
VINYL RESURGENCE

HOW MATERIALITY AFFECTS ECONOMIC OUTCOMES

MASTER THESIS

BLAŽ REMIC

STUDENT NO. 384479

THESIS SUPERVISOR: DR. ERWIN DEKKER

SECOND READER: DR. MARILENA VECCO

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CULTURAL ECONOMICS AND ENTREPRENEURSHIP



ABSTRACT

Vinyl resurgence is a term that has come to be used for the phenomenon of the significant, and as of yet uninterrupted, yearly growth trend in sales of vinyl records from 2006 onwards. As such, it is one of the two sole growing segments in the music market today, the other being on-demand streaming. The growth have resulted in the challenges for adequate supply, due to the outdated production facilities; therefore, it is important to understand what the trend is all about, in order to be able to decide whether to invest in the prohibitively costly production facilities. While the explanations with regard to the vinyl's symbolic qualities abound in the music press, it is nevertheless not clear at all why would a medium that has been practically discarded a quarter of a century ago, suddenly experience such a growth in the current times of prevailing dematerialized digital delivery of music. This paper first shows that standard economic explanations, including the recently proposed identity economic framework, cannot adequately describe what is going on in the market, and then proposes two alternative explanations, one being based on vinyl's social and symbolic and the other on physical qualities, that we derive from a field study performed on a set of 63 interviews with vinyl users. This enables us to develop the vocabulary and justifications to support our argument that vinyl use is driven by two main factors: on the one side it has strong capacities to signal information about a desired social status; on the other, it is the very materiality of the medium that play the decisive role. The specific physical practice of use enabled by this materiality, enables people to engage more deeply with the world around them, and this is seen as the key motivation for the vinyl consumption in the dematerialized world of digital information. Thus, we argue, materiality affects economic outcomes. The findings developed through the research in this thesis provide a thorough understanding of an economic phenomenon, which can serve as a basis for an informed decision-making process that is needed for the stakeholders in developing the market in the future.

KEYWORDS

Vinyl resurgence, materiality, consumption, engagement, theory of practice.

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Above all, I would like to express my deepest gratitude to my wife Elizabeth for the truly unconditional love and support, and for showing me how to be fine with the fact that I will most probably never be able to rationalize it.

I dedicate this work to my son, who will be with us any day now.

PREFACE

GOING through my *Master thesis research* notebook where I had been keeping a log of ideas and recording the research progress, reminds me that the road ultimately lead me to a rather different place than I was intending to reach at the beginning, when my interest laid in the construction and formation of ideas, especially the place interpersonal and societal construction of meaning has in the formation of knowledge. Thinking back, what attracted me to thinking about these questions was the observation that certain cultural objects and practices have strong abilities to connect people in groups and, through that, foster interaction, which, in turn, results in creating new knowledge that has a direct impact on the economy.

At that point my main focus was on the interpersonal meanings that people hold about objects and the role that these meanings play in the process of generating new meanings. What I failed to realize, was that it is not only about the meanings that people place on the objects and activities, which are unfortunately highly arbitrary, but that it is even more fruitful to focus on these objects and practices themselves as they manifest in the material world. To focus on the “objective” factors, so to speak, and see how they matter. I started to be guided by the intuition that the mere physical activity of people engaging with this “objective reality” offers a view into practices such as listening to vinyl records, baking your own bread, growing your own vegetables, running barefoot, etc., in other words, trends that emerged in recent years whose causes have mostly been attributed to the role of the meaning that people hold about them, without taking into much consideration the very physicality of the activity. Thus, interest in explaining the turn to physicality in the otherwise predominantly digital world had lead me to engage in thinking about vinyl records.

An eye-opener for me was that activity such as this has a lot in common with the notion of *craftsmanship* as described by Sennett (2008), in the sense that it requires a physical action, which in turn means that it can be felt in a bodily sense and thus practiced and perfected. As such, the activity transcends a mere receiving of certain information, which might be implied by the concept of “listening to the music through the medium”. Moreover, it transcends the mere talking about the relative “meaning” of the activity for each individual, since the very bodily activity requires

engagement beyond intellectual. While meanings without a doubt play a role in justifications that the individual constructs about it, it is not the whole story. Physicality matters. When Sennett talks about making and material culture, he emphasizes the role it plays in the ability of people to learn more about themselves and improve: “We can achieve a more humane material life, if only we better understand the making of things.” (2008, p. 8).

My triple background in music, literary and cultural theory, and economics, is illustrative of the main tension between my interests in practical, symbolic and analytical matters. The topic of this thesis, after some initial diversions, brought them all together. As a practice, neither art production nor art consumption can be isolated from art as a “pure signifier”, as Baudrillard would call it. Therefore, any analytical theory of value needs to address both symbolic and practical components. Through this we can achieve a deeper insight into the question of our preferences, of why we choose one thing over another. To focus only on the price seems reductionist, and economic thinking – the *practice of economics* – can focus on other types of value, as well. In thinking the process of valuation in such a manner, we can grasp preferences in fresh ways. However, what I want to present is not a moral argument, there is no *should-haves* and *should-nots*, but only an account of a phenomenon, which can be used for more informed and directed decision making in the future.

PROLOGUE: AND THE QUESTION IS...

THERE IS something that such diverse activities as listening to vinyl records, running with minimal shoes, or manually grinding coffee at home, have in common. Although many of them are regular consumption practices, they are all characterized by a substantial personal engagement on the side of the consumer. Even though there is nothing new about any one of them, it is peculiar that people, despite having an easy access to their “superior” ready-made version, nevertheless decide to pursue them.

Let us consider, for example, running shoes. For several decades shoe companies were competing in serving consumer demand for more and more comfort, thus creating heavily cushioned shoes that are still considered a superior product in the large segment of the market. However, a distinct trend has developed on the diametrically opposite end of the spectrum. *Barefoot, minimal, or natural* shoes had been created as a direct answer to the consumer demand for less cushioning, for a "barefoot experience" with some minimal protection against injuries. In a marketing campaign, created a few years ago by the sport shoe company Brooks*, the trend was summarized well: there is a difference in the consumer demand between people that want to *flow* (bulky shoes with soft thick soles) and the ones that want to *feel* (only minimal protection that enables the runner to feel the ground in a similar way that running barefoot would). According to their market research, consumers daily negotiate between these two options and so Brooks based their marketing campaign on this flow-feel continuum, which allegedly allowed them to position their various products (regular and minimal shoes) according to the needs of the consumers.

While the questions concerning *why* some people prefer one product over another seem pointless and unnecessary from the standard economic perspective, where *de gustibus non est disputandum* is one of the main maxims with regard to consumer's tastes, it nevertheless seems that such ostensibly

* It is fair to point out, however, that Brooks was one of the companies that jumped on the barefoot bandwagon when the trend was already on its way.

untenable preferences need some deeper and more systematic reflection. Especially since they appear to, in recent years, be gaining relatively significant market shares, a development that seems to be counterintuitive with regard to simple economic logic.

Activity that is especially sensitive to the changes and advancements in technology is music consumption. Here we are talking about the mode of consumption, in other words, which medium people choose to use for listening. While lately the main discourse in the music industry is predominately concentrated around the questions of digital delivery, the trend that is achieving substantial attention due to its fast growth is one that seems to be diametrically opposed.

Vinyl resurgence is a term that has been adopted in the literature for naming the growing trend of vinyl records sales that was first recorded for the year 2006 and is since then continuing with an ongoing high pace through the last decade. While a few years back it was still considered a niche curiosity, it is becoming clear these days that it got under the radar of the mainstream music industry. However, the reasons for why it is happening are not clear. And, since production capacities are almost fully utilized, while at the same time the costs of expanding the production being prohibitively high, it is becoming increasingly important to have a better answer in order to be able to make the right decisions about the measures that need to be taken in the future with regard to the potential development of the market, or in order to apply the findings in creating better products and services in any other field that is exhibiting similar tendencies from the demand side.

Research question

The research in this thesis will be guided by the following question:

How can we explain the resurgence of vinyl records?



CHAPTER 1

THE PUZZLE

ON THE surface, vinyl records are, from the point of view of a mainstream consumer, usually at best still considered a curiosity, and at worst they are completely invisible. However, in the last decade something has been bubbling deep in the music market and suddenly big carton sleeves are slowly finding their way back to the public consciousness, a place where they had been banished from a quarter of a century ago. In this chapter we will illuminate the historical factors and economic conditions that can help us gain a better understanding of what exactly is going on.

1.1 A short outline of the history of the disc as a physical medium

The first phonograph music records, discs that rotated with 78 revolutions per minute, began to be sold around 1894. The story goes that Thomas Edison, that in 1877 invented the phonograph, did not recognize the significance of the invention, and saw it at first solely as a device for recording and reproducing speech. However, the potential for the widespread reproduction of recorded music became apparent in the late 1890's, and by the early 1900's 78s became the norm. As such, they were quickly established as one of the principal ways in which people consumed music (at the time, the others being attending live concerts and playing music at home with a help of sheet music).

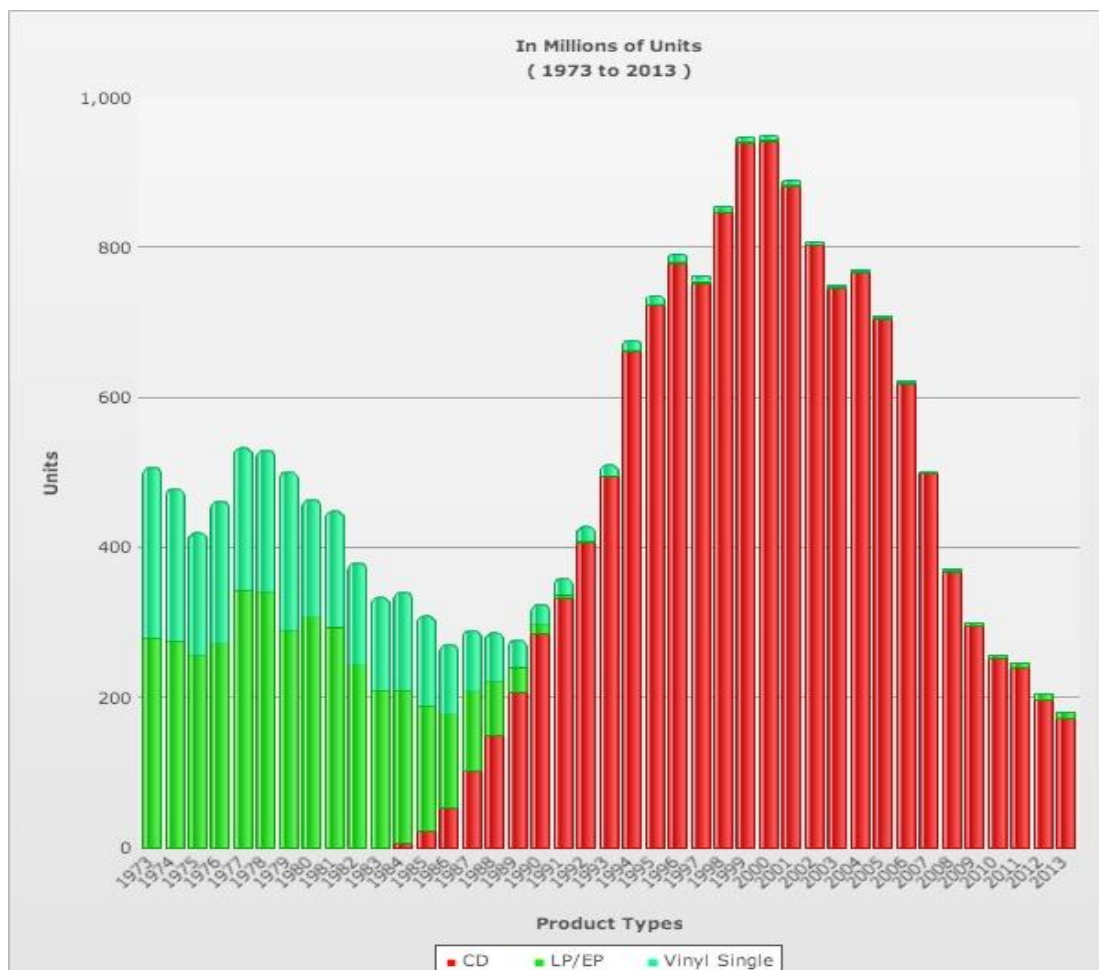
The recording itself was based on the analog recording technique where the movements of the air molecules by the sound waves are translated right away to the movements of the needle that records them directly into a rotating wax plate. At the beginning these plates were the only copies, but soon the technique was developed of creating a negative master from which shellac at first, and later vinyl, copies could be pressed. This enabled the mass production of the records and the birth of the recording music industry, as we know it today.

In 1949, with the introduction and subsequent widespread adoption of the vinyl long-playing (LP) disc that operates at $33\frac{1}{3}$ rpm and the 45rpm (single) disc, the technological development of the medium was more or less brought to an end. The

material did not significantly change and, since the amount of music recorded on a single side of the record determines also the number and depth of the grooves and so influences the quality of the recording, there were clear physical limits to the amount of music that can be recorded on a vinyl record. Therefore, the medium, as well as the production technology, stayed pretty much the same to these days.

The bigger capacity of available space, together with the smaller, more “compact” size, was also the main competitive advantage of the Compact disc (CD) that was introduced by Philips in December 1982. Although the peak year for the vinyl records was in 1978, and was already in 1979 followed by a recession (Dowd, 2006)*, the introduction of the CD to the market marked the final nail in the coffin of the primacy of the vinyl record. As it is evident from Graph 1, sales dropped dramatically and were halved in the next five years. CD slowly gained the market share and by the early 1990’s it dominated the market for recorded music.

Graph 1: The shift from vinyl to CD



(Source: RIAA, acquired from Hogan, 2014)

* The numbers in this thesis are based on the US market data. The worldwide peak in sales happened according to IFPI in 1981 with 1.1 billion units sold (Hogan, 2014)

However, the shift of demand from vinyl to CD did not affect only the sales revenues, but also the whole production side of the business. Vast vinyl pressing facilities, that often used to be owned by the record companies, were discarded and sold. The amount of remaining presses today is only a fraction of what there used to be in order to fulfill the demand for records in the decades before the arrival of the CD (Harris, 2015).

1.2 Digital downloads and “the death of the music industry”

The reign of the CD, however, did not last for too long, and in 2000, after reaching the historical height with 730 million items sold, the sales began a steep decline. Since then, numerous studies have been conducted in order to assess and explain the reasons for this sudden drop, yet there is no consensus with regard to the main cause. Research seems to indicate that a combination of historical factors contributed to that, one of which being the emergence and diffusion of Internet that brought about illegal downloading services such as Napster that allow individuals to connect to each other’s hard drives and directly copy the MP3 files with songs from their music libraries (see Handke, 2006).

The emergence of the MP3 format marked an important phase in the process because of its specific usability. Although it was originally developed for television (Dowd, 2006), it quickly became the preferred format for people who wanted to share music online. It is relatively small in bits and can be easily disseminated through the Internet with the help of the packet switching technologies, or burned on a CD. Furthermore, the emergence of the new MP3 players that could store thousands of songs switched the focus of the users almost instantly to this format that allowed for so much mobility.

