The new relationships between performing arts and the record music industry

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The new role of the performing arts sector in the music industry

Some empirical evidence

- The London Symphony Orchestra launches its own record label.
- The Vienna Philharmonic Orchestra joins in a cooperation with a Swiss marketing agency.
- The Universal Music Group launches an artist management and live event production agency for classical musicians.
- Madonna signs a 360 degree deal with concert promoter Live Nation.
The new relationship of phonogram producers and the performing arts

Main value-added network:
- Artist & Repertoire → Publishing → Music Production
- Online and Mobile Distribution
- Live Performances

Support structures:
- Artist Management
- Property Rights Systems
- Online and Multimedia Promotion
- Phonograms
- Merchandising
The elements of a creative path in the music industry

- Social actors
- Musical practices
- Business practices
- Technological possibilities

Elements of action and action routines
Creativity is a collective process of action in which novelty is recognized and accepted.
A model of paradigm shift in the music industry

phase 1: improvisatorial and experimental creativity
  = creative chaos

phase 2: influenced creativity
  = emergence of creative trajectories

phase 3: controlled creativity
  = routinization and standardization
Elements of a paradigm shift in the present music industry

• „System-alien“ creativity from actors outside the old paradigmatic framework breaks up production, distribution and reception routines.

• The business-model of traditional record producers, especially music major, is jeopardized by rapidly declining record sales.

• Digital sales by the new music distributors show rising annual growth rates.

• The live-performing sector is a boom-segment.
Elements of a paradigm shift in the present music industry

- Music as a materialized product embodied in phonograms is replaced by the access to music as a service as the core competence in the music industry’s business model.

- The artists are enabled to market and promote their music directly to the consumers.

- The present rigid copyright system is fostered by so-called "infringement practices" of P2P-download services like KaZaa or BitTorrent.

- The music recipients won’t be any longer passive consumers but already participate in the production and distribution of music in Web 2.0 applications.
Concluding remarks

• We will be faced with a totally different network of music production, distribution and reception.

• Instead of phonograms, the access to music as a service becomes the core “technology” of an emerging new value-added network.

• The future business models in the music industry have to rely upon a multitude of income sources.

• The music recipients won’t be any longer passive consumers but already participate in the production and distribution of music in Web 2.0 applications.
Thank you for your attention!
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