its major record label constituents want you to think. The MP3 is a revolutionary technology that stores audio files with near CD-quality in relatively little hard drive space—and the RIAA holds this phenomenon responsible for the recent downturn in record sales. It claims that digital music and file-sharing stifle creative incentive by enabling consumers to freeload songs. To this day, the trade association has launched a legal blitzkrieg against over 12,000 copyright infringing individuals in attempt to halt the unabated exchange of unauthorized music over the Internet ("A Bad Week"). Large record labels have even lobbied for legislation to legalize invasive software that would attack the computers of online music traders (Pavlov).

This is not the first time that incumbent economic players have unleashed a panicked riposte against menacing innovations. English publishers in the 1700s resisted the emergence of public circulating libraries; turn-of-the-century composers perceived that inventions like the phonograph would ruin their livelihoods by discouraging fans to attend paid performances; Hollywood feared that VCRs would erode movie revenues; the British Phonographic Industry fought the 1980s rise of cassette players with an acerbic anti-piracy campaign featuring a skull and crossbones logo with the words "Home Taping Is Killing Music. And It's Illegal" (Pavlov; Goodin; "Home Taping"). Each of these instances is an example of a "technological discontinuity"—a term that Professors Conrad Shayo of California State University at San Bernardino and Ruth Guthrie of California Polytechnic University at Pomona define as "breakthrough innovations that significantly improve the technological state of the art of entire industries" (Guthrie and Shayo). And MP3s have done just that. Coupled with the advent of peer-to-peer file-sharing networks and the diffusion of broadband Internet, the file format "has transformed music into a widely available and easily copied public good by allowing consumers to obtain music without paying royalties to copyright owners" (Pavlov).

The brewing battle over MP3s has chiefly revolved around three concerns: the legality of digital music, possible policy and engineering approaches to preventing piracy, and the actual effects of file-sharing on record sales. However, this paper sets aside these overworn discussions, and instead focuses on how the digital music upheaval has affected those working outside the mainstream music establishment. Beyond being just a technology that facilitates mass copyright infringement and the illusion of "free music," MP3s also challenge major labels' market dominance by creating alternative systems of music distribution and promotion. By drastically lowering production, distribution, and promotion barriers, digital music formats enable independent artists and labels to circumvent the mainstream music industry and, in turn, provide listeners with a greater diversity of available music than that currently offered by the homogenous and narrowly-focused catalogues of major record labels.

A tightly-concentrated oligopoly of corporate stakeholders has controlled the music industry since its inception over a century ago. Dubbed the "Big Five," these top music conglomerates—the Universal Music Group, owned by Vivendi Universal; BMG, a unit of Bertelsmann; AOL Time Warner Inc.; the Sony Corporation; and the EMI Group—currently dominate about eighty percent of record sales worldwide[1] (Peitz and Waelbroeck). The Big Five's control over the means of production has helped to secure their market hegemony, according to numerous industry insiders, including Bob Kohn, co-author of *Kohn on Music Licensing* and chairman of net distributor GoodNoise, and John Snyder, president of Artist House Records, a board member of the National Association of Recording Arts and Sciences, and thirty-two time Grammy nominee ("MP3 Catalyzing"; Snyder). Today's music industry, and ergo the mega-corporate monopoly, operates under a traditional "bricks and mortar" business model designed to push plastic. This infrastructure involves the extensive costs of manufacturing, packaging, shipping, and retailing CDs. As Eric Garland writes in *The Futurist*, "Record companies currently profit by selling music as a hard good and not as a service. They get paid by selling discs, not musical experiences" (Garland). Not surprisingly, market power has artificially inflated CD prices. Courts found in 2002 that major record companies conspired

---

[1] The Big Five "shared 84 percent of the revenues in the North American market and 79 percent of the European market in 2002" (Peitz and Waelbroeck).

with chain retailers to elevate CD prices between 1995 and 2000, overcharging consumers an estimated $900 million. Matthew St. German, owner of independent label Freedom From Records, attests that price-fixing stifles competition by creating an industry standard focused not on listeners' tastes, but on "the label and the shareholders' bottom line of making money and 'creating' a product" (qtd. in Hall).