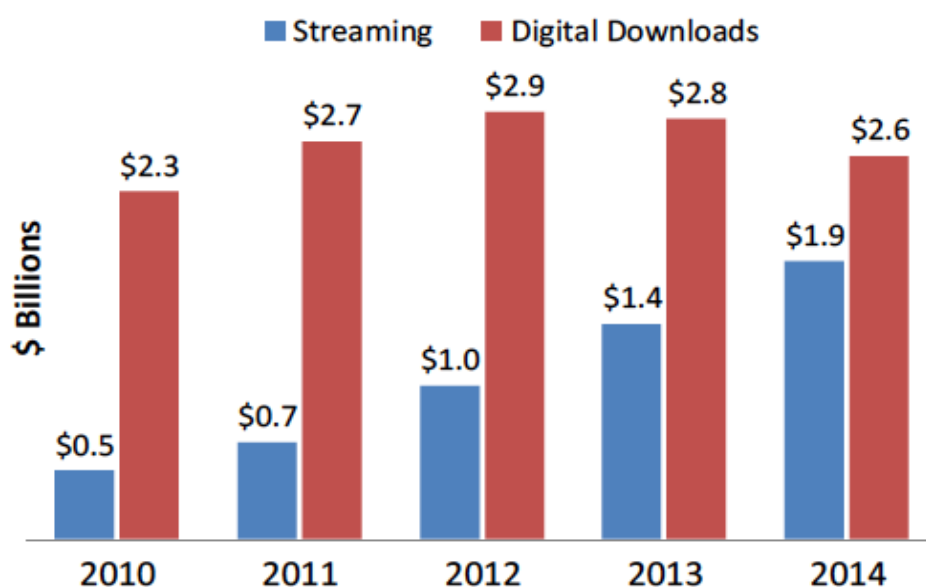
The adoption of MP3 files resulted in what the record industry always feared and have been trying to prevent for a long time – digital copying of the content. The industry stroke back on the basis of copyright law and the subsequent history became infamous, filled with countless court cases, websites shutdowns and ever-appearing new software for illegal downloading. In spite of all the efforts, sales of CDs continued plummeting at an alarming rate. Similar to their reaction to the recession at the end of 70's, record companies unanimously blamed the illegal copying for the situation that seemed to be out of control and fast approaching the bottom.

The silver lining appeared with Apple's introduction of the iTunes store in 2004. With the ingenious new business model of selling single songs for \$0.99, they created a new market for legal downloads which helped to save the dying industry. Their success was based on the combination of the iTunes music service and selling their heavily subsidized hardware (iPod) designed to be used exclusively with their own software. This model proved to be the biggest music success of the 2000's and for a while it seemed as if the future of recorded music carried a \$0.99 price tag on it. However, the situation has changed once again.

1.3 On-demand streaming – from ownership to access

The advent of on-demand music streaming services, as shown on the Graph 2, is a recent development, although the technology behind it has been in existence for a while (Streaming media, n.d.). However, the recent wide dispersion of the high-speed Internet, and especially the mobile Internet, created the conditions for the flourishing of the streaming model. Contrary to the business models that are based on the proprietary model where customers pay for the ownership of the medium, streaming is based on the subscription model where customers pay only for the access to the content. However, streaming services offer large libraries of artists and titles, thus creating an illusion that all the music is accessible for the paid monthly fee.

Graph 2: US streaming and permanent download revenues



(Source: RIAA)

Even though the streaming model is the most promising yet (with the subscription fee of about \$10 a month it represents the yearly spending on music that is vastly above the current average (IFPI, 2014)), it has its own problems that mainly have to do with sustainable financing based on paying subscribers (existing advertising model is not profitable), contracting and remunerating labels and artists (there seems to be a silent war going on between copyright holders and streaming services, as in the widely publicized case of Taylor Swift against Spotify in 2014), and offering a large enough library so that customers do not have to be subscribed to several services in order to have access to what they want. Current situation is that there is a high competitive pressure in the market for streaming services, but the arrival of big entrants such as Apple (allegedly in June 2015) might be suggesting that it is on the verge of the consolidation phase and that we might soon expect an emergence of the dominant service. Since contracting with the copyright holders is involved in the business model, we might speculate that monopoly position would somehow serve consumers best, because that would mean that all the music would be available on a single streaming platform. However, as of this time, the battle is still going on, and the future, albeit bright for on-demand streaming as such, does not yet look relatively brighter for any of the competing providers.

1.4 Vinyl resurgence – the written-off returns

In the beginning of the 90's vinyl disappeared from the mass-market considerations, and was mostly seen as a dead medium. However, while true that the market shrank greatly, it never disappeared. Vinyl remained the medium-of-choice for the high-fidelity audiophile audience, despite the heated debates in the community about the quality of digital vs. analog sound (see for example Fantel, 1986). But perhaps even more prominently, in a sense of developing a status as a cult object, vinyl medium was used by the hip-hop and DJ culture, and through that it achieved a somewhat alternative cultural status. Thus, it disappeared from the sight of the mainstream consumer and found its underground hibernating place where it stayed through the 90's and the first years of the new millennium.

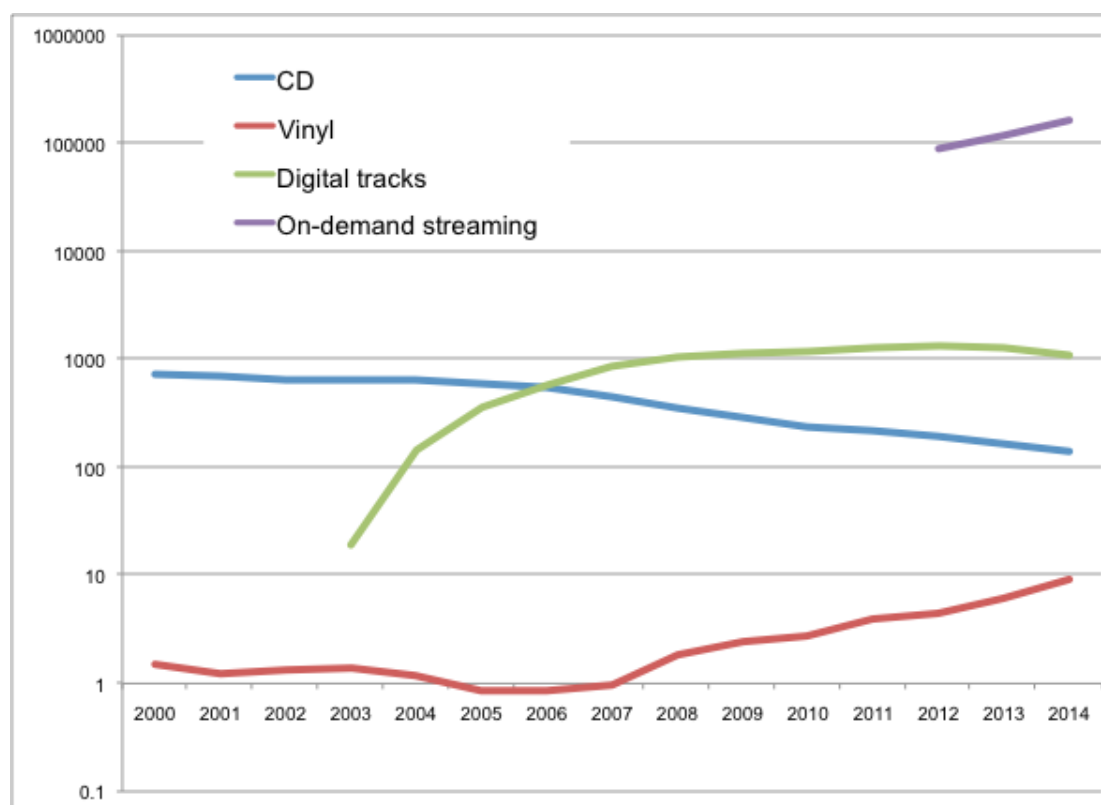
However, somewhat in the shadow of the above mentioned tectonic movements in the music market that were keeping the majority of music industry and research community busy, something unexpected started to become visible in the yearly sales figures for 2006. After experiencing an all-time low in sales in 2005,

vinyl market bounced back in 2006, and in the few subsequent years it became clear that something is happening. The articles in the press started to appear pointing out this new growth trend and speculating about the reasons for it.

1.5 The two trends

If we compile the sales numbers of the described four main media for music consumption from the last decade and a half, we get the following picture:

Graph 3: US Music Sales 2000 – 2014

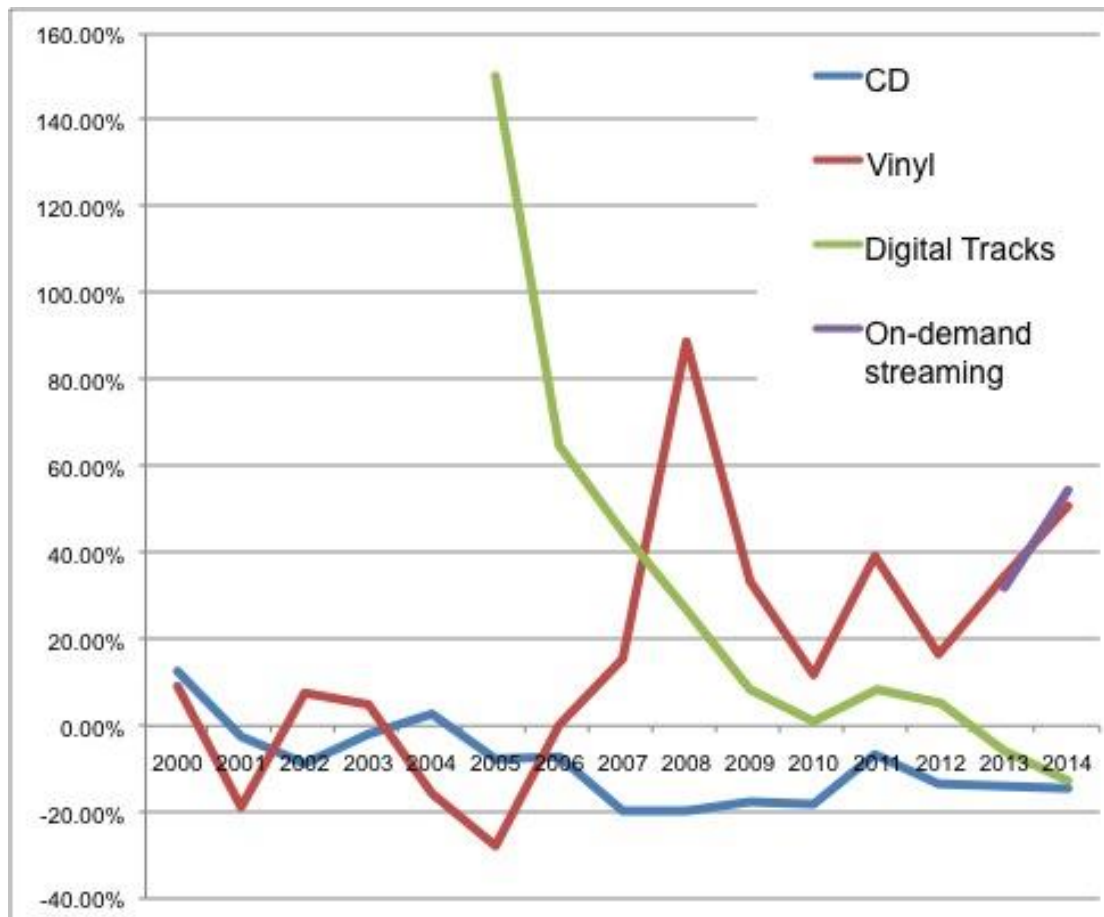


(Source: Brown, 2015)

What becomes obvious from the Graph 3 is the already mentioned sharp decline in the CD sales and the parallel rise of the digital downloads (the slopes are flatter because the vertical axis is in the log scale, since the numbers differ vastly due to the fact that CD and Vinyl categories count albums while Digital tracks and On-demand streaming numbers represent single tracks). We can also see the increasing market share of the on-demand streaming in recent years. Vinyl records are, with only 6% physical media market share (Nielsen, 2015), clearly a niche and do not seem to play a very significant role in the whole (see section 2.8).

However, this picture is somewhat misleading. To get a better sense of what is going on, we need to compare another variable than only the number of sales. Graph 4 shows the movement of the percentage change from year to year, based on the sales numbers from Graph 3.

Graph 4: Yearly percentage change in US unit sales 2000 - 2014



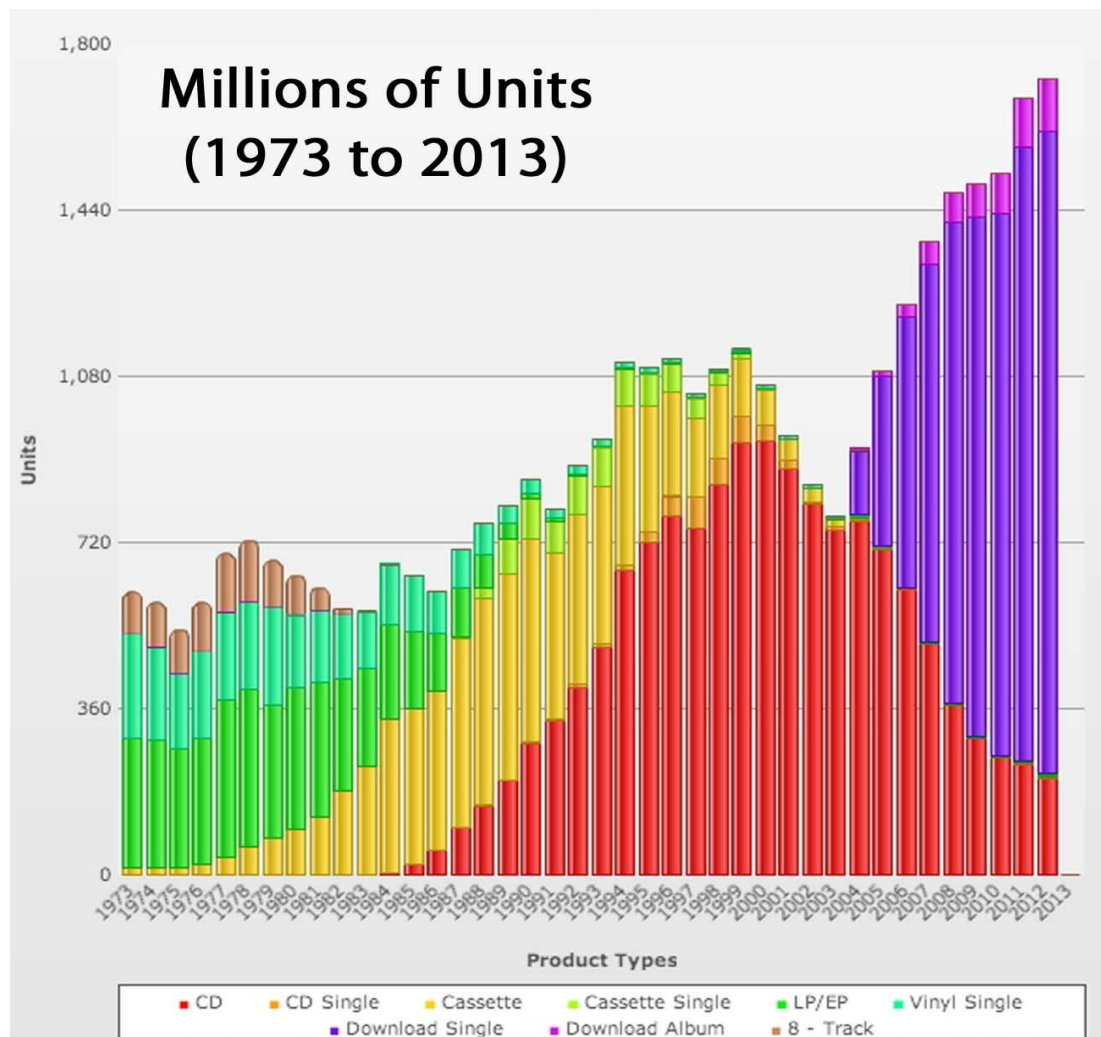
On this graph we can clearly see the emergence of the sole two growing trends in the recent years. Moreover, not only that on-demand streaming and vinyl records are the only segments of the industry that record growth; the growth numbers are also quite significant. However, while on-demand streaming can be to a large extent explained by the substitution effect, the resurgence of vinyl record represents a more complicated question.

