



The professional  
network of independent  
musicians: a quantitative  
mapping of outsourcing and do-it-  
yourself practices in the digital  
music age

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## Table of contents

1. Introduction.....	1
2. Theoretical framework.....	3
2.1.    PLACING THE INDEPENDENT MUSICIAN WITHIN THE MUSIC INDUSTRY.....	3
2.1.1. <i>Music industry actors and division of labor</i> .....	5
2.1.2. <i>Career paths</i> .....	9
2.1.3. <i>Coping with uncertainties</i> .....	10
2.2.    DIGITIZATION AND THE INDIE MUSICIAN.....	12
2.2.1. <i>Independence and work practices of artists</i> .....	17
2.2.2. <i>Online promotion as a new skill of independent artists</i> .....	20
2.2.3. <i>Goals and rewards</i> .....	21
2.3.    CONCLUSION OF THEORETICAL FRAMEWORK.....	23
3. Methods.....	25
3.1.    RESEARCH QUESTIONS.....	25
3.2.    HYPOTHESES.....	25
3.3.    RESEARCH DESIGN AND METHOD.....	26
3.4.    DATA COLLECTION.....	26
3.4.1. <i>Sample</i> .....	26
3.4.2. <i>Sampling method and distribution of survey</i> .....	27
3.4.3. <i>Composition of the sample</i> .....	28
3.5.    VALIDITY AND RELIABILITY.....	29
4. Empirical analysis.....	30
4.1.    DESCRIPTIVE STATISTICS: MAPPING OF OUTSOURCING PATTERN.....	30
4.2.    DIFFERENCES IN OUTSOURCING REGARDING SPECIFIC FUNCTIONS.....	33
4.2.1. <i>Differences in the level of outsourcing</i> .....	37
4.3.    MUSICIANS' INCOME STREAMS.....	39
4.4.    USE OF DIGITAL TOOLS.....	42
4.5.    HOW MUSICIANS DEVELOP THEIR NON-ARTISTIC SKILLS.....	45
4.6.    MUSICIAN'S ATTITUDES.....	46
5. Discussion and conclusion.....	49
5.1.    LIMITATIONS AND FURTHER RESEARCH.....	51
References.....	53
Appendix A1: survey.....	57

Appendix A2: demographic information.....	64
Appendix B: tables and graphs.....	66

# The professional network of independent musicians: a quantitative mapping of outsourcing and do-it-yourself practices in the digital music age

## Abstract

This thesis aims at establishing a quantitative mapping of independent musicians' work practices regarding outsourcing different functions related to their music. Digitization has transformed the music industry at large mainly by impacting the traditional value chain of music production, distribution and promotion. In theory, musicians without major label support are now able to enter the market freely and take advantage of digital tools to cut out intermediaries and professionals. By asking how digitization has changed the functions related to music production, distribution and promotion for independent musicians, this thesis attempts to establish which functions remain outsourced at this point in time. Testing hypotheses based on existing literature about independent musicians, the results indicate that outsourcing remains to be associated with higher levels of activity and success and that musicians still mainly outsource tasks related to the production of their core product, the recorded music. The results also indicate that DIY practices are still associated with small-scale music production. An online survey of 120 independent musicians formed the basis of these findings.

Keywords: *independent musicians, work practices, division of labor, DIY music, digital music*

Word Count: 20,223

# 1. Introduction

ReverbNation, an online provider of tools and services for artists to self-manage their careers, states on their landing page “DIY shouldn’t mean *you’re all alone*”. In a similar vein, distribution aggregator CD Baby writes “your music + our tools = musical independence”. Both of these companies apply a certain rhetoric that stresses the independence of artists, while at the same time offering them assistance, which strictly speaking contradicts this independence. ReverbNation and CD Baby are among the most established ones, and there are countless of other web-based services and resources aimed explicitly at independent or DIY musicians. The ideal of a successful career without a label seems promising, but the existence of such resources and the rhetoric they apply say little about whether these work practice are sustainable or even common.

The music industry has experienced well-established changes in the last two decades, mostly due to new technologies that introduced digital music files and their online sharing enabled by the internet. Different digital technologies and new web-based business models were, at least when first introduced, suspected to have a leveling effect on the industry, enabling easier access to markets in a process of disintermediation. These developments are not only said to facilitate market access for emerging musicians, but also to increase opportunities for artists to cut the middleman and perform tasks themselves which were commonly offered by professionalized providers. Especially in an industry with a reputation of exploiting artists for financial interests, these new opportunities triggered hope of artists who value their creative control. Intermediaries and other professionals eat into artists’ earnings and digitization was predicted to incite a new era of the do-it-yourself musician. The realities seem to be far from that ideal and intermediaries remain to play an important role in the creative industries, including music.