This emphasis on profit over art has made it prohibitively difficult for fledgling artists and independent labels to compete with Big-Five affiliated acts, and in turn, severely limits the supply of music widely available to listeners. Only major labels have the monetary muscle to promote their rosters worldwide. Publicity overhead, which encompasses paying a consultant to get a song on the radio and hiring a director to shoot a music video, can add up to millions of dollars (Nelson). Chain-store retailers also refuse to deal with artists and labels outside of the Big Five because their work does not promise substantial sales (Margolis). These conditions effectively trap independents into geographic isolation and dim obscurity. Additionally, because of mounting marketing expenses, large record companies are only willing to invest in a handful of upcoming artists with popular appeal and instant-platinum potential (Zimmerman). Musicians who do not conform to the constructs of mass marketing are left in the cold. The majors' business model pursues immediate hits and is not interested in developing music careers. If a CD is not a smash success within its first days and weeks of release, major labels will often "stop promoting it to concentrate on the next possible blockbuster, sometimes even dropping the band" (Nelson). And, aside from exceptional legends like Pink Floyd and the Rolling Stones, the typical product cycle of a CD is extremely ephemeral. Most music stores—other than those few who cater to niche audiences—stock only a narrow selection of the latest releases pushed by the Big Five. Several months after debut, most albums are taken off shelves and cast into oblivion. As economists Terrel Gallaway and Douglass Kinnear remark, "Great music may be enduring, but the vicissitudes of fashion determine sales" (Gallaway and Kinnear). Corporate labels, rather than fans, become the arbiters of music taste and popular culture. If it doesn't sell, it virtually does not exist.

Despite these long-standing obstacles, exciting opportunities hover on the horizon for traditionally marginalized artists and their supporting labels. In short, new technologies eliminate the restrictive costs that have locked independents out of the mainstream music market for decades. Recording equipment is increasing in sophistication and dropping in price—an advance that gives anyone the power to record their music and edit their projects into professional products without the involvement of record companies (Garland). However, digital audio formats and their online dissemination have had and will have the most profound effects on independent artists and labels. Without the fixed overhead of producing and distributing physical goods, the *Journal of Economic Issues* notes that "[music] downloads can be offered at a marginal cost of virtually zero and can be enjoyed by music fans at the cost of just a few minutes of computer time" (Gallaway and Kinnear). A step-by-step instructional article by Chris Stevens in *Internet Magazine* illustrates just how easy it is for musicians to prepare and post MP3s on the web. He estimates an hour to complete the process. As far as copyright concerns, Stevens bluntly addresses the issue:

> "What about my copyright?" you might be thinking. Well, let's make one thing absolutely clear—you want people to copy your songs, you want people to swap your music with friends, and you want people to listen to your tracks at even given opportunity and any way they can, because that's the only way your band will be a success. Like rap superstar Snoop Dogg says: "All publicity is good publicity. If people are not downloading your music, that's when you have something to worry about." (Stevens)

Independent labels and musicians have successfully embraced this mindset—that the free-flow of MP3s equates to inexpensive yet invaluable marketing—to reach narrow but widely dispersed audiences at unprecedented scales. According to a survey of over 2,700 artists conducted by the Pew Internet and American Life Project, eighty-seven percent of musician respondents "promote, advertise, or display their music online," and eighty-three percent "provide free samples or previews of their music on the Internet." Furthermore, over a third of musicians believe free downloading has helped their careers, and a fifth report that it has specifically helped them sell CDs and gain radio airplay (Madden). While overall record sales dropped an estimated twenty percent[2] between 1999 and 2003, ostensibly because of online

[2] This statistic and its causal link to MP3s is highly disputed. Stan Liebowitz notes in his 2003 analysis of the record industry that "in 2001, for example, sales fell by 2% 4%, 7%, or 10%, depending on which classification one chooses as the basis for comparisons. CD revenues fell the least, total units fell the most" (Liebowitz). George Zimmerman argues that the RIAA's statistics on record sale declines are grossly exaggerated. In a detailed analysis using numbers released by the RIAA, he notes that the major music industry released 11,900 fewer titles in 2000 than it released in 1999, representing a 25 percent decrease. Yet, the total number of units shipped decreased only 10.3 percent, and the dollar value of these units fell by only 4.1 percent (Zimmerman). And, while Liebowitz continues to vacillate in his opinion over whether MP3s have hurt or helped record sales, Felix Oberholzer and