1.6 Disruptive nature of technological change

It is instructive, at this point, to consider the possible natures of these technological changes. Following Christensen (1997) we can see the successive technological

changes as resulting from a process of *disruption*. The main feature of a disruptive change in the market, that also differentiates it from a mere price competition, is that the innovation has a particular set of advantages that enable the *extendable core* to further develop as the technology upscales (Wessel & Christensen, 2012). Therefore, this extendable core is crucial for the potential of the innovation to disrupt the incumbents and to eventually take over the market. On Graph 5 we can see the dynamics of disruption at work in the market for music.

Graph 5: US shipping numbers for the different music media



(Source: RIAA, acquired from Swensson, 2014)

When looking at the dynamics of the changes from vinyl LP to CD to digital downloads to on-demand streaming from this perspective, we can see that each of them has different advantages with also different levels of significance. CD disrupted the vinyl market based on a bigger capacity and greater durability of the medium and

the new digital technology that reduced the noise^{*}. Since the capacity and durability are the features of the physical medium (where CD is just another form of a disc), only the latter can be seen as unique. However, it did not take long for the technology that did not need a specific medium to be stored on, to develop to the extent that it offered consumers the same type of digital content; yet in a business model that enabled them to be able to choose much more, and to have a completely new consumer experience with the help of the Web enabled networks.

As already mentioned, at this point it seemed as if we somehow approached the end of history, and that the future is firmly in hands of digital downloads. The late Steve Jobs, then-CEO of Apple and the main man behind the development of iTunes service that played the biggest role in constituting the market for legal digital downloads, stated as recently as 2006 that “consumers want to own their music”. This statement reflects Jobs' conviction that consumers do not want a mere *access* to the content, but they want the *ownership* of it. However, the rationale behind it is a bit problematic. While it can be argued that people generally prefer the ownership of the physical digital media (as opposed to borrowing CD's from the library, for example), this was never so clear with the digital downloads, whose apparent immateriality causes them to lose much of the *auratic* appeal that owning a physical artifact has (McCourt, 2005). Possession of a digital file whose copies are all identical to the original and thus to one another offers a weaker experience of ownership, and this seems to be the main reason why the crime of digital piracy is in the current society not considered on the par with ordinary theft.

On-demand streaming at this point disrupted the market for downloads by eliminating this notion of ownership of the music files, and thus got rid of the problem of piracy. Furthermore, it offered a “leaner” model for the consumers where music files do not pile up on their hard drives, and where users can access their service from a variety of (mobile) devices. Here, I will not go deeper into the discussion of *access vs. ownership*, but will, however, for the purpose of the argument assume the hypothesis that the rise of the streaming services and the parallel decline of the digital downloads can be ascribed to the substitution effect. This hypothesis can be backed up by the Nielsen data that shows the growth in the overall digital market in spite of the decline in the digital downloads (Nielsen, 2015). Therefore, part of the

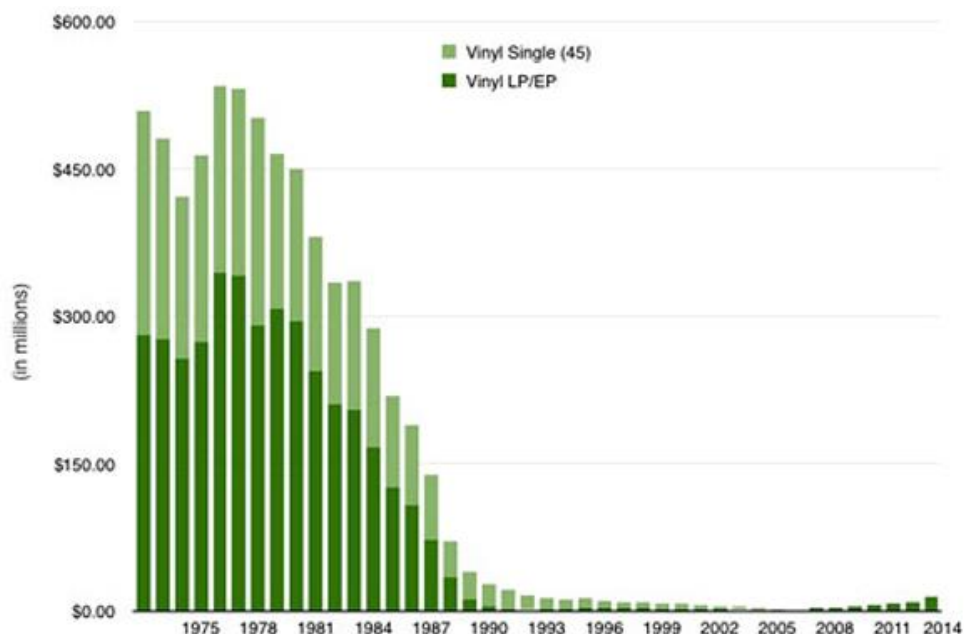
* On Graph 3 we can also see disruption caused by the *cassette*, a medium that distinguished itself due to its portability and home-copying option. In spite of this, the cassette is not further addressed in this thesis. In addressing the phenomenon of vinyl resurgence I treat cassettes as another expression of the same trend, however, a weaker one.

consumers are turning from downloads to streaming, and the growth is attributed to the new customers that get attracted by the convenience of the streaming model. The potential of this new customer base is so significant that the recording industry shares the optimistic view that tapping into this vast pool of potential music consumers – in combination with the high yearly spending that would result from the successfully implemented subscription model – might be one of the most important events in the history of the industry (IFPI Report, 2014).

1.7 Is vinyl resurgence a disruption?

As we can see in the case of on-demand streaming vs. digital downloads, substitution of the disruptive innovation for the “incumbent” technology was the main mechanism that propelled the market forward. Yet, can we apply the same notions to the vinyl resurgence? I argue not. Vinyl resurgence does not resemble a disruptive change. Looking at Graph 6 it becomes evident that significance of the sales today is minor in comparison to the peak of the market at the end of the 70’s, and it is extremely unlikely that vinyl will ever again achieve a leading position in the market.

Graph 6: US vinyl sales 1973-2014



(Source: RIAA, acquired from Resnikoff, 2015)

However, the reasons for buying vinyl today are different from what they were a few decades ago. The main distinction is, of course, that today’s consumers can

make a choice between going for the technology that offers them mobility, convenience and volume for much lower price, or the allegedly inferior technology that, above all, represents a historical artifact. What this thesis focuses on is precisely this segment that, despite the digital option, chooses for vinyl.

1.8 Market share of vinyl records

As mentioned, vinyl share in the market for physical media is measured to be 6% in 2014 (Nielsen, 2015). However, Nielsen records unit sales numbers, therefore, due to the higher retail prices for vinyl, the market share in revenues must be significantly higher. The following table presents the ten most sold vinyl albums in 2014 with their corresponding Amazon retail prices (quoted on May 26th 2015). Apart from that, we computed the ratio between the vinyl and the CD price that tells us how much more revenue will a unit sold of vinyl generate than a unit sold of CD.

ARTIST & ALBUM	CD price (\$)	Vinyl price (\$)	Vinyl/CD
1. Jack White – Lazaretto	10.61	21.76	2.05
2. Arctic Monkeys – AM	6.99	19.27	2.75
3. Lana Del Ray – Born to Die	9.00	15.60	1.70
4. Beatles – Abbey Road	12.99	16.99	1.30
5. Bob Marley – Legend	9.46	25.99	2.75
6. Black Keys – Turn Blue	11.88	21.50	1.80
7. Beatles – Sgt. Peppers Lonely Heart's Club Band	13.99	16.99	1.20
8. Lana del Ray – Ultraviolence	9.59	27.99	2.90
9. Miles Davis – Kind of Blue	7.29	15.73	2.15
10. Amy Winehouse – Back to Black	11.99	14.82	1.25

The average ratio among these top ten sellers is 1.985. This is of course only an informative number, but it enables us to gain some valuable perspective. The ratio of 1.985 implies that the unit sales market share of 6% will generate 11.25% in sales revenues. No matter how we look at this admittedly informative number, it nevertheless represents an indication of a fairly respectable share of revenues (before accounting for the costs of production), and in combination with the strong yearly growth trend, it epitomizes an attractive feature of the vinyl part of the music market that players in the music industry cannot afford to ignore anymore.

1.9 Additional sub-questions and the structure of the paper

Based on the detailed observation of the puzzling trends, we can now pose two sub-questions to our research question, that we will seek to answer in the following chapters:

Sub-question 1:

1. Why are vinyl sales rising in the time when the sales of CDs are drastically falling?

Sub-question 2:

2. Why are vinyl sales rising together with on-demand streaming?

The structure of the paper

In the following we will address the issues that will help us in formulating answers these questions, and ultimately get the insight to address the main research question. In Chapter 2 we will proceed with the standard economic account. Chapters 3 and 4 will address the alternative explanations. However, for this we will need the empirical account of the vinyl practice, so each of these chapters will be preceded by a *field study* there to illuminate the relevant aspects to proceed with the argument. In Chapter 5 we will reflect on the decisions taken with regard to the methodological questions. Epilogue will conclude the paper and touch upon the practical implications and wider relevance of the research.

CHAPTER 2

ECONOMIC EXPLANATIONS

DICTIONARY defines resurgence as “an increase or revival after a period of little activity, popularity, or occurrence” (Resurgence, n.d.). Therefore, in the case of an economic phenomenon it implies a return to the market of something that was for a certain time span more or less removed from it. The question is, what kind of tools does economic theory offer us to explain the resurgence of the vinyl record, an object that was for at least a decade and a half clearly considered obsolete, perhaps even a historical artifact? In this chapter we will address relevant explanatory tools that can be derived from standard economic theory, and apply it to our case as we go. We will begin with straightforward notions and models, and continue by utilizing more sophisticated concepts that were developed in attempt to correct for the limitations and inconsistencies that might stem from the standard approach when addressing a case with a strong cultural component. At the end, this procedure will enable us to see whether there are any loose ends that might in the process remain unaddressed, or unsatisfactorily addressed.

2.1 Supply side considerations

Before we start to address the issue, we need to clarify the economic good in question. Is it the content or the medium? Is a Beatles vinyl LP, for example, competing with its CD version due to the consumer preference for the medium, or is the question of the medium irrelevant once the consumer decides to acquire the music? The answer to this can be derived from the observation of the sales data. When we compare prices and also account for the growth in demand, we can infer that in this case consumers actually focus on the vinyl medium, since CD sales are falling despite substantially lower prices for the same musical content. Furthermore, the fact that four out of ten most sold vinyl records in 2014 are more than four decades old suggests that, despite the familiarity with the music, people want to specifically own it on the vinyl

medium. The fact that the music is available also on vinyl, thus becomes an important factor in the (monopolistic) competition among the various content offerings.

Simple economic logic can thus lead us to conclude that increased availability of music on vinyl will result in higher revenues for the industry, since people will want to buy it on vinyl even if they already know it from another medium. In fact, given that music is, due to the consumer's inability to assess its quality before consumption, considered an experience good, the familiarity with the music should be an even stronger positive factor in the purchasing decision. We can observe this in the vinyl reissues of iconic albums from back catalogs that currently constitute a big part of the business in the recording industry (and of the lists of most sold items).

Risk and elasticity of supply

However, there are higher risks involved on the production side of vinyl records, due to the high manufacturing costs: both fixed costs (the machinery) and variable costs (the cost of material and packaging). Apart from that, the production does not allow for high economies of scale, since after a certain number of pressings the master has to be made anew. Also, the production process is more time and labor consuming than production of any other music medium, therefore adding to the riskiness of the investment.

Lower profit margins are connected with the curious convention that exists in the relationship between music labels and records shops, where the latter are not allowed to return unsold items, which creates a disincentive for ordering larger volumes and less mainstream titles. This policy has roots in the business practices of the record labels from the time of the advance of the CD, when industry was actively trying to lower the vinyl sales and make retailers increase the shelf space for the CDs and cassettes that generated larger per-unit profits (Plasketes, 1992). Despite the outdatedness of the practice, it is still persisting and represents a problem for the availability of the vast variety of records in the record shops. However, the contemporary shift to the centralized online retailing resulted in a globalized access to the goods supplied, which, overall, lead to faster inventory turnover and thus lower inventory costs.*

High fixed costs of production are preventing new entrants to enter the market. This is becoming an important issue in the current time when the remaining pressing

* The economics of the record shops (and of the so-called brick-and-mortar retail business in general) is an interesting and relevant field to study, but will not be further addressed in this thesis.

plants are facing the challenges of too many orders on the one hand, and the aging machinery on the other, which often results in supply shortages (Shah, 2014). Despite the clear opportunities for new entrants, it is the high fixed costs of the manufacturing technology that prevent even the biggest players in the market to expand the production capacities with new presses. As a result, they are for now still dependent on maintaining the old machinery, and being constantly on the lookout to discover more available presses (Harris, 2015). All these factors make supply to be rather inelastic even in the longer run, and the music industry is, at the moment, facing the joint challenge of how to generate adequate supply in the face of extremely high fixed costs.

What this brings to our explanation of the vinyl resurgence is a limit to the future growth that the market might be facing at the moment due to the problems in the supply chain. Thus, if the potential future demand is to be satisfied, the record industry must understand the demand in the present in order to be able to make informed decisions about the investment in the increasing of the production capacities that will enable the supply to adequately meet that demand. Since there is no guarantee that the current growth will continue in the future and thus reach the numbers that would justify the investments, the question, therefore, is how to predict the demand in the highly volatile market for recorded music.*

2.2 Demand side considerations

While the economics of the supply side are usually dominated by pondering over various cost structures, demand is, in theory, mainly subjected to the combination of changes in prices of goods and purchasing power of consumers. Vinyl resurgence should, therefore, somehow be a function of the price of the records and the income of the music buyers. Since the prices are relatively high, the growth in demand suggests the bigger amount of disposable income among the target segments, so the sales of the vinyl should be related to the higher income classes in society. While any "cultural" expenditure is somewhat connected with the affluent buyers, there is no evidence that vinyl resurgence is driven by the high-income classes, since the new buyers tend to be of younger demographic that has relatively low purchasing power.

* By which we mean the volatility due to the demand fluctuations and not, what is usually meant in the stock market, the volatility of prices.

We must, therefore switch our focus to the motivations for buying vinyl, to the specific qualities of the good in question that play a role in satisfying consumer needs. Since diverse music media are technological solutions for the problem of storing and disseminating recorded music, it is instructive to consider the role of technology in connection to the demand for a particular medium. Atomized depictions of the markets, that are common in neoclassical economics, suggest with regard to the technological change that the major changes are the result of the diffusion of a new and superior technology (Dowd, 2006). However, the problem here is that vinyl does not seem to be a superior technology at all. Among others, it is highly impractical, not mobile, it does not allow for customization and copying, and it always varies in the quality of pressings. It is, nevertheless, often considered superior in the sound quality by the audiophile segment, but this view is contested as well, as the heated debates about the quality of sound at the end of 80's already illustrated (see Fantel, 1986)*. The diffusion of superior technology therefore cannot be a satisfying explanation for the shift in demand. Moreover, it was the audiophile segment and DJ culture that mostly maintained the vinyl market from the end of the 80's to 2006, thus the resurgence must have to do with some other type of consumer. As the lists of the most sold titles indicate, the resurgence is not characterized by the increased sales to the high end audiophile or electronic music community, but to a more regular and mainstream consumer segment. So, what is happening there that is making regular people buying vinyl records again, after already discarding them two decades ago in favor of the digital technology?