In regard to the effects of digitization on the music sector, much research has been dedicated to structural changes in the music industry on a larger scale, like effects on copyright protection (Handke, 2010), the role of major record labels (Moreau, 2013; Stahl & Meier, 2012), the rise of new distribution channels like streaming or paid downloads (Meisel & Sullivan, 2002; Dörr, 2012) as well as sales displacement and complementarity of physical and digital consumption (Nguyen, Dejean & Moreau, 2014; Aguiar & Waldfogel, 2015). Musicians, as the suppliers of cultural goods, are at the heart of the music industry and it is worth exploring how they are coping with the changes on a micro scale. Independent musicians are relevant, because (major) recording contracts are getting scarce and the bulk of

music creators work outside the major label context. Researchers who have dedicated studies to this particular stakeholder in the context of digitization, have looked at their use of digital tools (La Rocca, 2014; Kaya, Steffens, Hearn, & Graham, 2010), or explored the potential of these in conjunction with possible disintermediation effects (Bernardo & Martins, 2014). Musicians' adaption of such new technologies and new work methods have been mostly investigated by qualitative interviewing (Hracs, 2013; Young & Collins, 2010), focusing on the artists' attitudes and experiences. Quantitative research into the professional set-ups of independent musicians, however, is rare, but can contribute to the understanding of the contemporary music industry by mapping which functions are relevant for independent musicians. Considering the pace of technological change and the constant emergence of new tools that rearrange possibilities for musicians, it is important to conduct research in this field. It takes time for new practices to be adapted and new skills to be learned, making repeated research into how musicians are reacting to this constant change worthwhile, as the extent of disintermediation and possible do-it-yourself (DIY) models of production is ambiguous.

This thesis attempts to address aspects of the research gap by providing a quantitative mapping of how independent musicians today are approaching different tasks involved in their music activities. Results can have implications about which professionals continue to play a role and which functions might be impacted by digital technologies. Compared to only ten years ago, the current music landscape has settled at least to some extent, as streaming for instance has proven to be a sustainable new business model for music distribution and live music has confirmed its dominance during the reconfiguration of musicians' income streams (Leenders, Farrell, Zwaan, & ter Bogt, 2015). I also hope to contribute to the recognition of small-scale music production as a legitimate part of the music industry. Meaningful music production, both in economic and cultural terms, also takes place outside the context of traditional business and industry structures. Based on empirical data collected via an online survey of independent musicians, the thesis asks this research question: how does digitization influence the different functions of music production, distribution and promotion for independent musicians? In an attempt to answer this, I will ask sub-questions about musicians' outsourcing and DIY practices, their use of digital tools and how they develop skills related to their career development.

## 2. Theoretical framework

This thesis attempts to add knowledge towards the organization of the music sector by looking at the stakeholders of independent musicians and understanding how digitization has impacted their specific work practices. The context of the current independent music scene will be provided in this chapter, establishing the empirical background of the study. To maintain a focus on the independent music scene, only the most relevant developments in the music industry at large will be mentioned, namely those that have implications for independent musicians who are facing new circumstances. The aim is not to give a complete picture of digitization's impact on the music sector, as it has been well-documented already. Instead, the literature review will establish the relevant concepts used and will also provide the reader with an overview of existing research on the topic. To understand the common elements of independent musicians' working lives, this chapter will first position the stakeholder within the larger music industry and further discuss how their work practices have been impacted by digitization.

### 2.1. *Placing the independent musician within the music industry*

Since this thesis is concerned specifically with *independent musician*, the term has to be defined and opposed to the more general notion of the *musician*. Although musicianship has no intrinsically economic characteristic, we will look at the musician as a professional function that individuals assume to engage in economic exchanges rather than amateur musicianship that happens purely for art's sake, because we are interested in the economy of popular music. This definition is in line with Coulson's (2012) findings that most musicians consider the status of being a musician and working as a musician to entail actually practicing and getting paid for it. An understanding of the term *independent musician* requires an outline of the industrial structure of the music industry, as it explains why it is distinguished in this way. In terms of market structure, the mainstream music industry is often typified most adequately as an oligopoly (Alexander, 1994), which is characterized by high barriers to entry, a few large dominating firms and, usually, differentiated products (Hoskins, McFadyen, & Finn, 2004, p. 142). Since Universal's acquisition of EMI in the early 2010s, only three large record companies, also referred to as the *majors*, dominate the current industry: Sony Music Entertainment, Universal Music and the Warner Music Group (Christman, 2012), all owned by international media conglomerates. Although these three record companies share the capacity to record and release recorded music with countless of smaller labels, they determine the market structure as an oligopoly because they generate the vast majority of



revenues and control most of the resources. According to one calculation by MIDiA, Universal, Sony and Warner were responsible for a combined 68.7 % of recorded music revenues in 2016 (Mulligan, 2017).<sup>1</sup> Decades of vertical integration have resulted in these majors controlling not only the recording of music, but also publishing, distribution, promotion and manufacturing (Burnett, 2002). As another strategy to expand, major labels have also acquired smaller labels and publishing firms during large-scale horizontal integration in the 1980s. Both types of integration typically result in profit maximization, as well as in the increase of economies of scale and scope.