piracy ("Facing the Music"), independent labels' and artists' profits and market penetration rose during this same period. For example, largest independent label Rounder Records increased its sales 50 percent in 2001, and New West Records doubled its business between 1999 and 2002 (Margolis). Numbers from Nielsen SoundScan, the sales source for the Billboard music charts, reveal that six independent albums made the Top 100 in 2003, which is up from four records in 2002. Collective independent sales also grew by five million copies between 2002 and 2003, which represents a full percentage point gain in independents' market share—a major feat for so tiny a market force (Nelson). Rich Egan, co-owner and president of independent music label Vagrant Records, concedes to the *New York Times* that despite being initially skeptical of digital music's benefits, "his label would simply not exist without file-sharing services." Other independent labels, such as Palm Pictures, Wind-Up, Artemis, and Definitive agree that "downloading has been useful for exposing their artists to new audiences hungry for new music" (Nelson). Scott Ross of Moonshine Music, America's largest independent electronic music label, credits his genre's growing popularity to Internet promotion. He told futureofmusic.org that while electronica only ranks 15th in real world sales, it is the 5th largest genre on the Internet (Webster). Nick Field, head of marketing for music distribution website Vitaminic.com, adds that "by offering free tracks in return for e-mail addresses, more people are likely to enjoy the music and ultimately purchase it, and artists and labels can build communities of listeners" (qtd. in Dunmore).

File-sharing and the sense of community it fosters has translated into real success for independent alternative-rock ensemble Wilco. When Big Five-label Warner Brothers ditched the band after deeming its new album "uncommercial," Wilco searched for a new label, and the CD leaked onto the Internet. According to major labels' logic, this free distribution should have cut into sales. But the exact opposite happened. Even though *Yankee Hotel Foxtrot* had been circulating over peer-to-peer networks for over a year, when the album was finally released in 2004, it debuted in the Billboard Top 40 and went on to sell half a million copies—double that of Wilco's previous CD (Mansfield; Devenish). The band experienced similar triumph with its subsequent 2004 album. When *A Ghost Is Born* appeared on the Internet two weeks before its

---

Koleman Strumpf conclude in their widely-publicized 2004 study that "downloads have an effect on sales which is statistically indistinguishable from zero" (Koleman and Oberholzer). Other economists propose increased CD prices, the dot-com bust, and competition from other forms of entertainment (i.e. videogames and DVDs) as possible factors in declining record sales (Peitz and Waelbroeck).

official release date, a listener launched a website, justafan.org, for other fans to show their appreciation for the CD by donating to a band-selected charity. *Rolling Stone* notes that "with nothing more than word-of-mouth publicity, donations exceeded $1,500 in less than one day online" (Devenish). Wilco manager Tony Margherita told the popular music magazine that the album's early online availability was "inevitable" and "not something we ever perceive as a problem." Regarding the charity web site, Margherita commented:

> It just underscores something we believe very strongly: that real music fans are prepared, even anxious, to prove their loyalty and support for their favorite artists. They *want* to participate. These people are not the enemy…they are the backbone of all we do. (qtd. in Devenish)

Hearing music online breeds an otherwise unattainable familiarity with new and lesser-known artists, and in turn, increases the likelihood that listeners will attend concerts and purchase other music-related paraphernalia. For Moe, an unsigned five-piece rock set without a second of radio airplay, the Internet has been its only, but crucial, channel to reach potential listeners. By disseminating free digital copies of their songs and bootlegged concert videos, the band has built up a devoted fan base online. Their Internet fame has not gone unrewarded: when the New York-based group played for the first time in San Francisco, it sold-out the 750-seat Great American Music Hall (Mansfield). An independent band could have never drawn such an audience in years past. Moe's touring success as a result of online music is not a singular experience. Thirty percent of artists told the Pew Internet and American Life Project that free downloading has increased attendance at their live performances (Madden). Music festivals in 2004 like Bonnaroo and Austin City Limits, which featured artists with practically no radio circulation or major store promotion, attracted hundreds of thousands of viewers because of support cultivated by Internet music communities (Kain). *Forbes* reports that even though the music industry witnessed large CD sale decreases between 1998 and 2002, concert sales climbed from $1.3 billion to $2.1 billion in the same period. This is great for independent artists, for whom tours are a main source of income (Kafka). As Brian Mansfield concludes in *USA Today*, some artists who distribute their music online are "essentially trading in part of their publishing income to increase tour and merchandise revenue" (Mansfield).