Anti-economic logic of vinyl consumption

A related approach would be to assume that acquiring vinyl records is a sort of conspicuous consumption. This view, famously proposed by Thorstein Veblen, treats consumption of certain objects as fulfilling the role of displaying the socio-economic status. However, since vinyl records do not display strong characteristics of luxury goods that would enable them to signal a high level of the economic power, we can speculate that the vinyl consumption has more to do with signaling a specific social and cultural attributes of the consumer.

* A list of the shortcomings of vinyl, as seen from the perspective of an audiophile in search for a more perfect sound carrier, is provided by Del Colliano (2012): limited dynamics compared to other formats; high signal-to-noise ratio; starts to wear from the beginning; lack of portability; no options for surround sound; no video options; not HD.

Ashley Myers makes an interesting observation with regard to the conventions of payment in the fashion industry, namely that there is an *anti-economic* logic at work in the case of the modeling jobs that are *less paid yet more desirable* (Myers, 2011). If we draw an analogy with the vinyl resurgence we find a similar anti-economic logic going on there as well – vinyl records are far less practical, yet they seem to be more desirable than other physical media. Why, thus, are consumers willing to withstand all the apparent impracticalities in order to listen to effectively the same music, on top of paying the higher price in the first place? What rewards do they find in engaging in these resistances?

The other side of the Veblen argument for the conspicuous consumption as a way to display economic wealth is the consumption as a means for accumulating and displaying symbolic and cultural capital in the sense of Bourdieu. However, in order to address this issue, standard economics of the inputs and outputs in the production and consumption processes is not enough. So, the question that arises is: how can we expand the scope of rudimentary economic analysis, so that we can capture the relevant aspects? In order to establish the link between consumption of the cultural content and the desired signaling, we need to first tackle the issue of taste formation that will enable us to understand why would certain content be preferred by certain consumers in the first place.

2.3 Tastes, metapreferences and romantic consumption

De gustibus not est disputandum, the maxim that got immortalized in the economic literature in the paper by Stigler and Becker (1977), communicates two things. Firstly, it means that, while we can analyze the individual's efficiency in satisfying the desires, the tastes themselves are only *data* that cannot be accounted for by the economic inquiry. Secondly, Stigler and Becker assume that the tastes are stable over the long run, so economists can, therefore calmly put their focus back on the study of prices and incomes. What that means is that economic analysis will never even have to account for tastes. Its sole focus remains at all times on the maximization of utility.

How does this apply to our topic? As we have mentioned, vinyl records buying can be seen as a form of conspicuous consumption, where buyers are seeking a particular gain from the signaling power of the goods they acquire. On top of that, it can be treated in the context of fads and fashions, thus buyers can be seen as following the crowd, or trying to be the early adopters of the goods that will

eventually become popular. When applying their model to fads and fashions, Stigler and Becker (1977) propose that a person's demand for fashion can be inferred from the *social distinction* that that person maximizes, which is a sum of her own contribution plus contribution of the social environment. Social distinction is thus the real commodity that gets consumed when a person indulges in the consumption of fashionable products.

Can this be a viable explanation for the vinyl resurgence? I argue not. In this view, buying vinyl is no different than any other conspicuous consumption practice, and could, therefore, be substituted at any time. Furthermore, research into the psychological meaning of record collecting shows that the decision to buy records is strongly connected to the sense of self (Giles et al., 2006). Therefore, it is oriented inward, and not just outward as a device for acquiring and signaling social recognition and distinction.

Acquiring material goods does not fulfill only an instrumental function with regard to the *use value* of an object. Christensen and Raynor (2003) famously framed the consumer motivation as not being interested in the object (a product) itself but in *getting the job done* (a service). The question arises, however, what is this “job to be done”? Is it something as tangible as a hole in the wall made by a drill, or are there also more elusive services desired by consumers? Shrum et al. (2013) in their article reconceptualize material acquisitions as *identity goal pursuits*, which leads them to conclude that the choices people make with regard to products are guided by the fulfillment of specific self-identity goals. In other words, constructing and subsequent signaling of this identity becomes “the job to be done” that motivates consumption of the material objects.

This is in line with the observation by Campbell (1987) that “many of the cultural products offered for sale in modern societies are in fact consumed because they serve as aids to the construction of day-dreams” (p. 92), since the imaginative mechanism behind the construction of illusion is effectively the same, and is usually used for fantasizing about the promised self-image and identity that will come from consumption of a particular item. However, Campbell's (1987) view on the nature of modern consumption is that it is essentially hedonic. Following this, his analysis focuses on the identification of *romantic* (i.e. irrational, impulsive) sources of pleasure that consumers derive from consumption. But as Holbrook (2011) shows, this is not the whole picture, since also *classic* (i.e. rational, orderly) aspects play a significant role in the process. Therefore, we need an even more inclusive approach.

An important distinction has been pointed out in the economic literature between first- and second-order preferences, or between preferences, that are revealed by the actors when they buy goods and services, and *metapreferences*, that are preferences about preferences, so to speak (see Sen, 1977; Hirschman, 1984). As McCloskey (1985) puts it: “[I]f you wish to be the sort of person who enjoys Shakespeare, you will sit through a performance of *Two Gentlemen of Verona* as part of your education. You impose a set of preferences on yourself, which you then indulge in the usual way.” (p. 66). Therefore, what becomes important here are not only the tastes about goods and services, but also the reasons for *why* those specific goods and services had been chosen. Therefore, a specific change in preferences that has been preceded by the formation of a metapreference “represents a *change in values* rather than a change in tastes” (Hirschman, 1984, p. 90). And when we switch our focus to values we are much closer to the questions of subjectivity and identity than to the questions of standard economic rationality.

As we see, the wider context matters and in the following section we will look into the recently proposed approach that, within utility maximization paradigm of standard economics, attempts to take the social context into account by focusing on the influence that the choices with regard to *personal identity* have on the individual’s decision making.

2.4 Identity utility – the way out for economics?

“Choice of identity, then, may be the most important “economic” decision a person ever makes.”
(Akerlof & Kranton, 2010, p. 15)

The reason why the authors put the adjective *economic* between quotation marks is that what they talk about is not a standard economic decision about the allocation of resources, but a decision that provides a context that will ultimately determine the individual’s choices with regard to investment, spending, or what else you will. In their view, *identity* is a defining factor in the person’s sense of who she is – in defining her *social category*. Different social categories are associated with different behavioral norms, therefore, identity will, as such, influence decisions of the individuals that *identify* with that particular social category. The term “choice of identity” implies that people follow norms because they, at any particular moment, *want to*; therefore, the identity must also be accounted for in the individual's utility function.

The question of the influence of identity on the economic decisions is an important one to consider for the inquiry into the resurgence of vinyl records. The “culture” to which people ascribe to is a strong factor in their personal worldview and will, as such, have a strong influence on the decisions regarding consumption. Following Akerlof and Kranton (2010) we can now adopt a notion of *identity utility* when talking about what is at work here economically.

In their book *Identity Economics: How our identities shape our work, wages, and well-being* they propose an upgraded version of a standard utility function, which in their model gets enhanced by the elements of identity. What is important to emphasize, is that the chosen identity has, through the norms and ideals that it prescribes, a direct impact on the decision making process. This is not merely a question of tastes, but, more importantly, how these tastes vary with social context. The authors begin with a sociological observation that what people do is determined by the norms and ideals that they perceive as associated with their social category. This category is determined by the identity that people internalize, therefore we must take it into account when constructing a model of individual's decision making.

What they propose is a two-part procedure for which they provide a straightforward recipe (Akerlof & Kranton, 2010):

Part 1

Specify the standard components of utility: a person's taste for goods, services, or other economic outcomes.

Part 2

Specify the identity elements for the relevant social context:

- the *social categories* and each individual's category assignment, or *identity*
- the *norms* and *ideals* for each category
- the *identity utility* (the gain when actions conform with norms and ideals, or loss if they do not)

In making the economic decision, a person balances her Part 1 standard utility and Part 2 identity utility. Behavior, therefore, depends on who people think they are. These elements are defined by *observation* of the economic actors, and so the procedure requires quite accentuated sociological insight, which may make the approach seem somewhat arbitrary. However, in order to observe norms, “all it takes

[...] is knowing how and where to look.” (Akerlof & Kranton, 2010, p. 33). This implies that the observational part will be crucial for the explanatory power of the model.

Nonetheless, it is important to consider the main counter-argument, that gets acknowledged by the authors as well: since identity utility is completely derived from the observation of behavior, the conclusions resulting from it might seem obvious, thus making the step of constructing yet another model redundant. However, we will, at this point, suspend this argument in order to see what a “naïve” identity utility model of music consumption can reveal to us about the motivations that might be driving the vinyl resurgence.

2.5 Simple identity utility model of music consumption

For the construction of this model we will use the general economic and sociological insights from our preceding discussion on the consumer behavior in the market for music. While the methodological assumptions with regard to this might be questionable, it is precisely what Akerlof and Kranton suggest to do as well.

Part 1

In the standard economic model we have individual consumers who make decisions based on the maximization of their utility. As any other type of consuming decision, the one regarding the medium of music listening is based on the price and quality of the product or service (which can serve as a signaling device). The question *why* people prefer certain music to another is external, and can be addressed indirectly through the analysis of the cultural phenomena by employing concepts such as informational cascades or bandwagon effect. However, the decision about what type of medium people will choose will in this view always be determined by its price and perceived qualities.

Part 2

What role does identity play in it? How would the different ways in which people perceive themselves affect the economic outcomes? From the observations of consumer behavior we can derive the identity ingredients:

- *Social categories.* We classify two types of consumers: *insiders*, who want to own the content on a tangible medium; and *outsiders*, who do not care about the

ownership and favor the simplicity of access. The former also perceive material object as a stronger sign of their connection with the artist and they generally tend to be people to whom this represents an important thing in their life; while for the latter, though far from being the rule, music often has an instrumental value (as a background noise, for example).

- *Norms and ideals.* Connection, tangibility, possessions, etc. define the insiders. We suppose that they think they *should* possess the physical object in order to really count as real fans. On the other hand, for the outsiders ownership of physical media does not contribute to their self-image as a particular type of music consumer.
- *Gains and losses in identity utility.* To the insiders, not owning a physical medium brings a loss in the identity utility, for it diminishes their signaling capacity about their identity. In contrast, ownership results in the gain since it contributes to the self-image of a devoted fan of the particular art. The satisfaction comes about with regard to a particular artist, as well as with regard to the art form in general. The confirmation that art is one of the most important things in the insider's life is one of the main gains in the identity utility.

2.6 Concluding questions

Due to the discussed limitations, the standard approaches of the economic theory do not offer us satisfactory answers to our research sub-questions.

While identity economic approach might be a useful heuristic device for presenting the findings, identity utility model, nevertheless, has a major shortcoming, namely, it offers us precisely as much – or as little – explanatory power as we put our observations in it. In this sense, the results often seem obvious, indeed. That vinyl consumption brings a gain in consumer's identity utility might appear as a somewhat convincing conclusion, but actually it is just stating whatever observational and sociological input we chose to put in it in the first place.

In order to address it further, we need to inquire into what actually constitutes this identity utility, in other words what ideas and meanings do people associate with vinyl records and what role do they play in their everyday life. However, for that we first need an experiential account of the symbolic and social qualities that vinyl medium enables.

Intermezzo I

*Field study – social and symbolic qualities**

NOSTALGIA

Many of the record collectors say they are drawn to vinyl because that's what they grew up with¹. Later, when new media entered the picture, they could not identify with it and stayed with vinyl.² With regard to this we can distinguish a personal and cultural nostalgia.

Personal nostalgia has to do with the memories of childhood and growing up, particularly – though far from being a rule, since a lot of collectors come from not musical familial background – surrounded by records at home.³ Vinyl records can also be a way to connect with people from that past that already passed away.⁴

* The field study was performed on the sample of 63 interviews with the vinyl lovers and collectors that are available online on the web page *Dust & Grooves: Vinyl music culture* (interviews available at: www.dustandgrooves.com/archive). The structured form of the interviews, where most of the questions asked are the same for every interviewee, enabled a clear comparison among a wide range of answers. The 6 categories that we present in this section emerged through employment of the principles of grounded theory, by coding being focused on the social and symbolic qualities of vinyl, the goal being to characterize the main qualities in order to gain the insight and vocabulary essential for further inquiry. The categories are briefly explained and further illustrated by the characteristic quotes from the interviews. In this way we gain the first-hand information that we were missing in the construction of the simple identity utility model. The quotations are not corrected for the mistakes in spelling and grammar, but are preserved as they appear in the original.

¹ “All my original records were vinyl, and I was fortunate to grow up in the late '60s and '70s in Los Angeles. There were record stores everywhere, and most of them had lots of cheap used records.” (Jeff Gold)

² “Back then records were not cheap and my friends and I would listen to them together and/or loan, trade them. Really this is one of the saddest things about how music culture has changed: emailing a link or MP3 file instead of sitting your friend down and playing them some music. Booooooring (sorry for the rant).” (Roddy Bogawa)

³ “I remember the turntable in my folks' first house, I remember the putting on the record and moving the needle onto the record, and I remember the record shelves that the turntable and speakers sat atop of. I remember holding the records, and looking at the covers. I just loved the entire package. The fact that it also held music was like this amazing bonus.” (Eothen Alapatt)

⁴ “For a lot of us, too, we want to be where our parents were. We want to go back to their years, or to our childhood years, or even our grandparents' years ... knowing that you can go back and get that feeling, that you can listen to it on the same format as them, it connects you to them and to that time. Because of that, and because of the way records sound, you are more connected to the music. Somewhere in there, you realize that you don't have to get all this digital shit.” (Justin Salinas)

Cultural nostalgia is characterized by a longing for the world of the past, and vinyl records can be a way to experience that world.⁵ A part of the romantic view of the vinyl is also seeing the pre-digital world as being somewhat more pure and more real due to the simplicity and less available choice, that in turn forced music lovers to engage more actively in the pursuit of the desired records.⁶ A particular social identity and sense of communal belonging can result in a strong loyalty to the past that manifests itself in the use of old cultural artifacts.⁷

DISTINCTION

This label emerged from the statements about the engagement in the vinyl culture springing from the necessity to differentiate oneself⁸. Furthermore, vinyl enthusiasts generally want to be associated with not being mainstream. While this is sometimes expressed with a specific music that is hard to find⁹, it can also be simply an act of listening to the “regular” music, but on vinyl.¹⁰ Distinction can be further developed within the community itself, where listening to and collecting particular genres or artists is considered more respectable than others.¹¹ Taste and knowledge are thus ever important differentiating factors.