Next to the majors, there are countless smaller labels, which have been commonly termed *independent record labels* (also *independents* or *indies*), although there is some disagreement on how exactly they are defined; some suggest that independent labels have to be truly independent, also in terms of distribution by major labels, but the more common terminology implies only that the label is not owned by one of the majors or part of any vertically integrated corporation (Hesmondhalgh, 1999, p. 35; Hull, Hutchison, & Strasser, 2011). These labels vary greatly in size, ranging from one-person-businesses to a few dozens of employees. Indies are often primarily motivated by supporting music, have closer ties to grassroots music styles beyond the mainstream and represent a certain trustworthiness for artists in contrast to major labels because they are reputed to allow more artistic freedom (Gander & Rieple, 2002, p. 249). By ensuring the supply of music not fitting the commercial mold, independent labels provide many niche genres and therefore constitute their own sector. However, they can also be seen as an integral part of the mainstream recording industry: indies perform an A&R function for the majors, because many successful artists start there and are later contracted by majors. They are also suppliers of niche markets with low volume releases that majors do not deem worthwhile to produce (Hull et al., 2011). Parallel to the notion of indie labels, the definition of independent musician used in this thesis refers to any musician who is not currently signed to a major or major-owned label. This means that *independent musician* includes anyone practicing music professionally or with professional aspirations, either unsigned or signed to an indie label. The term should not be conflated with *indie music*, which is an alternative rock genre that emerged in the 1990s from independent labels (see Hesmondhalgh, 1999).

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<sup>1</sup> Market share calculations of majors vary slightly according to different sources, and the fact that majors distribute and manage publishing rights for many independents' releases, complicates the endeavor of mapping accurate shares. However, the given numbers shall suffice here, in order to give an indication of how only three major corporations dominate the market for recorded music in terms of financial turnover.

Challenging the dominance of major labels, successful independent music production emerged in the 1980s. Although the music industry had always consisted of labels not affiliated with the market leaders, the post-punk era in the UK, later also in the US and Europe, saw the emergence of an “alternative network of distribution, which enabled the musicians signed to [independent] labels, but also a string of other companies and musician across the country, to reach a much wider public than would have otherwise possible” (Hesmondhalgh, 1999, p. 37). This process was an important force counteracting the oligopolistic market power of the major record industry players at the time and was enabled by new technological possibilities: sinking costs of recording equipment and musical instruments enabled musicians both more affordable studio time as well as setting up simple home studios. The introduction of the compact disc in the 1980s also facilitated cheaper reproduction that even individuals at home could perform. Hesmondhalgh (1999) argues that while these technological affordances were certainly boosting the independents’ success, the political aspect of the indie movement meant that actors were actively fighting against the corporate power by exploiting these new opportunities, striving for a more democratic industry where indies were not dependent on major label distribution. Partly out of necessity due to the lack of recognition, hip hop and rap acts appearing in the 1980s were initially also only released by independent labels (Tschmuck, 2006, p. 155). By 1995, many of the artists signed to the independents fostered by the British post-punk networks managed to secure mainstream successes in the UK, among them bands like Blur, Oasis and Pulp, because by that time, their labels had formed collaborations with the corporate labels in a struggle to survive (Hesmondhalgh, 1999, p. 39). Independent labels seemed to be either bought by the majors, formed close ties with them for distribution deals, or went bankrupt in the 1990s, both in the indie rock and hip hop world (Hesmondhalgh, 1999, p. 39; Tschmuck, 2006, p. 157). Today, as a consequence of the digital revolution, “independent music production has evolved from a niche market position to a mainstream model” (Bernardo & Martins, 2014, p. 10) and indie labels have become increasingly professionalized, while many maintain affiliations with majors.

#### 2.1.1. Music industry actors and division of labor

The organization of the sector is a result of the relationships between content creators and various other music professionals and businesses. Cultural products, including music, involve a large number of what Richard Caves calls “humdrum inputs” (2003, p. 73), describing tasks that are not part of the creative process itself (for instance promotion, distribution, manufacturing), but necessary to deliver the product to the consumer. These different

functions are supplied by other creatives (e.g. a producer recording an artists' album), and other professionals that include legal, manufacturing, promotional and managerial inputs. The separation of humdrum and creative inputs, however, is not always reflected in separate organizations, as the same institution or individual can be responsible for both kinds of inputs (Handke, 2010, p. 140). Typical for the creative industries are a few central actors which act as gatekeepers restricting access to the market and mass consumption. In the case of music, we saw that these are usually record labels.

One of the economic principles underlying the existence of all these separate functions is the division of labor. Allen J. Scott studied the industrial organization of the American music industry in 1999 and explains that the “pattern of corporate organization in the recorded music industry intersects in complex ways with a physical production system in which the different tasks of music making, recording, and distribution are broken down into intricate social and technical divisions of labor” (p. 1968). He positions the artists at the core of the production system, surrounded by “a constellation of distinctive economic and culture-producing functions ranging from song writing and the provision of musical instruments on the one side, to manufacturing and promotion-distribution on the other” (Scott, 1999, p. 1968). The pre-digital music industry was hence largely characterized by a clear division of labor. However, the level of specialization and division of labor in an organization often depends on its size, as smaller firms cannot afford high degrees of specializations due to limited human resources. Applied to music companies, this means that major labels have a much larger degree of specialized jobs within their organizations than small labels, where more tasks are concentrated in fewer individuals. In the broader sense of the concept, division of labor in the music industry is reflected in the different tasks involved in bringing music to the consumer, through performance or recordings. Due to this specialization, professionals tend to have the resources, expertise and networks to fulfill certain tasks more efficiently than individual creators on their own. From the perspective of the independent musician, there are several crucial functions involved in producing and performing music, but relationship constellations, work practices and modes of production vary greatly among artists (Leenders et al., 2015). While there are some more common work practices, there is no fixed set-up of working relationships in the music industry, which hints at the complexity of factors determining such set-ups. Although not every professional musician works with every one of these, the following overview will briefly describe the most important players in the music sector that can be considered such.