Research findings substantiate the anecdotal evidence that the majority of music fans remain committed to supporting their favorite musicians even in the face of free downloading alternatives. The Pew Internet and American Life Project concluded from random digit dial phone surveys in 2000 and 2001 that those who are most likely to trade MP3s with friends are also music's strongest enthusiasts:

> It is clear from the passion the Napster controversy has generated among music fans and musicians that a "commitment to music" is very much in play [...] That so many music downloaders in the surveys are not concerned with matters of copyright does not mean that they are criminals, or even scofflaws, or that they do not understand copyright law. Instead [...] music downloaders believe music occupies a special place in their lives and in the world [...] the Internet appears to have given them an opportunity to experience music in ways not connected to income and commerce as music buying. (Jones and Lenhart)

A study of file-sharers directed by Internet analyst Jupiter Media Matrix echoes this sentiment: "net users who download illegal files from peer-to-peer file-sharing services [...] are seventy-five percent more likely to increase their music-spending habits than people who don't download music" (Schumacher-Rasmussen). This inclination appears especially true when listeners purchase songs from legal Internet music distributors like iTunes, whose worldwide industry presence is likely to gain critical mass in the coming years. Research firm Ipsos-Insight Tempo discovered in 2003 that "as many as one in six American downloaders aged 12 and over have paid a fee to download music or MP3 files from the Internet" ("One in Six"). While online music sales currently account for only one to two percent of total industry revenues, the Organization for Economic Co-Operation and Development predicts that this figure will grow to ten percent over the next three years ("Facing the Music"). Paul Brindley, director of UK research firm The Leading Question, confirms: "There's a myth that all illegal downloaders are mercenaries hell-bent on breaking the law in pursuit of free music. In reality, they are often hardcore fans who are extremely enthusiastic about adopting paid-for services as long as they are suitably compelling" (qtd. in Gibson). The analyst group recently reported that British consumers "who regularly download or share unlicensed music also spend an average of 5.52 pounds a month on legal downloads. Those who were not illegally file-sharing spent just 1.27 pounds a month on digital tracks" (qtd. in Gibson). What's more are the implications of online record label Magnatune's novel business experiment. The company offers music on a dynamic pricing scale: customers have the option to purchase a CD for as little as five dollars. However, most listeners don't opt to pay this minimum: the average is $8.93 (Maney).

Innovative entrepreneurs are harnessing the possibilities of online music distribution to assist independent artists and labels in bringing their work to supportive listeners and in effect, sidestepping the mainstream music industry altogether. One such project, CDBaby.com, is a self-described "little online record store that sells CDs by independent musicians." Originally started as a hobby, the website currently provides over 122,000 independent artists with an easy, contract-free outlet to sell their work online. Since its founding in 1997, the store has sold over 2 million albums and paid over $23 million to musicians ("About CD Baby"). Other than being a retail boon for unsigned musicians, CDBaby also features a goldmine of information about the more tedious aspects of the music business that record labels traditionally cover, such as how to get a UPC barcode or a CD manufacturer. One new service distributes members' tracks through legal digital music stores like iTunes, MusicMatch, Pressplay, and the revamped Napster for only a nine percent cut. Because such stores don't have the infrastructure or even interest to work with individual artists outside of the majors, CDBaby acts an intermediary, "negotiating the contract, delivering all the songs and metadata in the right format, and disbursing the sales royalties back to artists" (Thomson "CD Baby"). A host of similar enterprises have cropped up in recent years to help independent artists and labels digitally distribute their music through online retailers. Coalitions like the Magnificent Union of Digitally Downloading Artists (MUDDA), the Digital Rights Agency (DRA), and the Independent Online Distribution Alliance (IODA) use the collective bargaining power of their multiple artist and label clients to negotiate deals with stores like iTunes (Thomson "DRA," Thomson "IODA," Dolland). MUDDA founders Peter Gabriel and Brian Eno comment that such companies give artists "a controlling influence in the whole production process—if they want it" (qtd. in Weber). It is a win-win situation for all involved: Internet distributors can feature thousands and thousands of new songs, and independent musicians have a wide-reaching platform through which to sell their work.