⁵ “Part of the romance for records is how they literally record a specific time and place via the music, the liner notes, the cover art, etc. It’s as rich a cultural medium as we’ve ever had.” (Oliver Wang)

⁶ “Maybe that’s why I’m often nostalgic about past eras of collecting. In those days you didn’t have much choice other than to learn via word of mouth, to go out to hear things firsthand played by DJs, and put in your own research based largely on trial and error. You couldn’t just sit in front of a computer and set e-snipe bids (which I do as well, believe me – we all do – even though it’s tough to find a lot of joy in that act). I mean we all want the records we want. But spiritually it’s a little more interesting and fulfilling to let your interest in the music lead you to some places you didn’t necessarily expect.” (Jeff Mao)

⁷ “So-called “oldies music” has always had special resonance with L.A.’s Mexican and Chicano communities according to Molina. “Loyalty to the past is really strong, he says. “Driving old cars. Having the same dress style. Music’s a part of it, people are not going to give it up.” (Ruben Molina)

⁸ “Refine your tastes to distinguish from other people. I did not want to feel superior, but different.” (Victor Kiswell)

⁹ “Well, by “mainstream” I don’t necessarily mean “bad.” I just mean: at a certain point, I can listen to all of the Curtis Mayfield and Jimi Hendrix that I want without having to have all of those records around my house. Rather, I’d like to surround myself with the alternatives to those albums – albums that I can only listen to by seeking them out myself.” (Eothen Alapatt)

¹⁰ “But for others it is just a signifier that tells them this is not something mainstream. Some people think that because it’s all vinyl we are only going to play funk and soul breaks from the 70s, or that it’s a retro movement. But we play current music too, and make it all cohesive and relevant.” (Ben Goldfarb, talking about vinyl-only listening events)

¹¹ “It’s no surprise that someone who collects rare Northern soul or funk 45s is given more respect than, say, a collector of Madonna’s entire vinyl catalogue. Northern soul and funk are respected genres in record collecting circles, Madonna not so much. It’s also understandable that those who spend years digging up rare or obscure records are given more kudos than those who collect what’s more easily available. (Sheila Burgel)

AESTHETICS

Vinyl record is perceived as an aesthetic object, and mostly due to its large space for cover art and the history and convention of album cover art being a particular artistic genre. As such it is distinctive from any other music media.¹² But it is not just the object that is appreciated for its aesthetics, also the practice of listening to and collecting vinyl records is perceived as an aesthetic act.¹³

DISPLAY

The notion of vinyl records as especially fitting for the purpose of visual display is generally dismissed, yet acknowledged, in the vinyl community as something that distinguishes a true vinyl lover from somebody that merely succumbed to the fashion. Therefore, the best illustrations of this category come from negative statements.¹⁴ However, the tendency for the visual display can also be observed in carefully curated and presentable collections that often get to inhabit prominent spaces in the owners' living rooms.

COMMUNICATION AND STORY-TELLING OBJECT

Vinyl record is seen as an object that facilitates communication among people.¹⁵ However, apart from being an object that is being talked about, it is also an object that tells the story on its own.¹⁶ Since material possessions are often perceived as part of an individual's legacy, vinyl collections are especially seen as valuable possessions that tell the story about their owners' lives and can be eventually inherited by their children.

COLLECTABILITY AND THE VALUE OF COLLECTIONS

Majority of the record collectors claim that they are acquiring records for the sake of

¹² "It's obvious, the vinyl is beautiful. Weighty, warm, with fabulous large cover art, how could you prefer dull plastic CDs over that superb object? It's hard to explain that feeling, but a stack of records is nice to my eyes..." (Thomas Pasquet)

¹³ "The idea of collecting is just beautiful, and with music, it's a triple threat: images, music, the process of playing it." (Mickey MacGowan)

¹⁴ "People who buy vinyl because they just bought some crappy portable turntable in Urban Outfitters and want to have some 180 gram deluxe reissue of the Velvet Underground and Nico's album sitting on their coffee table because it looks cool might be temporarily driving some portion of the market up." (Eothen Alapatt)

¹⁵ "Vinyl has always been this endearing way of communication I have with people." (Jess Rotter)

¹⁶ "My collection is an extension of me. It is a biographical study." (Pat James Longo)

*music and enjoyment*¹⁷. *Hoarding is considered an unhealthy act of obsession*¹⁸ ('wanting the record' gets replaced with 'needing it'¹⁹) that might have psychological reasons.²⁰ *Often, they also do not see themselves as collectors, but simply as music lovers whose material collections are a by-product of their passion*²¹, which ultimately serves as a means of advancing their knowledge about music.²²

*However, completism is an important aspect,*²³ *though not all collectors succumb to it, especially the ones that tend to at all times put the music in the first place.*²⁴ *Size of the collection matters as well*²⁵, *though only the intimate relationship with records will ultimately define the real vinyl lover.*²⁶

*Collectors tend to develop a specific focus in their collecting practice. Besides the regular musical genres, artists, and time periods, it can also be some more or less unrelated thing, such as records that contain the personal name of the collector in the title, only records from specific countries, only mono records, or records that share a particular theme of the cover artwork. But, above all, the personal character of the collection that comes about as a result of people following their passion is what distinguishes it from mindless hoarding.*²⁷ *Record collecting is seen a never-ending journey of discovery and enjoyment.*²⁸

¹⁷ "Both the music and the quality have to be great otherwise it is not worth having. If I had unlimited space I could store "stuff" but I prefer to have records that I will actually play. Everything in my collection is to be played and enjoyed." (Coleen Murphy)

¹⁸ "It can get in the way of family and relationships. It becomes like any other drug—you want it and you obsess about how you're going to get it. [...] It snowballs." (Justin Salinas)

¹⁹ "It's...I...I need it. (Laughs) I need it. I find a record, I like it, and I need it." (DJ Shame)

²⁰ "I was still pretty young and impressionable so to lose everything you owned as a kid and to almost lose the closest people to you makes you develop a sense of fear for losing things." (Jeff Ogiba)

²¹ "If you love music, you buy records. Just because you like reading books and have a few shelves of them doesn't make you a book collector." (Frank Gossner)

²² "Getting more records is like learning more words in a language. It gives me the ability to be more articulate [...] as far as listening goes." (Akalepse)

²³ "But once you get started it's kind of impossible to stop. You always need more, and I also have a "completionist" mentality, so I want entire catalogs if I can help it." (Cosmo Baker)

²⁴ "I can't think of an artist or label where every single release is absolutely amazing although there are some that are better than others. I collect music rather than things." (Coleen Murphy)

²⁵ "There's a definite hierarchy in the record collecting community and a collector's spot on the totem pole is largely determined by the size of their collection, rarity, quality, and also how long they've been in the game." (Sheila Burgel)

²⁶ "Storage space is not the baseline issue when discussing the collection of music. The music and your relationship with that music is the baseline issue. Records in abundance on any level, or in any format, will get in your way if you are not intimate with them." (Rich Medina)

²⁷ "I hope those who read this see into the art of collecting and documentation and not just as some bragging, ego driven, chest thumping competition. Each collection is extremely personal. [...] I am a listener (or student) who has a lot of records. The collection is a result of my love of music." (Pat James Longo)

²⁸ "I think the thing to take away ultimately about this game is that is you never stop learning about music and records. There's too much of it out there to know everything or even a fraction of everything. And that's part of the fun. It's not really even about getting the records – it's about the journey, learning about stuff and having a good time doing it, and continually developing an appreciation and ear for things. Then when you get that record you really want it's like your indication that the whole cycle, the whole process begins again." (Jeff Mao)

CHAPTER 3

FLUFF

“My dad always said to me, ‘You’ve got to dig it, grow it, or build it; everything else is just fluff.’”

(as cited in Lanham (2006), p. 5)

ONE OF THE oldest unresolved metaphysical disputes in philosophy is the polarity of idealism and materialism. It is considered a fundamental opposition with regard to the nature of reality. Whereas the long history of philosophic thought has produced a long list of definitions and descriptions of either of them, at the core of the dispute is that within the idealistic framework it is mind (or spirit) that is the primordial creator of things, while in the materialistic it is matter that precedes (and is the source of) everything (Novack, 1965).

Keeping the deeper philosophical considerations aside, the distinction is illuminative in our attempt to explain the vinyl resurgence, since it addresses two aspects that are important for our framework: on the one hand the *idea* and the *symbolic meaning* that people attribute to vinyl records, and on the other the very *material practice and experience* of using and listening to them.

In his book on the importance of rhetoric and persuasion for the workings of modern economic systems, Lanham (2006) contrasts two basic principles that make up his *economics of attention* framework: *stuff* and *fluff*. While traditionally clearly distinct (with former holding an unmistakably superior position to the latter), it is in the modern information economy that fluff (style, persuasion, rhetoric) has become increasingly merged with stuff (products, services). While hard to separate them completely, it is nevertheless instructive to approach them one by one, since they offer a fundamentally different view of the reality. In this chapter we will address the illusive characteristics of vinyl culture, in other words – vinyl fluff.

3.1 The rising importance of non-stuff

Lanham (2006) draws attention to the fact that in today's digitalized world, nature increasingly gets interpreted as information. In other words, *stuff* gets to be seen as *non-stuff*, and images, as opposed to the "real" things, acquire a dominant position. This can be most clearly observed in the case of the vast amount of digital content available online and used as a substitute for reality (online museums, for example). Or, in the approach to design that persuades through the employment of *style*, and thus merging non-stuff with stuff in a way that elevates the perception of regular products as artistic objects. However, the argument can be extended also to the desired images of the self that individual humans project outwards to the society. In the construction of these images – in other words, people's *style* – cultural artifacts play a prominent role.

3.2 The new economics of attention

The vast overflow of information present in the contemporary society at any given moment results in *attention* becoming the most precious resource to command. In the world of personal branding, where "[w]e *are* not who we are, but we *perform* who we are" (Smelik, 2013, p. 57), everything is a signaling device trying to convey the message that the signaler wants to communicate. As a result of this massive presence of information, the individual signal loses the conveying power. Therefore, what becomes crucial is the ability to attract attention, and most often this attention – and not the signal itself – becomes the differentiating factor. The fact that it is attention that is the scarce and highly desired resource, leads to the importance of what Lanham (2006) calls *the economics of attention*, which is a mode of negotiating the flood of information and making it stand out by utilizing persuasion and rhetoric.

The recognition of the significant role that attention plays in the relationships based on fluff has implications for all the partakers in the vinyl universe. Thus, what becomes important is to identify the specific qualities that vinyl conveys, or has the ability to draw attention to. Our own field study on the social and symbolic aspects confirmed the findings of the consumer research on the perception of vinyl records (see, for example, Hayes, 2006; Giles et al., 2007; Magaudda, 2011) that they carry an aura of a more "real", less commercial artifact. As such they seem to be able to communicate a message of "substance-over-form", which, in one way or another, vinyl consumers tend to perceive as the crucial factor in their purchasing decisions.

Therefore, on the supply side, vinyl signals to consumers the integrity and dedication to the musical matters by the producing parties, and on the demand side consumers use it to signal their own recognition of the quality to their social environment.

3.3 Identity displayed

It might appear contradictory that, apart from signaling substance and the owner's devotion to the content, vinyl records are at the same time almost universally recognized as superb aesthetic and stylistic objects that might be used to decorate walls and coffee tables without ever actually being listened to. However, since vinyl record cover art became almost an art form on its own (see the numerous anthologies of the iconic designs done mostly by the artists specializing precisely in doing cover art) we cannot simply subordinate the visual element to the hearing.

Moreover, not only covers, but also objects themselves get to be looked at. Auslander (2001) argues that pleasure is derived by simply looking at records, which results in a “perverse act, given that the object of gaze was produced as a commodity to be consumed by ear.” (p. 80). In his view, it is this perverse act that goes against the grain, while the recorded music as such has a negative connotation of causing mesmerization with its *spectacle nature* in the sense of Debord (1967)*. The music and the record are thus two separate commodities.

Due to this widely accepted status as a superior aesthetic artifact and a strong signaler of quality, vinyl also becomes a subject to *free-riding*, when the act of acquisition and ownership does not imply the actual use, but is performed solely for the purpose of appropriating the symbolic benefits. This *coolness factor*, so to speak, seems to play an important role, and can explain the high percentage of vinyl records being bought without the intention of ever listening to them.**

Thus, collecting records has two sides: while one emerges as a result of the focus on the music and is characteristic for the “serious” collectors, the other points to the *display value* those records possess, and is as such employed by the consumers seeking to gain social capital. Records as display objects help to attract attention to

* Debord (1967) argues that the main feature of the modern society is its *spectacle nature*. Spectacle (which, coming from the *critical theory* tradition, mainly means mass media) is so ingrained in the society that the consumers cannot perceive it anymore as something foreign, but as a sort of mistaken reality. Therefore, spectacle also becomes the most important factor in the relationships of power and coercion in the society. In Auslander's (2001) view, records as objects do not have this spectacle nature, which is yet another explanation for why people perceive them as more real and pure.

** According to a 2014 UK survey, the number of such purchases is as high as 26% among the consumers aged 18-24 (ICM Unlimited, 2014).

their owners by contributing to their distinctive style. Therefore, records play a role in the perception of the owner by the society, as well as in the construction of that individual's self-image.

3.4 Addiction to the past

Culturological accounts, such as the one developed by Reynolds (2011), also illustrate the effects of the fluff. In his book *Retromania*, Reynolds describes the tendency of the popular music culture to be “addicted to its own past”. This happens when the consumers’ perception of the past as carrying a specific authenticity gets coupled with the widespread accessibility of the artifacts of this past in the form of online digital content or online retail. In other words, what might guide the vinyl resurgence are the search for authenticity and the attribution of this authenticity to the vinyl records as cultural artifacts from the past. This aspect is clearly present in the concept of *nostalgia* that emerged in our field study.

Since vinyl records are artifacts with a strong expressive story-telling element on their own, they are much more likely to be the objects of *retromania*. However, as Hayes (2006) shows, over-romanticizing the past by the vinyl users sometimes goes so far that they become unable to critically assess the music from pre-CD era. Cultural nostalgia in this case becomes a rather blinding factor that makes one unable to pay attention to the quality of the content.

3.4 Concluding questions

By employing the fluff perspective, we can formulate answers to the two sub-questions:

1. *Why are vinyl sales rising in the time when the sales of CDs are drastically falling?*
While CD sales are falling because people are substituting them for online digital services, vinyl records are increasingly recognized as superior signaling devices for knowledge and devotion to music. Furthermore, they are aesthetic objects that are used for display purposes, much as any traditional art works. Apart from that, vinyl records address the personal and cultural nostalgia present among consumers in this time of fast technological progress and change, most effectively. Relative to CDs (and

other physical media) they are perceived as superior, and are as such not subject to declining demand.

2. Why are vinyl sales rising together with on-demand streaming?

In order to answer this question we must first consider the question why people are substituting downloads with on-demand models. This is happening because streaming technology is disrupting the digital downloads market. This means that it is gaining market share as it is becoming better and better, and more and more in tune with consumer demand. People that consider ownership of physical media irrelevant (and thus do not gain any identity utility from it), therefore, move even more towards the extreme – not owning even a digital copy. Vinyl records represent the other side of this spectrum, and, since a segment of consumers seem to not be satisfied with the digital music services, they attract those people as an option with the most signaling power to express and display their ideas and position, and thus to distinct themselves from the prevailing trend.

This chapter addressed the issue from the symbolic and social perspective, where ideas formed in the human mind about objects and their meanings play the decisive role. But, as Feuerbach said: “Thought springs from Being, but Being does not spring from thought.” (as cited in Novack, 1965, p. 22). Fluff is but a signifier, and cannot exist without it’s signified, the stuff. It seems limiting and reductionist to assume that the very act of people’s engagement in such emphasizedly physical practice as vinyl use is (while having a much “easier” and affordable alternative available in the form of digital media) would play no role. Therefore, to assess the totality of the vinyl experience and its influence on the vinyl resurgence, we must in the following inquire into the physical aspects of the vinyl use. And for this, we first need another empirical account that can guide our analysis further.

Intermezzo II

*Field study – Physical aspects and practice**

RECORD SHOP BUYING

Record shop is seen as an important factor in the consumption of vinyl records, despite the convenience offered by online retailers. And prevailing reasons for that are to support the local community and engage in social relations.²⁹ Record shop is seen as a meeting place where one can learn about music from other members of the community. It is also important as a place for initiation of the youth³⁰, and a place for adults to engage in the art form and get inspiration for purchases, quite akin to the art gallery³¹. A record shop is perceived as a place of active social interaction where it is pleasant to spent time in.