## Labels

After the creation of the musical content by an artist, record labels provide the resources for recording the music, either by appointing specific studios, producers and sound engineers, or by providing the funds and transferring the freedom to decide upon these collaborators to the artists themselves. After the recording, the record label is also responsible for the manufacturing (in case of physical copies), the distribution as well as the promotion of the recording. Other times labels also require finished masters and focus solely on the marketing of the product. Depending on the size of the label, it will also perform publicity work for the artist, including arranging TV and radio appearances. While the label usually only provides funding for the recording itself but doesn't offer the service in-house, the most central in-house activities are A&R (artists and repertoire; talent discovery and development) as well as marketing (Hull et al., 2011, p. 584). Basic contracts between artists and labels usually require the artists to deliver master tapes for a certain number of albums, while the label owns their distribution rights for a specified time and is required to pay the artist royalties from album sales (Caves, 2000, p. 62). These royalties, however, are usually set off against the advance that is paid to the artist at the beginning of the agreement.

## Producers

During the recording process, producers perform a coordinating role, considering financial, musical and technical factors while serving both label and artist (Hull et al., 2011). After finding talented musicians to record and hence performing an A&R function, producers oversee the recording process by taking care of hiring studios, session musicians, engineers and managing the entire creative process throughout the recording and until the finished product, all while considering the available budget. In the past, producers often worked directly for labels. Nowadays, however, a producer's artistic style has gained in recognition, which results in most producers working independently from labels and receiving a share of the royalties. The convention of independent producers also implies that musicians can easily hire producers for recording sessions, even when they are unsigned.

## Publishing companies and collecting societies

As soon a musician has recorded and is publishing a song, the next step in the value creation is the input of a publisher (Hull et al., 2011). A publisher in the music sector is an organization that engages in "acquiring rights in songs and licensing the use of those rights to generate royalties for the publisher and songwriter" (Hull et al., 2011, p. 358), based on mechanical, performance and synchronization royalties. Publishing revenues are an important

income stream and account for a large share of the majors' profits, as they own their own publishing companies. Publishers are often intermediaries between the artist and collecting societies, which, in Europe, are often national monopolies and are run as non-profits. Smaller artists are often only registered with a collecting society rather than working with publishers who ask for a large share of earned royalties in return for their services.

### Managers

The managing function in the music sector is another one that has not only one common form. Large labels sometimes employ their own artist managers, and many international acts hire their own independent manager in an exclusive arrangement. In the course of declining revenues for major labels, many managers have been laid off and were thrown into the freelance work model (Hracs, 2013). For smaller artists, the same is true: while some hire freelance, although non-exclusive managers, others are managed by their label, as some indies have their own artist management staff. Managers allow musicians to focus on their core creative product, by providing the necessary business tasks to the artist (Hracs, 2013, p. 9). The manager also serves as a gatekeeper who functions "as co-producer, as tastemaker, and as selector" (Foster, Borgatti, & Jones, 2011, p. 248). Hracs (2013) has investigated the basic functions of the contemporary music manager and stresses the co-ordination of the artists' activities and any collaborators involved in those. He also highlights their need for flexibility and innovativeness, as the current market for music offers many strategic possibilities that have to be recognized and exploited by managers, who make use of their industry knowledge as well as social networks.

### Booking agents and concert promoters

Another intermediary that artists collaborate with are booking agencies that charge a percentage of the performance fee for their service to book shows for an artist. They bridge a gap between music scenes and venues and/or promoters by sourcing musicians to play live performances (Gallan, 2012, p. 42). Booking agents can work independently for artists, as part of a booking agency or as venue staff and operate on different geographical levels, from local to national (for established artists). As Gallan (2012) has argued, booking agents can have considerable influence in shaping local music scenes, by for instance, booking local original bands rather than out-of-town cover acts. Similar to managers, booking agents provide artists with services based on important negotiation skills, knowledge about the live sector as well as large networks in the scene. Another important function for live performances is assumed by promoters. They present concerts by working with booking agents and venues

and are responsible for the management of the entire organization of the event, including taking on financial risks (Hull et al., 2011, p. 493). Due to the financial stakes in the success of the event, promoters engage in its promotion including ticket sales.

Although the actors above are central collaborators of artists, there are many other providers of humdrum inputs, including sound engineers, other musicians and songwriters, graphic designers, merchandise producers, lawyers, stage technicians and IT-specialists, among others (Hracs, 2013; Caves, 2000), who are not intermediaries between artist and audience, but supply them with important services. While all these are established actors in the higher ranks of the music industry, smaller-scale musicianship can involve more flexible constellations with different degrees of the involvement of these actors. The associated functions, however, are equally important and are still present, but they might be combined in one person (e.g. the artist) or provided by new digital tools. In terms of booking and promotion, for instance, these set-ups can range from artists booking their own gig by directly contacting venues, to engaging a small local or regional booking agency and skipping the promoter. Even the functions themselves are not performed with strict limits: some labels provide certain services that other times managers do, and vice versa. Although Richard Caves (2000; 2003) has explained much of how and why relationships between creators and humdrum inputs are structured in certain ways with the fundamental characteristics of the creative industries, there remains some intangible element tied to individual situations and contexts that seem to determine such work practices and working relationships in the music sector. Some of it might be explained by the importance of personal relationships in music production on the smaller scale, where artists exploit their social networks for collaborative projects (Scott, 2012).