For fans, the digital music revolution means a larger variety of easily-accessible music that stretches beyond the dictates of corporate radio, MTV, and Billboard charts. Surveys continually show that "music consumers want the flexibility to copy downloaded music and create their own libraries" (Guthrie and Shayo), and senior Forrest Research analyst Mark Hardie states that listeners want "a great deal more control over the content they choose" ("MP3 Catalyzing"). Conventional channels of discovering new music are severely bottlenecked. MTV and the Top 40 are limited to a smattering of Big Five-financed artists; a single corporation, ClearChannel, dominates radio airwaves and now refuses to include music submitted by independent labels on its ever-narrowing playlists (Kain). The Internet, on the other hand, allows anyone—even independent labels and unsigned artists without the financial means to access traditional music venues—to upload tracks and reach a world of potential fans. In turn, anyone with a computer, a modem, and an open ear can access an infinite repository of fresh music. MySpace.com and PureVolume.com are among a number of interactive networks that supply hundreds of thousands of musicians with free server space to promote online songs and a forum to personally connect with listeners. The latest online tools help streamline the process of finding new music. Last.fm, for example, is an Internet radio station and recommendation system that builds a detailed profile of users' music collections by tracking which songs they play on their computers. Users can browser each others' lists and receive recommendations based on their most-played CDs. The self-proclaimed "Social Music Revolution" service also features discussion communities and the ability to form groups with friends that chart their tastes. Moreover, Internet distributors like iTunes can transcend the physical restrictions of current record stores to stock a broad diversity of artists. Rather than being confined to limited shelf space with room enough to stock copies of only the best-selling music, digital audio allows retailers to easily include new, lesser-known artists (Guthrie and Shayo). Research shows that listeners are increasingly using the Internet to expand their musical repertoires: sixty-five percent download music that is not easily available in stores, and thirty-one percent download music by artists which they had never heard before. Twenty-seven percent of downloaders say MP3s have allowed them to experiment with different genres of music, and twenty-three percent say that MP3s have introduced them to a wider range of music (Peitz and Waelbroeck).

Do MP3s spell the demise of record labels altogether? Not quite. Today's online music terrain is a difficult-to-navigate jungle with high opportunity costs. File-sharing is a tiresome, time-consuming task and, as Forrester Research's Hardie details, "The mass market is not willing to sift through thousands of obscure bands to find the ones that they like […] Consumers still need a filter system" (qtd. in "MP3s Catalyzing," qtd. in Twoney). Record labels function as this filter system. Eighty percent of current record labels' resources are dedicated to the manufacture and transfer of physical goods, whereas twenty percent is for promotional expenses. When digital distribution completely eliminates this "bricks and mortar" infrastructure, the remaining twenty percent will become more important than ever to help artists "rise above the noise that the Internet helps to amplify" (Kohn). Tim O'Reilly, founder and president of the world's best-selling book publisher O'Reilly and Associates, explains:

> Millions of buyers and millions of sellers cannot find another without one or more middlemen who, like a kind of step-down transformer, segment the market into more manageable pieces. In fact, there is usually a rich ecology of middlemen. Publishers aggregate for publishers. Wholesalers aggregate small publishers for retailers and small retailers for publishers. Specialty distributions find ways into non-standard channels. (O'Reilly)

Record labels of the Internet era will emerge as purveyors of a service—as opposed to the Big Five's current practice of using artists to serve their interests—and will promote an extensive variety of subcultures and niche types of music. Musicians will have a better chance than ever of making a living off small but loyal fan bases, and will no longer feel pressured to compromise their artistic visions to sell platinum. As GoodNoise marketing vice president Steve Grady discerns, digital music and the vast opportunities it affords will mark a substantial "shift in power from big five companies to the consumers and the artists" ("MP3s Catalyzing"). This looming future is precisely what has the RIAA screaming bloody murder: MP3s threaten major labels' oligopoly by giving consumers greater control over what they listen to. However, digital music formats and file-sharing will not devastate the music industry any more than libraries destroyed book publishers, or VCRs ruined Hollywood. People will only stop buying music and other creative works when the concept of community breaks down—not because of a new technology.

Works Cited

"A Bad Week for Pirates; Innovation and Intellectual Property." *The Economist* 2 Jul. 2005: 58. *Expanded Academic ASAP*. Web. 23 January 2006.

"About CD Baby." CDBaby.com, n.d. Web. 13 Feb 2006.