The buying ritual depends on the type of the record shop³², and vinyl consumers orient themselves with regard to their interests and collecting focus. However, even record shops can have sub-rituals with ascribed “higher value”, such

* This section is based on the same set of interviews as *Field study – social and symbolic qualities* (the details of the procedure are explained in the footnote to the title). However, while following the same procedure, it is coded with different focus. Plasketes concludes his (1992) essay in a following way: “The feeling of holding an album, removing the 12-inch record from its sleeve, holding the edges careful not to fingerprint the vulnerable black surface, then placing it down on the turntable, activating the tone arm until the stylus softly sets down in the grooves. The “intermission” between changing-sides. [...] [O]r the colored label of a 33 encircled by black, spinning around and around and around. The record speaks for itself.” (p. 121). This rather poetic description of the practice, as perceived by a scholar and vinyl lover, served as an inspiration for coding in this second field study. What emerged are 10 categories that address physical aspects of the medium and practice that constitute vinyl culture.

²⁹ “All things being equal, I’d rather support the physical stores and individual sellers I know whenever possible because it just feels more human. Going by the shops and running into friends and coming up on records and learning about stuff you didn’t know about is still kind of a perfect way to spend an afternoon for me.” (Jeff Mao)

³⁰ “And the feeling growing up of walking into a RECORD store and seeing them all displayed, shiny and new, well....only sex is comparable, and maybe not even!” (Greg Caz)

³¹ “A dream day is to wake up, grab a coffee, and quietly hit the shops for inspiration. Personally, record stores are like little art galleries and I enjoy them also greatly when out of town.” (Jess Rotter)

³² “When it is a smaller more “curated” shop like the ones in Japan I try to go through everything whether it is in a bin or on the floor.” (Coleen Murphy)

as buying only from the records that are being sold for 1 dollar in the so-called dollar bins.³³

CRATE DIGGING

The practice of going through crates of records at flea markets or in people's homes is known as crate digging. It is a crucial practice in the vinyl collecting community since it enables the collectors to find records that are not available in the shops. It also represents an activity that brings about in itself the enjoyment and excitement for the digger.³⁴ It is especially enjoyable when combined with traveling³⁵, since it enables one to score by finding rare records that are not available in one's local environment.³⁶

The thrill of scoring a rare and valuable record that one needs in the collection, gets combined with the general thirst for discovery in general when one digs into a fresh crate that no one went through before.³⁷ Therefore, it is almost a universal opinion among the members of the community that Internet availability is a double-edged sword for the experience of the adventure and the element of surprise in discovering records³⁸.

TOUCHING THE RECORD

A specific physical contact with the object is recognized as an essential part of the experience and a crucial distinguishing factor.³⁹ Touch is an important component⁴⁰,

³³ "I go straight to the used records and look for the dollar bin. That's where magic still happens. Never ever pay full price!" (Steven Blush)

³⁴ "All that cool music concentrated in these dusty crates, straight out of the U-haul truck. I just saw great music waiting to be purchased. [...] I think that's less about the music and more about the thrill of the hunt." (Tony Larson)

³⁵ "I'm ALWAYS on the lookout for records, no matter where I am....especially anytime I travel somewhere. "Hmmm....what can I find here that I can't find near me?" (Greg Caz)

³⁶ "I try to get on the road about once a month to hit up some places I haven't visited before. I used to be a DJ in a band on a major label, so traveling on someone else's dime to get records was a thing I did for about 3 years in the early 2000's. It's a great feeling to wake up in a new city every day and go search for vinyl." (Jamison Harvey)

³⁷ (From the interview with Tony Larson): Since Tony has been a long time digger, he had the privilege to dig in those "fresh" crates that just came out of the truck, even before the dealers come and buy them by the bulk.

³⁸ "You can find most of the music easily now on internet, but you can't find the pleasure of digging real records anywhere else. But internet sources make the things easier, and maybe that is the problem! Like you don't go to a guide Michelin restaurant every day, you don't have to discover 10 killer records everyday too. It kills your ability to be surprised and amazed, every records seems normal, average and easy to find. With internet and global world market, people no more realize some of these records out there were 500 pieces pressed worldwide." (Thomas Pasquet)

³⁹ "Plus, there's something that's unmatched by other formats when you're actually holding the physical product that is vinyl in your hands. It just feels more tangible to me, and of course it

but it, nevertheless, cannot be separated from the whole package of the physical aspects⁴¹ that constitute perceived superior character of the vinyl record.⁴²

MOVING THE NEEDLE

The physical gesture of moving the needle precedes the special moment when needle touches the record and the particular sound of the needle on the record gets heard.⁴³ It is described as both a spiritual⁴⁴ and a sensual experience.⁴⁵

TURNING THE RECORD

The intermission between the two sides is an important feature of the listening experience. Not only that it often represents an integral part of the musical content and thus the artistic experience evoked by the artist; the inevitable physical act of turning the record is also one of the appeals of the very practice of listening to the vinyl records. What, from the digital perspective, is perceived as a nuisance is in the realm of vinyl an integral part of the experience of listening.

LISTENING/PLAYING RITUAL

The ritual of playing and listening to records is at the center of the activity that involves the labor intensive practices of collecting and caring for them⁴⁶, and in this sense these two practices are a means of deriving pleasure from the activity.⁴⁷ The

sounds superior in every way. The art, even the smell, the whole package for real." (Cosmo Baker)

⁴⁰ "Of course for me the object is very important, to have the record is essential, to touch it, put it on the turntable, it participates of the listening pleasure, that's why I can't stand MP3 for my own listening habit." (Thomas Pasquet)

⁴¹ "It's a combination of the sound, the way you can hold it, and the album cover artwork. I fell in love with the whole look, sound and feel of vinyl. That feeling will never go away." (Jamison Harvey)

⁴² "We never had a record player in our house but friends did and I was always aware that records were the format to have, my dad's tapes didn't really cut it, too small, tiny fold out inlays etc." (Kevin Foakes)

⁴³ "What I also remember is the waiting when you just put the needle on the record, the crackles... a moment of magic!" (Thomas Pasquet)

⁴⁴ "...the reverence of dropping a needle into a groove..." (Ben Blackwell)

⁴⁵ "Taking a record out of the jacket, focusing first on the spindle hole, then on dropping the needle. It's like wine or chocolate. It's a sensual thing." (Mickey MacGowan)

⁴⁶ "It's the ritual of playing records, collecting records, discovering treasure hidden in the grooves. Dealing with vinyl records is so labor intensive, it's not for just anyone; playing, caring for, and collecting vinyl is a holistic pursuit because you are a very active part of the process, you have to interact with the medium, you have to care." (Bongohead)

⁴⁷ "This is all about music more than it is about records. We love music and collecting records allows us to have a narrative that increases our pleasure in listening." (Yale Evelev)

physical engagement also helps in focusing the attention on the listening⁴⁸, while at the same time keeping the awareness of the physical presence of the object.⁴⁹

THE QUALITY OF SOUND

The specific quality of sound, particularly what is usually referred to as the “warmth” in the sound, is perhaps the most uniformly accepted feature⁵⁰ that attracts people to vinyl records when they hear it, and it thus plays an important role in converting them into new vinyl enthusiasts.⁵¹ Yet, digital files are not dismissed because of the digital sound itself, but mostly due to the low quality of the regular MP3 files.⁵² Nevertheless, it is acknowledged that the quality is a relative term in the situation where, on the one hand music is predominantly recorded digitally in the first place, and on the other so much of the sonic outcome depends not on the medium but on the technical equipment for the reproduction of sound.⁵³

PHYSICAL PRACTICE AND ENGAGEMENT

In the world of dematerialized digital files, the physical practice of dealing with vinyl records as physical objects in space and time represents, due to its sensuality, a special value in itself.⁵⁴ Thus, generations that grew up listening to music only

⁴⁸ “Vinyl helps with that it forces you to listen in a way that hopefully shuts other things down and for that, I am thankful.” (Jess Rotter)

⁴⁹ “You don’t forget why you have a record. You remember how you got it, why you wanted it, and most importantly, you still play it.” (Justin Salinas)

⁵⁰ “There is a warmth to the sound of vinyl that no other format can capture. I asked a mastering engineer once if I was just rationalizing this belief. He explained that the fact that the record sits on a turntable and the tone arm is lowered onto the vinyl in an open room there is an ambiance that is created around the mechanism even before the sound makes it to the speakers. There is room tone that is not present in digital formats. Actually, room tone must be added to most digital recordings.” (Pat James Longo)

⁵¹ “For a lot of people, when they hear something they love on record for the first time, it affects them. It could be Rick James, Miles Davis or whatever. They know they love it, they’ve listened to it a million times, but then they hear it on vinyl and it sounds different. It only takes that one time, when they’re in that one situation . . . they feel like they’re hearing it for the first time.” (Justin Salinas)

⁵² “I do hate the sound quality of digital, in particular the old MP3s, but it’s gotten better and people can download and store bigger files so you can actually have AIFFs and WAVs being sold, not just MP3s. Let the vinyl heads do their thing, the digital media mavens do theirs, man! I’m a little of both.” (Bongohead)

⁵³ “All of these things are just formats, this is not the music itself. How many people have good stereo’s? How many people listen mostly to speakers hooked up to their computers? How many records are made in the computer and then mastered to LP?” (Yale Evelev)

⁵⁴ “We now have access to more and more music, and it’s dematerialized. It takes less and less space. But this will be considered as a progress only if the quality of the sound increases. One thing is now almost lost: the sensual feeling with the record. Now we don’t touch the music, and see it turning around... It is invisible and you just have to press a button. This sensual aspect to me is fundamental, it participates to the mythology of the record.” (Victor Kiswell)

through the digital media are deprived of this valuable experience⁵⁵ where physicality often seems to be the very main thing with the music as an extra bonus.⁵⁶

The physical artifact enables active participation in handling it⁵⁷, offers a stronger sense of ownership⁵⁸, enhances the listening experience⁵⁹, and carries a testimony of the labor and mechanical forces used in the production⁶⁰. It is intriguing and inviting⁶¹, and as such encourages a unique reaction from each owner⁶².

AUTHENTICITY

All the traits mentioned above contribute to the strong sense of integrity that engagement in the practice is associated with. The authenticity cannot be bought and there are no shortcuts to it.⁶³

DJ-ING

Collecting vinyl records is tightly connected with sharing the acquired music with other people, and this is most effectively done in the form of playing music for others.⁶⁴ The outcome of this is a development of yet another physical practice that

⁵⁵ "On top of that, so many younger kids these days grew up in an era of minimal tangible music... mp3s and such. To hand them an LP, a pair of nice headphones, to engage them in that experience is something that an iPod will never be able to compete with." (Ben Blackwell)

⁵⁶ "I remember the turntable in my folks' first house, I remember the putting on the record and moving the needle onto the record, and I remember the record shelves that the turntable and speakers sat atop of. I remember holding the records, and looking at the covers. I just loved the entire package. The fact that it also held music was like this amazing bonus." (Eothen Alapatt)

⁵⁷ "...I just loved having material examples of things I was interested in so that I could come back to them time and time again - to play with them and later to study them, from rocks to toy cars. [...] It's the ritual of playing records, collecting records, discovering treasure hidden in the grooves. . I dig the participation in vinyl, you know? As for the record as an "object" as opposed to downloading and storing a digital file, vinyl is attractive to me because of the size of it, the object-ness, its many parts." (Bongohead)

⁵⁸ "I like to be able to hold the things I spend money on." (Zach Cowie)

⁵⁹ "The beauty of vinyl is the act and sound-no other format works the same. Music breathes on vinyl, it has heart and forces you to listen in a much different way than an mp3. I enjoy the physicality of the experience." (Jess Rotter)

⁶⁰ "They're emotional, spiritual, energetically bound pieces of vinyl. They were cut with force and energy, not by a programmer." (William Bensonsen)

⁶¹ "But in general, records are just more inviting and intriguing as physical objects than anything else." (Jeff Mao)

⁶² "I believe that every collector has an impulsive, uniquely personal reaction to vinyl." (Steven Blush)

⁶³ "Convenience and shortcuts do not enhance pleasure. But take the time to dig out a record, put it on the turntable, sit back and listen...that's where the pleasure is. That's where the relationship with music grows strong, that's where the richness and depth are felt. [...] Our culture values hard work, struggle, the long hard climb to the top, the arduous tales of digging in dusty record shops in foreign lands. A person who can just buy up an impressive collection because he or she has a ton of money doesn't fit with the accepted narrative, and thus isn't quite looked at so fondly." (Sheila Burgel)

⁶⁴ "For me, the love for vinyl goes hand in hand with wanting to be a DJ. You find a record and you get frothy at the mouth, wanting to have a party." (The Gaslamp Killer)

recently experienced big changes with the emergence of the digital software Serato, that enables mixing music through a virtual interface by the use of digital files. While on the one hand it clearly has the advantage of being easier to use⁶⁵ and can even expand the creative potential⁶⁶, it, on the other hand, results in the DJ being faced with practically limitless possibilities, which can be overwhelming and counter-productive.⁶⁷ And last but not least, it is associated with acquiring the music digitally – the practice that is uniformly considered inferior.⁶⁸

⁶⁵ "I use it regularly when I DJ and love what the technology enables you to do, and I don't miss the back and shoulder pain I used to suffer with from lugging records around all the time." (Jeff Mao)

⁶⁶ "As for DJing, as opposite to many of my fellow collectors, I think Serato is great. It depends of how you use it. It allows you to be really creative, and it's very complementary with the digging game. I know countless tracks that can't be played on their original form, countless dope French jerk or disco killed by a very cheesy moment or chorus, or can't be used because of a low press quality. Unless you're rich and can double all your records, and even like this you have to be a very skilled DJ, the editing game makes your selection richer and interesting, it's a lot of new opportunity." (Thomas Pasquet)

⁶⁷ "That was one of the main difficulties for me with playing Serato, or even CDs. You can carry too much music. Even if you have it very well organized, it can be overwhelming. Imagine being a painter and mixing ten thousand colors on your palette before you begin to paint. It's an impediment to the painting, to the creative process. I am a firm believer that limitations, by definition, inspire creativity. The less you have to make something with, the more you have to use your imagination to figure out how to make it." (Ben Goldfarb)

⁶⁸ "[B]ut I don't get a lot of satisfaction out of acquiring music digitally unless it's friends hooking me up with their own remixes and edits. The digital format is of course great for work and extremely convenient. But generally I don't think sifting through links and buying WAVs online can compare to the ritual of hunting down records or even going to the store and buying new releases on vinyl. I just enjoy those activities." (Jeff Mao)

CHAPTER 4

STUFF

“The more we seem to float away into informational space, the more we want to hug the ground.”

(Lanham, 2006, p. 20)

4.1 Why matter matters

AS ALREADY mentioned above, materialism signifies an ontological position that puts matter and its movements at the heart of reality (Novack, 1965). It is a source of everything, so there is no meaning that precedes it. Meaning always comes after and is, as such, subordinate to the material world. In accordance to this, an analysis of a phenomenon thus has to focus on the material, or *objective*, instead of the *subjective* aspects.

However, there is also another, somewhat more mundane and everyday conception of materialism which encompasses preference for material possessions and physical comfort over spiritual values (Materialism, n.d.). This is an important facet of every study of consumer goods, since it focuses on the act of, and the motivations for, acquiring material goods.

In this thesis I am treating the materialism of the first sort to have an influence on the materialism of the second. In other words, the analysis will be guided by the inquiry into the significance of the material reality that in return has an effect on the goods people obtain. We will begin with the role that materiality plays in the social life.