### 2.1.2. Career paths

Having positioned the independent musician in the context of the music industry, a discussion of the artistic labor force provides some context to understand independent musicians' struggles and work practices. In the field of cultural economics, studies of artists' career paths have been conducted many times, with different sectorial focuses as well as different disciplinary backgrounds. The careers of artists are characterized by certain factors typical for creative professions: Since many artistic professions neither involve a certified body of knowledge and hence no occupational control (restriction of knowledge access) nor full-time jobs, artistic professions are inherently different from others (Janssen, 2001, p. 347). Most empirical studies have confirmed that only a minority of artists works full-time in that

profession, few have long-term contracts, many a self-employed with low security, and spend many unpaid hours on their artistic work (Janssen, 2001, p. 337-338; Throsby & Zednik, 2011). Multiple job-holding is another common reality for many artists, often involving jobs that are not related to the practiced art and artistic incomes are lower than the national average in countries where studies were conducted. These precarious employment conditions are aggravated by the need to cope with other uncertainties, such as the intense competition for limited funds in the sector and the uncertainty of demand and tastes. In a study specifically investigating musicians' careers, Coulson (2012) confirms these patterns for independent artists: musicians are rarely employed long-term, work in project-based constellations and usually combine regular and freelance work, which is summed up as *fragmented* work (see also Hracs, 2013). While these patterns come with the risks mentioned above and financial instability, they also provide great flexibility, variety and freedom (Coulson, 2012, p. 252). The high competition in artistic professions can be partially explained by the attractiveness of very high earnings in the entertainment industry. While only very few *superstars* make these kinds of sums, many are attracted by the possibility to make it (Abbing, 2008). Another factor contributing to the high supply of cultural goods is the intrinsic motivation often appropriated to artistic work. Despite financial uncertainties, many artists keep pursuing their art in a struggle between artistic and economic considerations (Abbing, 2008). Together, the attractiveness of superstardom and oversupply of cultural goods results in high failure rates among artists which is due to the limited resources available on the market.

The Money from Music study by the Future of Music Coalition has given relatively recent empirical insights about working musicians, although their numbers represent a larger group including classical musicians (who often enjoy permanent employment) and composers. The study arrived at an average annual gross income from music of \$34,455 USD, based on income figures of around 5,000 American respondents, which is around the average per capita income in the US (Thomson, 2012). *Independent* musicians in particular have been surveyed by a recent Canadian study, that found a much lower figure, with the annual income averaging at only \$7,228 CAD, based on an average of 29 hours of music-related work a week (Canadian Independent Music Association, 2013, p. 29). The figure does not only confirm the low earnings of independent musicians but also stresses the fragmented work lives and the low levels of full-time musicianship among non-major-affiliated artists.

### 2.1.3. Coping with uncertainties

Research has also been dedicated to how and with which tools artists cope with the uncertainties described above, giving more insights into how artists strive for financial

sustainability. The digital music age, with fewer available recording contracts (Leenders et al., 2015, p. 1803), weaker copyright protection and more supply of music than ever before, has compounded many of the uncertainties faced by musicians. One of the coping strategies of artists, but also a necessity in the current labor market, is by building a so-called *portfolio career*, which involves acquiring different skills rather than practicing in one job for a long time to strengthen their employability (Throsby & Zednik, 2011, p. 10). A portfolio career typically takes the shape of a fragmented work life that might include studies, non-arts related jobs, original creative work and activities that apply their creative skills more broadly. Multi-job holding is a common trait of creative workers and many of them make the bulk of their income with different work to support the production of their art.

A second way to minimize certain risks is the reliance on one's social network (Janssen, 2001, p. 340; Lingo & Tepper, 2013, p. 338; Lingo & O'Mahoney, 2010). In line with the discussed necessity of humdrum inputs according to Caves, cultural production is a collaborative process, that often relies on many inputs by many different people. In the creative industries, much of these inputs are sourced directly from the artists' social networks. These networks provide artists with interaction with other artists as possible collaborators (from the same art field as well as others), can result in opportunities for career advancement, and also help to establish contact with important gatekeepers (Currid, 2007, p. 465). The workings of this economy of practices makes engaging in networking very important for aspiring musicians to cope with the challenges of artistic careers (Zwaan, ter Bogt, & Raaijmakers, 2009).

The importance of social networks is closely related to geography of cultural production. Economic geographers have contributed to the understanding of spatial aspects of cultural production. In terms of the geography of music production in particular, many scholars agree that local scenes are still important in the music industry, despite the de-localizing powers of the internet. Brian Hraacs (2013), for instance, has conducted several studies with independent musicians and argues that especially the need for collaborators, in particular free-lance managers, explains why music production still happens in urban clusters (p. 2). Musicians rely on collaborators and co-producers that are often concentrated in cities to realize their creative projects. This is reinforced by the importance of social networks in the cultural industries that Hraacs refers to as the *soft infrastructure* of cities. Similar findings are also presented by Kruse (2010), who argues that local scenes in the independent music landscape are not disappearing and will continue to exist despite the fact that, due to digitization, music production and dissemination is becoming increasingly decentralized and globalized (p. 637). On the basis of archival research and interviews with members of music



scenes, the scholar argues that especially the scene participants deem physical spaces important for their work as musicians. Even if digitization has enabled, theoretically, music production and distribution to happen independently of place, music clusters and local scenes continue to exist and matter.