"Facing the Music." *OECD Observer* Jul. 2005: 5. *Expanded Academic ASAP*. Web. 23 January 2006.

"Informa Predicts Global Online Music Sales to Triple by 2010." *New Media Age* 24 Feb. 2005: 11. *Expanded Academic ASAP*. Web. 23 January 2006.

"MP3 Catalyzing Net Music's Future." *news.com*. CNET.com, 27 Apr. 1999. Web. 30 Jan. 2006.

"One in Six Americans Has Paid to Download Music." *New Media Age* 27 Nov. 2003: 15. *Expanded Academic ASAP*. Web. 23 January 2006.

Devenish, Colin. "Downloaders Pay Back Wilco." *Rolling Stone Magazine*. Wenner Media, 2 Apr. 2004. Web. 30 Jan. 2006.

Doland, Angela. "Independent Musicians: Let Tech Free You From Labels' Yoke." *USA Today*. USA Today, 1 Jan. 2004. Web. 30 Jan. 2006.

Gallaway, Terrel, and Douglass Kinnear. "Unchained Melody: A Price Discrimination-Based Policy Proposal for Addressing the MP3 Revolution." *Journal of Economic Issues* 35.2 (Jun. 2001): 279. *Expanded Academic ASAP*. Web. 23 January 2006.

Garland, Eric. "Online Music: The Sound of Success; The Online Music Industry Is Turning the Traditional Music Industry On Its Head." *The Futurist* 37.6 (Nov-Dec. 2003): 24-29. *Expanded Academic ASAP*. Web. 23 January 2006.

Gibson, Owen. "Illegal Music Downloaders Buy More Online: Online File Sharers 'Buy More Music'." *The Guardian* 27 Jul. 2005. *Expanded Academic ASAP*. Web. 23 January 2006.

Goodin, Dan. "Net Music Changing Copyrights?" *news.com*. CNET.com, 27 Apr. 1999. Web. 26 June 2006.

Guthrie, Ruth, and Conrad Shayo. *From Edison to MP3: A Struggle for the Future of the Music Recording Industry*. Hershey, PA: Idea Group Inc., 2005. Print.

Hall, Nathan. "Court Finds Record Labels Plotted to Raise CD Prices." *MNDaily*. Minnesota Daily, 15 Oct. 2002. Web. 30 Jan. 2006.

"Home Taping Is Killing Music." *Wikipedia*. Wikimedia, 25 Feb. 2006. Web. 25 Feb 2006.

Jones, Steve, and Amanda Lenhart. "Music Downloading and Listening: Findings from the Pew Internet and American Life Project." *Popular Music and Society* 27.2 (June 2004): 185-199. *EBSCOhost Databases*. Web. 20 Feb. 2006.

Kain, Kaleb. "Got Warez? Twenty Years of Online File Trading." *Warez.com*. Warez, 2004. Web. 30 Jan. 2006.

Kohn, Robert. "Net Levels Playing Field." *news.com*. CNET.com, 27 Apr. 1999. Web. 30 Jan. 2006.

Libeowitz, Stan. "Will MP3 Downloads Annihilate the Record Industry? The Evidence So Far." University of Texas School of Management. University of Texas, June 2003. Web. 30 Jan. 2006.

Madden, Mary. "Artists, Musicians, and the Internet." Pew Internet & American Life Project. Pew, 5 Dec. 2004. Web. 30 Jan. 2006.

Maney, Kevin. "Apple's iTunes Might Not Be Only Answer to Ending Piracy." *USA Today*. USA Today, 20 Jan. 2004. Web. 30 Jan. 2006.

Mansfield, Brian. "When Free Is Profitable." *USA Today*. USA Today, 20 May 2004. Web. 30 Jan. 2006.

Margolis, Lynne. "Independents' Day." *Christian Science Monitor*. CSM, 11 Apr. 2003. Web. 30 Jan. 2006.

Nelson, Chris. "Upstart Labels See File Sharing as Ally, Not Foe." *The New York Times*. The New York Times, 22 Sep. 2003. Web. 30 Jan. 2006.

O'Reilly, Tim. "Piracy Is Progressive Taxation, and Other Thoughts on the Evolution of Online Distribution." *OpenP2P.com*. OpenP2P, 11 Dec. 2002. Web. 30 Jan. 2006.