4.2 The practice turn

“[P]ractices, which are logically and ontologically prior to action, steer consumption.”

There has recently occurred a *practice turn* in social theory (Schatzki et al., 2001), which changed the focus to the analysis of the material practices, how these practices come to be, and what is needed to sustain them (see Warde, 2004). Materiality plays a central role in this view, since, together with human practices, it comprises the two ingredients of the social phenomena (Schatzki, 2010). As we discussed in the previous chapter, the acquiring of products is often used for the purpose of signaling identity and status; however, the products themselves are also involved in the conduct and reproduction of daily life (Shove & Pantzar, 2005). What this means is that the practice that develops around the use of these products is constructing the very daily life while it is being performed. The focus thus shifts from the analysis of the meaning of goods for the social construction of identities, to the very activity and the material experience of the practice of using these goods.

This has an important implication for our inquiry, since it offers us a theoretical perspective that puts the practice of the physical engagement with the vinyl record in the spotlight, therefore enabling us to move from fluff to stuff. From here on, we can address the significance of materiality for economic actors, namely the role of it in their ability to engage with the world around them.

Engagement with the world

Practices imply some sort of action and here we are interested in the way this action is directed at, or coordinated by, a particular good. In his framework of the *pragmatic regimes* Thévenot (2001) positions the dynamics of the engagement between an agent and his environment as the central issue in the conception of these regimes. He conceptualizes the engagement as a *dynamic aspect of an activity* – the way environment responds to the actors and how they in turn take into account these responses. In other words, individuals engage with the world around them through experience of the material reality that emerges as a result of their action.

This action can also be seen as a sort of bodily gesture, or what Mauss (1934) named *techniques du corps* (techniques of the body). Bodily engagement thus becomes an important factor in the analysis of the relationship between the activity and the local environment, which Thévenot (2001) calls *ecological approach to activity*. At this point the significance of these bodily gestures becomes important for

our argument, since the question arises whether they could, instead of being a determining factor, be the main motivator for the activity.

Two possible applications follow. In the first case we take the activity as shaped by the environment, and so we can infer that if the environment changes, the activity will change as well. From this perspective there is nothing permanent in the activity itself, it is as it is only because of the environment. In the second case we consider the activity itself to be a constant. Therefore, an agent will eventually influence the environment in order to adjust it to the activity.

Let us apply this to the practice of listening to vinyl records. In the first instance, the existence of the medium is determined by the technological limitations that are present in the environment. It follows from this, that if these limits are overcome, the listening practice will change, therefore, the only explanation for the vinyl resurgence would be as a nostalgic fad. However, the second option is that physical medium exists due to a specific human need for engaging in a physical activity. In this case, when the environment changes in favor of the digital listening practices, the listener will, due to this need, after a while return to the physical medium. This is an important implication for this thesis, and empirical observations derived from our field study confirm it to the extent that we identified a clear tendency to engage in the vinyl practice despite the simplicity and availability of the digital media. Therefore, the physical practice directed at, and coordinated by, the vinyl record is justifiably at the center of our focus, since the material object also actively enhances the engagement.

Arrivals and orientations

The field study revealed that, in addition to requiring to be handled with, the physicality of the vinyl record also carries a testimony of its material production. This evokes an important notion stemming from the (new) materialism, about the object assuming its social form with its *arrival*. It is not *just there*; it *gets there* (Ahmed, 2011). In this sense the physical medium, with its high sense of individual distinctiveness and ownership, offers a more engaging experience with the material reality than the digital medium which is effectively the same for everybody, thus having, as Thévenot (2001) would say, a high *conventional utility* as opposed to *intimate familiarization* of vinyl.

Music is not just there as well, but it needs to be created, it needs to go through many stages to arrive from the idea in the artist's mind to the physical

medium that offers a listening experience to the consumer. Since vinyl consumers are generally more interested in the diverse aspects of the production of music, experiencing this arrival will be more satisfying. The very act of playing and listening, which mainly means dealing with the record and equipment, thus offers at the same time a deeper engagement with the content, as well as with the environment where the activity is being performed (i.e. practiced).

As we see, practice demands an active involvement of the body in the activity. The notion that accounts for this relationship is the one of *orientations* (Ahmed, 2011), which is about matter being affected by the way bodies are directed (i.e. oriented) toward things. However, this can have bigger or smaller effect on the level of bodily engagement. Sennett (1994) provides an interesting description of the influence of the human body and bodily activity on the historical development of the urban dwelling spaces. At this point, his example about the role of comfort and privacy in the design of the train carts in the USA is illustrative. While the new perception of comfort in the train demanded an environment much more silent than compared to the horse-drawn carriage, it suddenly presented passengers with the sense of embarrassment when facing each other in silence on the long trips through the vast country. As a result, the notion of privacy further influenced the design by being the reason for positioning the chairs so people sit behind each other. From this example we can see how the way the body is oriented toward the activity can influence the shape of the material reality.

While Ahmed (2011) applies these views to the study of gender and concludes that “if gender shapes what we ‘do do’, then it shapes what we ‘can do’” (p. 252), we can also apply them to the two different modes of music listening – digital and analog. The question thus arises: how does the predominant digital (i.e. informational) paradigm affect what we can do? As with gender, we can argue that differences in perception *are* differences in orientation. Perceiving the world in terms of immaterial and abstract (digital) information, without or with very limited bodily engagement, thus shapes us physically. Our bodies are oriented in different ways, and this, together with different forms of arrivals of objects, will in turn give rise to very different experiences. Therefore, vinyl resurgence can be seen as a result of a reaction to the digital reality, when people perceive it as somewhat reductionistic.

Experience

A common thread through all these considerations appears to be a sense of physical experience in the engagement with the material reality. In broad terms, there are two ways of conceptualizing experience: the first one denotes an emotional reaction (e.g. “experiencing beauty”) and the second one refers to the knowledge gained from doing something (e.g. “having experience in painting”).

They are both relevant for understanding the material side of the vinyl culture. Firstly, the person derives satisfaction from experiencing the materiality of the object through its sense of arrival, which, then, results in particular orientation towards the object. Secondly, as a result of these orientations, practices are born that offer an experience in the second sense, which has to do with the expertise in practice and in handling the object. The satisfaction derived from this physical activity seems to have ontologically much in common with the satisfaction an experienced craftsman derives from the sensation of masterfully practicing the craft.

4.3 The craftsmanship in usage

“[T]he craftsman’s way of working can give people an anchor in material reality.”
(Sennett, 2008, p. 11)

Cziksentmihayi and Rochberg-Halton (1981) offer a useful conception of the kind of materialism that we referred to earlier as a materialism of the second sort, so the one addressing issues of the particular attitude towards material possessions. They talk about *instrumental* and *terminal* materialism. While the latter is an end in itself, the former is understood as “the cultivation of objects as essential *means* for discovering and furthering goals, so that the objects are instruments used to realize those goals.” (p. 227).

So, the kind of materialistic pursuits consumers engage in are influenced by the orientations they have towards the activities they practice. Instrumental materialism is focused on the longevity and productivity; therefore, there is some sort of a long-term factor present. This means that the practice has a sustained value in itself and, through the time spent being engaged in it, an individual can build upon this value. While a “beginner” can by all means experience the benefits of the practice, it is not possible to become a true vinyl enthusiast through the night; it requires devotion through a sustained period of time in order to develop an ever-deeper appreciation. As pointed out by the interviewees: the authentic experience cannot be bought.

Sennett (2008) argues that the practice of making things can be illuminating for people in the process of learning about themselves. We can apply this view from the notion of *making* to the one of *use*, and so we can say that also the practices of using things can result in people learning about themselves. Material practices of use demand perfection of skills, similar to that of the work of a craftsman. Crate digging, handling the records, using the gramophone, or development of the ritual all represent activities that require bodily activity, therefore bodily techniques that can be perfected. While practicing and perfecting it, the individual engages even more with the material world and surroundings, and thus “anchors in material reality.” This perspective enables us to see how the *craftsmanship in the practice* of instrumental materialism can lead to a deeper cultivation of goals.

To become a competent practitioner, one is required not only to master the physical activity itself, but to be a competent consumer of goods and services, as well. “The practice, so to speak, requires that competent practitioners will avail themselves of the requisite services, possess the appropriate tools, and devote a suitable level of attention to the conduct of the practice.” (Warde, 2004, p. 7). The fact that they perceive their collections to be telling the personal story of their life indicates the high level of embeddedness of the object and practice in the everyday life. However, all this requires a high level of commitment, and vinyl users seem to derive the necessary motivation for that from the sense of authenticity of the practice.

4.4 Authenticity

“[A]ll human enterprise is ontologically fake – that is, in its very being it is inauthentic – and yet, output from that enterprise can be phenomenologically real – that is, it is perceived as authentic by the individuals who buy it.”
(Gilmore & Pine, 2007, p. 89)

In their book *Authenticity: What consumers really want* (Gilmore & Pine, 2007) the authors are building on their earlier notion of the importance of staging experiences for the success in the new *experience economy* (Pine & Gilmore, 1999). While providing engaging experiences might draw consumers in, only providing an *authentic* one will make them stay. They point out that, because people tend to perceive anything coming from “man, machine, and money” as fake, it is a challenge to persuade people that any commercial offering can be authentic. And, according to Gilmore and Pine (2007), in the highly developed experience economy only a product

perceived as authentic will be able to engage loyal customers and thus generate sustained sales.

As we saw in the previous chapter, people construct their identities around the use of products and cultural artifacts. Yet, the driving force behind the use is still an image, an illusion, so to speak. How can we, then, tell the difference between an authentic communication of value and a mere fake marketing campaign jumping in and monetizing on the currently hip trend? While this seems to become an important question to ponder upon when making purchasing decisions based on the maximization of identity utility, it becomes less relevant if we focus on the very materiality of use, since we tackle in some other mechanics and motivations besides the building of identity, appearance, signaling, and others, that can all be seen as a manifestation of what Debord (1970) called a *spectacle nature of culture*. Bodily experience, action and engagement with the material reality are values that can substantially guide consumers in their purchasing decisions.

Styvén (2010) establishes the connection between *consumer involvement*, which is a measure of the personal relevance of the product to the consumer, and *tangibility preference*, which relates to the preference for the physical properties of the product that can be experienced through the senses. She points out that involvement increases music consumption in both ways, digital and physical, however, tangible formats are perceived as more valuable. This is in line with Featherman et al. (2006) who find out that digital media are generally perceived as artificial and inauthentic. Building on our previous findings and conceptualizations, we can say that, for these consumers, arrivals of the physical objects are perceived more authentic, and thus valued more, than mere rhetoric of style.

4.5 Resistance and freedom

“Humiliating to human pride as it may be, we must recognize that the advance and even the preservation of civilization are dependent upon a maximum of opportunity for accidents to happen.”

(Hayek, 1960, p. 29)

Sensual experience, practice, expertise, and ownership are features that at the same time enable and demand engagement. While it became clear now that vinyl users derive a specific form of satisfaction from that, the fact that it requires commitment, patience and effort to develop, shows that there are considerable resistances involved.

Sennett (1994) reminds us that engineering seems to have a goal to free the body from resistance, which can be easily observed in the design of communication technologies, transport, and appliances we use. However, resistance can also offer a deeper experience because of the bodily engagement. As he puts it elsewhere: “Additions of complexity can prompt people to engage more with their surroundings” (Sennett, 2008, p. 225). Bodily engagement, in turn, reshapes as a consequence of body performing its own history (Ahmed, 2011). In other words, authentic experience will cause the physical effects to be seen, and this also contributes to a greater sense of authenticity.

The above quote from Hayek's *Constitution of Liberty* (1960) points to the core of the problem, namely that an overly designed world diminishes the level of unforeseeability and unpredictability, therefore diminishes the freedom available in the course of things happening. Interviewees in our field study lament the loss of the limiting yet liberating sense of discovery that stem from the “chaos” of traveling and crate digging as opposed to the seemingly instant availability of everything on the Internet nowadays. It seems as if a vinyl user feels greater sense of agency when forced to invest effort in overcoming the resistances, the observation which might appear paradoxical*, but is in fact in line with the Hayekian sense of freedom that “does not depend on the range of choice but on whether he can expect to shape his course of action in accordance with his present intentions.” (Hayek, 1960, p. 13). The field study revealed that the vinyl collectors view “restrictions” as more engaging, which stimulates creativity and increases the sense of agency and thus personal freedom.

4.6 Concluding questions

As in previous chapters, we can test the explanatory power of the stuff perspective by formulating answers to the sub-questions:

1. Why are vinyl sales rising in the time when the sales of CDs are drastically falling?

The decisive factor for why vinyl is the only physical music medium experiencing growth is that it offers a special physical experience that enables people to engage with the world more deeply. In the digitalized world people crave the material

* This *paradox of choice*, where more choice leads to less satisfaction, is famously addressed in Schwartz (2004).

engagement with the reality, and vinyl record, more than CD that is perceived as a compromising medium, offers them a way to do so.

2. Why are vinyl sales rising together with on-demand streaming?

The fact is that not everybody chooses for vinyl. As discussed earlier, on-demand streaming offers a better, dematerialized digital experience due to the absence of the necessity to possess digital files. However, people that derive greater sense of agency from engaging with a material music medium will find it unsatisfying. Therefore, the two trends go hand in hand as the opposites on a continuum between materiality and dematerialization. Furthermore, any kind of “tactile activity” can be seen as a revolt against the uniformity of work, interfaces, etc. that are promoted and advanced by the digital technology and its current interfaces. Vinyl resurgence can also be seen as a revolt against the routinization of listening through the digital listening practices (see also Bartmanski & Woodward, 2013).

CHAPTER 5

METHODOLOGICAL REFLECTIONS

“Cultural economics can be more than just the study of arts and culture with the tools of economics. It could also be the study of the economy with the knowledge of culture.”
(Dekker, 2014a)

“[T]here is something fundamentally wrong with an approach which habitually disregards an essential part of the phenomena with which we have to deal: the unavoidable imperfection of man’s knowledge and the consequent need for a process by which knowledge is constantly communicated and acquired. Any approach, such as that of much of mathematical economics with its simultaneous equations, which in effect starts from the assumption that people’s knowledge corresponds with the objective facts of the situation, systematically leaves out what is our main task to explain. I am far from denying that in our system equilibrium analysis has a useful function to perform. But when it comes to the point where it misleads some of our leading thinkers into believing that the situation which it describes has direct relevance to the solution of practical problems, it is time that we remember that it does not deal with the social process at all and that it is no more than a useful preliminary to the study of the main problem.”
(Hayek, 1945, p. 530)

“[I]f the economy needs sometimes to be drilled rather than hammered, or planned rather than sawn, the economist had better have a drill and a plane.”
(McCloskey & Klamer, 1995, p. 195)

5.1 The third approach of cultural economics thought

AN ATTEMPT to explain a phenomenon such as the resurgence of a vinyl medium can take a variety of methodological and theoretical pathways, depending on what it is that we wish to explore. One can imagine that an economic inquiry would suggest the analysis of the prices, availability of the substitutes, or research into any other incentive that might be tweaking the decision making process of individual consumers and thus making them choose one product over the other. These are all interesting and viable topics that might each deserve separate research, but in this thesis I was not primarily interested in any of them. I admittedly sidestepped the more thorough

application of these considerations in order to focus on what I figured is crucial in the understanding of the phenomenon at hand – the way in which the economic outcomes are determined by the factors outside of the standard theoretical economic models.