## *2.2. Digitization and the indie musician*

Since the emergence of independent labels, the internet-driven digitization has continued to provide new opportunities for music producers outside the major label realm, but also compounded some of the uncertainties just described – mostly due to increased competition and falling revenues from recorded music. Increased competition can be partially attributed to lower production costs since it has become relatively cheaper to record music with digital technologies (Handke, 2010). This is limited, however, because as the productivity of creative work does not increase as much as in sectors with more tech-heavy inputs. It represents a typical case of Baumol's cost disease, which proposes that the performing arts suffer from a productivity lag, as productivity does not rise despite rising unit costs (Heilbrun, 2011). This is due to the fact that the performing arts are not a technology-heavy industry. Even though different types of technologies are a crucial part of recording music and live performances, they are only a small part compared to the human inputs needed (also see Bekar & Haswell, 2013). As music production requires songwriting and playing of instruments as well as producers and sound engineers, that part of the record production seems not to be impacted as much. As Heilbrun (2011) writes, "it takes four musicians as much playing time to perform a Beethoven string quartet today as it did in 1800" (p. 67). There are, however, many new possibilities thanks to the falling costs of technology, like more affordable home studio gear, small labels with cheaper production costs or the possibility to shoot relatively high-quality but cheap music videos (Waelbroek, 2013, p. 396). Professional as well as consumer software that is available for personal computers also facilitates musicians and producers to edit, mix and master recorded music without the expensive gear of a fully equipped professional recording studio (Hracs, 2012, p. 455). Despite these improvements in affordability, the skills and knowledge necessary to operate recording and production technology can still be a barrier to the individual musician.

The mentioned increase of uncertainties for independent musicians is related to digitization's impact on the distribution of recorded music. More so than for production, there has been a dramatic decrease of re-production costs for recorded music, because the marginal costs of making new copies is virtually zero thanks to the digital file format (Handke, 2010; Waldfogel, 2014, p. 279). This also applies to distribution costs: for CDs, big pressing plants

and different material inputs were and are needed, and the individual units need to be geographically distributed and delivered to retailers and consumers. Now, with digital audio files, online distribution is quick and virtually free, as digital storage is very cheap. As the well-known story goes, these developments have led to illegal peer-to-peer sharing of music files, most notably starting after the rise of Napster in 2000 (Waelbroeck, 2013), which effectively made copy right protection much weaker because it is near impossible to control this distribution. So in practice, digital music has become a public good because it's now practically non-excludable and non-rival. Of course, such low reproduction costs allow for unprecedented opportunities for independent musicians, but as a consequence of illegal sharing, the revenues from recorded music sales have decreased considerably since the turn of the century. While at its height in the 1990s the American market grossed over 20 billion American dollars, the corresponding value for the year 2016 is only around \$7.7 billion (RIAA, 2017). Revenues from paid-for downloads and streaming services, however, have very recently recuperated parts of the previously decreasing sales, as the chart below (of the US American market) shows:

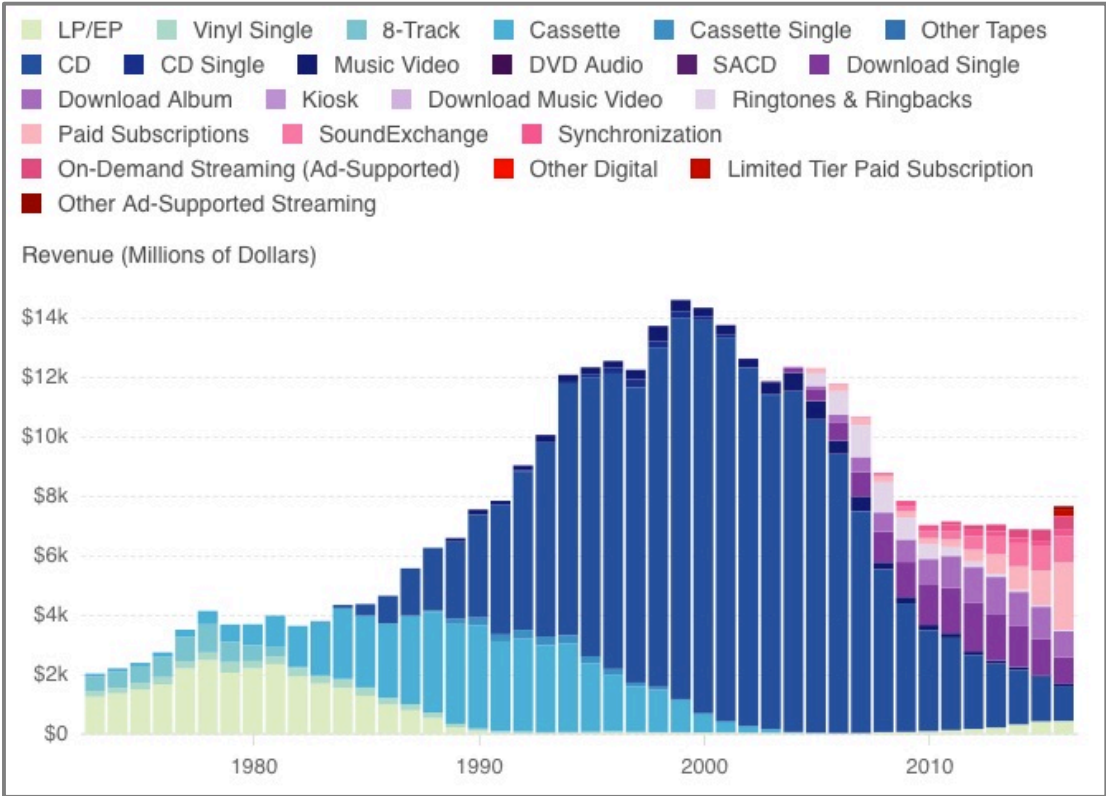


Figure 2.2.: Development of US revenues from recorded music in millions of dollars (RIAA, 2017).

As we can see on the chart as well, digitization has led to the development of new business models within the recorded music industry. In 2016, for the first time ever, streaming

has generated the majority of US music revenues, accounting for 51% of total revenues and grossing \$3.9 billion. CDs only reached revenues of \$1.2 billion, while the vinyl has seen a significant resurgence at about \$435 million (RIAA, 2017). Legal paid-for downloading services and more recently subscription-based streaming services (Waelbroek, 2013) represent new business models in the sphere of distribution. Some of these new services can be seen as a reaction of rights-holders (for instance labels) to secure income even in the digital world. But also firms like Apple, that had previously not been major players in the market for music, have emerged as central figures (Anderson, 2008). The fact that streaming revenues have been and still are rising shows that illegal file-sharing is not completely replacing legal consumption. The success of streaming services exemplifies the growing importance of two-sided (or platform) markets in the digital economy. The streaming provider serves as an intermediary between two interdependent parties: The more content is provided by artists and labels, the more consumers want to use the service and vice versa. What is interesting in the context of the music industry, is that, in a two-sided market, “the intermediary can be viewed as a monopolist over access to members that do not use other intermediaries” (Rysman, 2009, p. 131). The few dominant streaming services in terms of user numbers include Spotify and Pandora and the decision by a content provider not to be featured on one of these platforms (for instance because of their low royalty payments) effectively removes them from millions of users and thus streaming platforms present new players with considerable market power.

The reconfiguration of revenues from recorded music in terms of the different formats also implies that the physical distribution networks of CDs, that are traditionally controlled by the majors, have lost in importance (Graham, Burnes, Lewis, & Langer, 2004, p. 1088). Even though the majors are currently still dominating the music sector, this development contributes to visions of the future in which this role is going to be more and more diminished and the traditional supply chain transformed. Independent labels and individual suppliers will find it easier to enter the market through online distribution, and “business models that have been built on limited access to distribution channels could lose their competitive advantage” (Graham et al., 2004, p. 1090). While traditionally three large intermediaries separated the artist from the consumer (label, distributor, retailer), the internet has produced new businesses offering new services related to digital music. This means that a formerly static value chain has been transformed into a more dynamic landscape of actors involved in the music sector, providing artists with alternatives of organization and professional networks.

In his book, *The Long Tail* (2008), Chris Anderson argues that the current economy, and culture, is moving away from a few hit products and towards a more niche-oriented market, with more emphasis on the long tail of the demand curve. The author predicts an

economy in which selling lower volumes of more products will be the norm, rather than selling very few products in high quantities. This effect, that is especially strong in digital marketplaces, has also been witnessed in the music industry, as online distribution, social media and other factors have contributed to emerging and smaller artists' success. While shelf-space for niche genres and low-volume CDs were not deemed worthwhile by distributors in the physical age, markets for these products can now be reached at low costs, benefiting from the geographical reach of digital music. While it is certainly true that independent artists, at least theoretically, enjoy open channels to reach an audience and fans can access smaller acts more easily, the major players still exert their financial prowess online in different ways. It is suggested that a type of payola is taking place, where major labels pay in order to feature their releases on popular Spotify playlists (Peoples, August 19, 2015), and in addition to that, the three major labels owned shares of the private company in 2009 (Lindvall, 2009). Considering the empirical reality of the music sector at this point in time, the long tail theory seems to be partially developing, because internet radio stations, streaming platforms and even online physical retailers like Amazon all benefit the exposure of suppliers of music that does not have mainstream following. At the same time, the major labels and superstars of the music industry still make up for the vast majority of the global music sales and their bargaining power remains, to a large extent, untouched (Leenders, Farrell, Zwaan, & ter Bogt, 2015, p. 1803). Rather than losing all relevance since new distribution channels emerged outside their ownership, major labels recently found ways to play the new game of seeking attention online, as their vast promotional budgets allow them to push their content among the over-choice that exists for the consumer. Independent musicians, on the contrary, are now able to feature their music directly online, but the need for attention has created new challenges.

Musicians have also experienced a re-configuration of income sources that applies to both independent and major-signed musicians. The digital consumption of music and the resulting revenue losses for recorded music have impacted the demand for live music, and the internet has also created new business models and intermediaries related to the performance of popular music. Mortimer, Nosko, and Sorensen (2012) have conducted empirical research about the correlation of the digital distribution of music and live performances. Their findings confirm that illegitimate file-sharing of recorded music has “facilitated a broader distribution of music, which appears to have expanded awareness of smaller artists and increased demand for their live concert performances. Concert revenues for large artists, however, appear to have been “largely unaffected by file-sharing” (Mortimer, Nosko, & Sorensen, 2012, p. 14).