Oberholzer, Felix, and Koleman Strumpf. "The Effect of File Sharing on Record Sales: An Empirical Analysis." UNC Chapel Hill. UNC, March 2004. Web. 10 Feb 2006.

Pavlov, Oleg V. "Dynamic Analysis of an Institutional Conflict: Copyright Owners Against Online File Sharing." *Journal of Economic Issues* 39.3 (Sept. 2005): 633-64. *Expanded Academic ASAP*. Web. 23 Jan. 2006.

Peitz, Martin, and Patrick Waelbroeck. "An Economist's Guide to Digital Music." *CESifo Economic Studies* 51.2 (2005): 359-428. *Oxford Journals*. Web. 20 Feb. 2006.

Rainsford, Miriam. "Network Effects: Stan Liebowitz and the MP3 Debate." *OpenP2P.com*. OpenP2P, 22 Jul. 2003. Web. 30 Jan. 2006.

Rosen, Hilary. "Labels Tuning in to Net." *news.com*. CNET, 27 Apr. 1999. Web. 30 Jan. 2006.

Schumacher-Rasmussen, Eric. "Research Firm Says Downloading Increases Music Spending." *EMedia Magazine*. 15.17 (Jul. 2002): 10. *Expanded Academic ASAP*. Web. 23 January 2006.

Snyder, Ben and John. "Embrace File-Sharing or Die." *Salon.com*. Salon, 1 Feb. 2003. Web. 30 Jan. 2006.

Stevens, Chris. "Encode and Upload Your Songs As MP3s: Give Your Music to the Masses by Posting It on Your Site." *Internet Magazine,* Mar. 2004: 80-82. *Expanded Academic ASAP*. Web. 23 January 2006.

Thomson, Kristin. "An Interview with Independent Online Distribution Alliance." *FutureOfMusic.Org.* Future of Music, 17 Sep. 2003. Web. 30 Jan. 2006.

Thomson, Kristin. "An Interview with the Digital Rights Agency." *FutureOfMusic.Org*. FutureOfMusic.org, 17 Sep. 2003. Web. 30 Jan. 2006.

Thomson, Kristin. "It's the future, baby. How CD Baby helps indie musicians with digital distribution." *FutureOfMusic.org*. Future of Music, 8 Oct. 2003. Web. 30 Jan. 2006.

Twohey, Megan. "Land of the Free and MP3." *National Journal*. Volume 32, Issue 3. 15 Jan. 2000: 182. *Expanded Academic ASAP*. Web. 23 Jan. 2006.

Warner, Bernard. "Europe's Downloaders Are Big Consumers Too: Study." *Sandview.co.uk*. Reuters, 17 Sep. 2003. Web. 30 Jan. 2006.

Weber, Tim. "Gabriel to Launch Musician's Union." BBC News. BBC, 23 Feb. 2004. Web. 30 Jan. 2006.

Webster, Andrew. "Techno-Marketing." FutureOfMusic.org. Future of Music, 14 Sep. 2000. Web. 30 Jan. 2006

Zimmerman, George. "RIAA's Statistics Don't Add Up to Piracy." Azoz.com. Azoz, 11 Dec. 2002. Web. 4 Feb. 2006.

Websites dedicated to â€œstream rippingâ€ music from YouTube represent the biggest threat to the global music business, industry figures have warned, as a major crackdown seeks to address it. Sites that allow YouTube videos to be converted into an MP3 file and illegally downloaded to someoneâ€™s phone or computer are attracting millions of visitors, with estimates suggesting that a.Â A YouTube spokesperson reiterated this to The Independent and said it is working to prevent such practices from taking place. â€œOur terms of service prohibit the downloading or copying of videos on YouTube without explicit consent from the copyright holder,â€ the spokesperson said.Â Subscribe to Independent Minds to debate the big issues. The Real Threat To Record Labels From The Apple Music Stores: Independence May 1st, 2003. One of the biggest questions I have had about Apple's new Apple Music Store (AMS) is whether or not independent labels and artists could land distribution deals on the service.Â That's just simple economics, but it's the linchpin that gives the Big Five record labels, the same Big Five that comprise the RIAA, their power. They control distribution, they have the resources to make sure that distribution is almost all-encompassing, and they have the resources and connections to offer marketing.Â If the AMS is successful, independent labels and acts could suddenly have access to the single biggest thing they need: Distribution on par with what the Big Five have.