As such, the research for this thesis, while addressing the audience interested in the matters at the crossroads of culture and economics, lies at the fringes of what is generally perceived as *cultural economics*. However, I am convinced that the knowledge thus gained has an immediate influence on the economic analysis; therefore, it must be seen as an integral part of it. This argumentation follows the recent developments in the field of cultural economics that are increasingly tilting towards what Dekker (2014b) identifies as *the third approach to study the value of art and culture*. He shows that there has been a new approach emerging in the last decade that focuses on the processes of valuation (*valuation approach*) instead of on the prices and quantities (*economics of the arts approach*) or the position of the art in consumer society (*art and commerce*).

The *valuation approach* suggests that “price is just one outcome, and not always a very important one, of valuation processes of cultural goods and services” (Dekker, 2014b, p. 10). Aspects that are more often than not more important in the way cultural goods are appearing on the markets, are in our everyday lives much more elusive and harder to pinpoint and measure than simple observation and recording of the prices that emerge in commercial transactions. While prices, quantities demanded and many other economic categories without a doubt offer us interesting pieces of information about a particular good, they are, however, a small, and – above all – temporal, pieces of a puzzle that Kopitoff (1986) called *the cultural biography of things*.

When considering goods from the perspective of their cultural biography, the focus shifts to the observation of the ways products (commodities) are used, valued and exchanged, in addition to the roles they play in the society, and how their status as commodities is changing with regard to all that. Price, for example, thus becomes a viable, yet mostly instrumental, piece of information in the attempt to put together the sum total in understanding the specific economic phenomenon, but cannot at any point assume the crowning position in the valuation scheme.

In the case of resurgence of the vinyl medium, its price is not the decisive factor, neither is its technology. On the one hand, sales of vinyl records did not start to rise because of the low prices, and on the other, the prices of vinyl records are also not so high that they would suggest a Veblen effect, where people would start to acquire

vinyl records for the sheer prestige and status enabled by their high prices. As mentioned earlier, the diffusion of superior technology was not the decisive factor even in the initial adoption of the vinyl, much less in the current resurgence. The customary variables in the economic analysis, namely price and technology, thus offer little explanatory power in this case. What is at work here is something else, and in order to explain this we must move *beyond price*, as the title of the collection of papers edited by Hutter and Throsby (2008) suggests. As cultural economists undertaking research in an economic phenomenon, we, therefore, need to expand the scientific focus and tap into the fields less common within the standard economic analysis.

Scholars following the valuation approach in their research often make use of the case studies in order to develop their argument (see for example De Marchi, 2008; Velthuis, 2005). In this thesis I followed such method in an attempt to explain what has been going on behind the high growth in the sales of vinyl records in recent years. In exploring the case of the vinyl resurgence I set out to explain the sudden increase in the sales trend, and proposed the alternative explanations to the economic one; namely, that it happened due to the utilization of the social and symbolic features, or, ultimately, due to the very materiality of the medium and the practice of its use. Thus, the object of the study was, because of its sociological nature, somewhat similar to what the studies in the subjective constructions of meanings usually focus on. However, I argued that it is not only the meaning, but also the very act of the physical activity that mostly plays the decisive role.

The key issue is that the price, or establishing the price, is not the crucial factor in the determination of the economic value, but can be “a useful preliminary to the study of the main problem.” (Hayek, 1945, p. 530). Just how it is that an apparently inferior and, most of all, obsolete good starts – against all odds – to gain more and more significant market share, is a question that requires a different approach. This is so, because the variables that need to be explained are the particular practices of use that consequently lead to increased sales of the vinyl records. Therefore, our research approach for this thesis was first to utilize the exploratory case study in order to identify the fundamental problems, and after that to apply the theoretical apparatus established in the literature in order to develop a cohesive interpretive explanation.

5.2 What place for (identity) economics?

“Thus, different levels of rigour differ only about [...] where criticism should stop and justification should start. ‘Certainty’ is never achieved; ‘foundations’ are never found – but the ‘cunning of reason’ turns each increase of rigour into an increase in content.”

(Lakatos, 1976, p. 56)

In his study on the logic of mathematical discovery, Imre Lakatos (1976) points out that majority of textbooks openly demand a certain level of readers’ mathematical “maturity” in order for them to be able to proceed with learning without being confused by the axiomatic nature of the first principles. We can observe a similar situation in the way economic analysis is approached these days, namely that a *mature economist* must find some approaches as self-evident in order to grant them the explanatory power that she or he seeks in them. However, as we have seen throughout this thesis, the standard economic approach might not always be the one that offers us the deepest insights into the nature of the economic phenomena. This confronts us with the question of the legitimacy of the strict economic approaches in the face of such criticism.

The rational model of decision-making is, of course, not all that standard economics is about, yet it presents a good starting point in understanding the underlying logic of economic reasoning. While nobody claims we are walking around calculating probabilities and utility functions, Friedman and Savage (1948) famously showed that people act *as if* they would be calculating, much like the billiards player that “made his shots *as if* he knew the formulas” (p. 298); the general assumption being that in a free market the most rational action will eventually prevail.

However, there are strong counter forces that are shaping the decision-making: informational asymmetries, fashions, cascades, heuristics, biases, identity... We can understand identity economics as an attempt to shed a light on the mechanics of the decision-making in the context of these psychological and social forces. Yet, since the proposed identity economic model is empty and impotent without the observational input, one might argue that the real weight should be placed precisely on the descriptive study of the behavior itself. Is thus identity economics just a hat trick to keep us mesmerized by the “imperialistic” abilities of the economic theory to analyze and explain the world around us?

My opinion, formed through the research for this thesis, is that the most comprehensive understanding can be gained by a combination of the approaches. It might be that not all the insights will have equal general weight, but, as my

exploratory journey has shown, every step offers additional understanding that stirs new questions which in turn lead us to the next step. Therefore, just as Lakatos demonstrated with regard to the development of knowledge in mathematics, also the economic inquiry can be a creative process of discovery through *proofs and refutations*, where final destination might, ultimately, not even be one allowed for by the initial theoretical postulates. We indeed need both – a drill and a plane.

EPILOGUE: THE PLACE FOR MATERIALITY IN A DEMATERIALIZED WORLD

“We are not waiting on any invention. It is here. It is now. It is almost genetic in its nature, in that each generation will become more digital than the preceding one.”

(Negroponte, 1995, p. 231)

“It’s one thing for the industry to lose half its revenue to piracy, it’s another to destroy it emotionally.”
(Jimmy Iovine)*

BEING DIGITAL, a book written in 1995 by the director of the MIT Media Lab and founder of the *Wired* magazine Nicholas Negroponte, offers a very peculiar reading experience nowadays. Despite being written in the mid-90’s, still quite some years before the absolute widespread adoption of the digital technologies by the masses, it seems as if it is describing the world today. Negroponte foresaw many of the subsequent technological developments, as well as key issues regarding the human relationship with the new digital realm, in this manifesto for the digital future. As it can be expected with any sort of writing about the things to come, some of them do not seem so relevant and some have not (yet) come to fruition, however, the descriptions of the historical development and future challenges reveal author’s deep knowledge of the field and of the then-current situation and trends in the world of technology and society. It was clear then that these trends were without a doubt pointing to an entirely digital direction.

Negroponte’s advocacy of “bits over atoms” is based on a notion of *immateriality* of digital information. As he puts it, bit is “a state of being: on or off, true or false, up or down, in or out, black or white”; it “has no color size or weight, and it can travel at the speed of light” (1995, p. 14). As such, digital information is independent of the medium on which it is stored, or a signal that encodes it. Immateriality is thus the biggest competitive advantage over the analog world, and he

* <http://www.billboard.com/articles/news/511582/jimmy-iovine-on-beats-by-dre-parting-with-monster-we-have-to-control-our-own>

professed that everything that can get digitized, will, because of the sheer economics, eventually become so. The alleged liberation of information from matter is at the core of this argument, with superiority of it simply assumed: “The medium is no longer the message”, he declared with conviction (p. 61).

Today’s perspective already offers us some historical distance to be able to assess his argument, and it confirms it widely. The transition to the digitalized world had been through the last two decades concerning practically every field of human endeavor. There is virtually no economic sector that would not have at its core a debate about the challenges and opportunities that digitalization is bringing about. And the development of the music industry has probably been one of the most notorious and publicly debated cases. But not only has the accessibility increased, as a result of online sharing. As McCourt (2005) points out, diminished physical engagement made music achieve more ambient status, since people do not have to constantly interfere with their music playing devices. Music, as a commodity, became valued much more based on access and convenience, instead of on the artifact and sound quality. And last, but not least, digitalization and affordable technology enabled consumer to experience a whole new layer of creative involvement, thus further taking away the previously undisputable aura of an original artifact. For the digital technology it is fluidity, rather than integrity, that is the defining characteristic (McCourt, 2005).

However, in the midst of all this, vinyl resurgence took the music world by surprise, and, as the journey of this thesis showed, rightly so. So, what can we say about its role in the digital world? And, more importantly, is it here to stay?

The two cultures

C. P. Snow in 1959 proposed in his famous essay, that there are two cultures in our society, scientific and artistic, which are heavily polarized and in constant conflict with each other. Whereas they both produce important intellectual output, what is the most interesting to observe in them, is the mutual high level of ignorance about each other’s relative value. For example, while an “artist” might sneer at a “scientist” who never read a major work of literature, many of them on the other hand even take pride in being completely clueless about the fundamental scientific concepts, such as the second law of thermodynamics for example. And the other way around, scientists look down on artists for being vague and random, while they often ignore the embeddedness of scientific thought in the social construction of reality, or fail to

comprehend, as McCloskey (1985) among others has showed, the rhetorical and conversational nature of science. However, Snow (1959) sees the main problem in the inability to process the real meaning and significance of technological revolutions. In his words: “If we forget the scientific culture, then the rest of western intellectuals have never tried, wanted, or been able to understand the industrial revolution, much less accept it. Intellectuals, in particular literary intellectuals, are natural Luddites.” (Snow, 1959: 23).

Thus, these *natural Luddites* are rejecting technological change mainly on the grounds of misunderstanding. Every change is disorienting, and radical technological changes can be downright painful to bear, especially because they often bring about deep societal changes as well. The psychological state of an individual that is often at the core of the attention of the literary-minded, may suffer greatly in this disorienting and uncertain times. As such, these times are often perceived as threatening to the very core of humanness, and technology is usually the main target of counter attacks. However, “industrialization is the only hope of the poor” (Snow, 1959: 27), and technological changes are, while undoubtedly destroying many things, also creating new opportunities. Such is the nature of Schumpeterian *creative destruction*, and understanding its workings may lead to a better understanding and appreciation of the role of technology in the society’s development.

Although this kind of *luddism* is present in the nostalgic tendencies of the vinyl community, the vinyl resurgence cannot be attributed to the simple rejection of the digital world. On the contrary, highly involved music consumers with the preference for the tangible media are at the same time also bigger consumers of the digital content (Styvén, 2010). Therefore, it is not *either/or*, but *both/and* situation. Magaudda (2011) shows that the diffusion of mp3 files and musical web services had an influence on the changing perceptions of the value of music listening experience and consequently on the increased vinyl consumption, due to the reconfiguration of its value of authenticity. This indicates the interconnectedness of the materiality and dematerialization trends.

Vinyl resurgence seems to be in large part driven by the Internet, with Amazon being the largest retailer (Christman, 2014). However, the market expands mainly through sites like eBay and Discogs that enable extensive and easy trade in second-hand records, and thus enabling vinyl culture to thrive. In the pre-internet era, once major labels stopped releasing vinyl it quickly became unavailable for the majority of consumers, especially due to the policies that served as a disincentive for

the record shops to order and sell vinyl releases. Therefore, a trend towards the widespread adoption of a new medium was in a big part induced by the record industry itself in an attempt to sell more items and increase the profit margins of each item sold. Internet changed the situation for two reasons: one is that vinyl as a medium, and the information over the vinyl culture as a “lifestyle”, became easily available for people to engage in and thus build ever-growing communities of practice; the other is that listening and user experience that is currently offered by the digital files, are perceived by many people as inferior. The vinyl resurgence points to the human need for a physical engagement with the world, and this can be in turn leveraged back in the digital world.*

Implications of the research findings for the industry

While being based in the empirical observation of the sales and consumer research data, the approach in this thesis admittedly followed a more conceptual and exploratory trajectory, rather than regular economic. We sought to establish new ways of understanding how consumer behavior and practices influence the economic outcomes. The results can be further applied to the practical matters of the industry in question. Here we briefly outline the possibilities for further expanding and improving the existing business practices and offerings (managerial standpoint) and developing new opportunities and ventures (entrepreneurial standpoint).

Managerial standpoint:

The main contribution is to the question of how to increase consumer involvement and generate higher sales. The current market for LP records can be further developed if we recognize the importance of the bodily engagement on the consumer side. It is not enough to only count on the nostalgic images and retro symbolism to generate

* We can compare it with the case of the so-called *explanatory journalism*. Internet drives its resurgence for two reasons: one is that readers demand more “conversational” tone characteristic of the web reporting practices also in the serious reporting; the other is that, due to the overflow of information and opinions, people want Internet to be more authoritative and offer them a better filter (McDermott, 2014). What we see here is that web experience changed people's perception of how they wish the information to be delivered, and this is seen as an improvement that they do not want to part with anymore. However, after a few years of battling with the limitless amount of opinions that resulted from the democratization of reporting that has been enabled by the Internet, they also recognize again the value in the “old” way of reporting. The new resurgence is thus not just the return of the old, but also the rise of a hybrid that seems to be stronger now when it has been informed by this double experience.

demand. On the contrary, consumers demand authenticity that results from directly addressing the issues of engagement with the material object, body and environment.

Negroponte (1995) states that the future of every company in the digital world “is driven almost 100 percent by the ability of that company's product or services to be rendered in digital form.” (p. 12). This statement needs some clarification. As I showed in this thesis, the materiality matters, therefore the firm needs, above all, to determine whether the physical and material aspects of their product might be perhaps of a vital importance in their offering and thus make for a very different experience than the digital form. After clarifying this, they can choose which path they will take, but each decision has its own consequences. Digitalization for only the sake of its own makes no sense and can often diminish the value of the product or service, due to it being perceived as inauthentic.

Entrepreneurial standpoint:

The crucial question with regard to vinyl records is how to come up with new products, services, or initiatives, and how to persuade investors to invest in new production facilities.

The identification of the trend and understanding of the dynamics behind it enables the recognition of entrepreneurial opportunities that can bring the market to the next level, beyond only selling the records. Apart from that, the technology on the production side is outdated and underdeveloped and in need of new solutions, financial as well as technological. Thus, persuasion of the various stakeholders will play an important role if anything is to be changed, and research findings from this thesis offer a conceptual framework in which to position an argument.

On a broader note, it might be counterintuitive, but the main motivating factors behind the vinyl resurgence point us straight to the direction that technology seems to be taking at the moment. As Daan Roosegaarde (2014) says, technology will in the near future “jump out of the computer screen”, and thus become more engaging in a purely material sense. What is crucial to understand at this point, if we are in the business of making this technology useful, is how people want to interact with the world, and understanding the tactile and material aspects has a critical role here. The design of human-computer interfaces especially has a lot to gain from the insights about tangibility preferences and physical engagement.

Sennett (1994) asks a question of how to exit the bodily passivity in the context of the tension between domination and civilization. He is concerned about the co-habitat of a multi-cultural city, how to turn to each other and improve the common urban life. He argues for more bodily engagement that “wakes up” bodies from the passivity. However, in our times it is becoming clear that this should not happen only for the sake of living with each other, but also for the sake of living with nature, living closer to the principles that enable nature to thrive in the age of anthropocene. The study of vinyl resurgence can illuminate the factors leading to more engaging and active modes of consumption that might help us to achieve this balance.

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