This means that online music sharing has had somewhat of a long tail effect for live music, as non-superstar artists gain increased attention. Live music now is also increasingly part of the revenue stream for labels, as the so-called 360-degree contract aims to capture as much of the revenue generated by artists: Instead of just monetizing on record sales and publishing income, labels now try to control as many of the artist's income streams as possible, in particular touring income, which has traditionally not been in the domain of record labels (Curien & Moreau, 2009; Montoro-Pons & Cuadrado-García, 2011). While touring used to be aimed at promoting and selling CDs, the current industry seems to work the other way around: recorded music helps to market live concerts. Since income from copyrighted material has been coming by with more difficulty, artists now focus much more on touring, which generally makes up their main income share nowadays (Wynn & Dominguez-Villegas, 2016; Schultz, 2009). Independent artists have seen a weaker decline of recorded music revenues, but still benefit from a booming live music sector. A side-effect of this development is the equally rising importance of merchandise sales for both artists and labels, as T-Shirts, and increasingly, vinyl can be a substantial addition to one night's pay, especially for smaller acts (Frith, 2007).

Another way in which independent musicians have been benefitting from technology are online platforms such as Bandsintown (<http://www.bandsintown.com>) and Songkick (<https://www.songkick.com>). Both of these websites are aggregators of concert date information, providing fans with all touring dates of their favorite bands, notifying the user when their artists are performing shows in their proximity. Another business model that has been revived by the internet, is the spread of living room shows or house concerts organized via online communities (Trust, 2013; Oliphint, 2015). These shows typically connect artists and audiences, by staging small performances in someone's private home. There are different concepts: sometimes the host pays a certain fee for an artist and is in charge of selling tickets to recuperate the fee. Other times, the host just provides the location and a platform sells the tickets for them. As these platforms are often locally based, it poses an attractive alternative to traditional concerts for young artists: with very low production costs, they can make a fee that comes directly to them, without any additional intermediaries getting a cut. Stageit (<https://www.stageit.com>) and Patreon (<https://www.patreon.com/>) provide a similar, although virtual, experience: Signed up artists can play streamed shows for paying users or offer exclusive content to their sponsoring fans.

While many in the media have pronounced the death of the record industry in the face of declining revenues and musicians struggling to make a living, a boom in the live music sector has increased festival attendance but also average ticket prices. During the transition

from a record-based to a performance-based music sector, superstars are profiting most from recent changes, while smaller-scale music performers have gained web-based opportunities to advance their performing careers that circumvent traditional intermediaries. Since 90% of the live music revenues are generated by mega shows in large venues (Holt, 2010, p. 251), the increased economic performance of live music says little about the state of live performance on the smaller scale, which makes up the vast majority of musicians. Many of the topics discussed above indicate that cultural audiences are still valuing the unique experience of a live music performance and that there are certain trends towards a culture of participation, as demonstrated by the house concert trend. They and the proliferation of popular music festivals are also part of the new experience economy, in which consumers expect experiences rather than mere products (Pine & Gilmore, 1998). Changes in the live music sector, therefore, cannot be seen as isolated results of digital piracy and decreasing music sales, but have to be considered in the broader context of changing societal values that increasingly revolve around experiences and in the light of different stakeholders, as effects haven't been uniform for all actors.

### 2.2.1. Independence and work practices of artists

The so far discussed changes that digitization has brought to the economics of music at large, combined with the already instable employment conditions of musicians raises the question how exactly independent artists are experiencing these changes and how their specific work practices are influenced by them. Did they gain more independence by assuming more tasks on their own, or did functions merely redistribute among new and old actors? Although it is a pre-digitization phenomenon, the do-it-yourself (DIY) model of producing music has gained new attention, as many believe that digital tools have expanded its possibilities. A DIY musician is commonly defined as someone who assumes many of the tasks associated with their music, without the help of intermediaries and professionals, hence without any or very little division of labor. Some researchers apply a strict understanding of the practice that excludes almost all outside help that is not performed by the musician or band themselves (McLean, Oliver, & Wainwright, 2010), while others use it more to denote the absence of a complete set of professionalized support, but acknowledge that DIY artists rely at least on some, often uncompensated, input by others from their social network (Scott, 2012). Despite this somewhat diverging use of the term, we will focus on the fact that DIY musicians assume many tasks themselves, regardless of the exact extent. "The DIY artist has multiple roles: musician, artist, manager, distributor as well as promoter" (Oliver, 2009, as cited in McLean et al., 2010, p. 1367). This model of making music might contradict the aforementioned

collaborative nature of creative work, but despite Becker (2008) stressing the importance of various supporting activities that are necessary for their creation and their delivery, he concedes that there are a variety of ways of handling this and that some artists might find ways of circumventing this (p. 5), by doing many of these humdrum activities on their own. Since intermediaries between artists and music consumers take part of the artists' profits, the DIY approach can be attractive to people who have the necessary abilities and want to reduce their spending.

Digital technologies have brought many promises to the DIY model and have expanded its scope, as they allow artists new and cheaper ways of producing, distributing and promoting their music (McLean et al., 2010; Bernardo & Martins, 2014; Scott, 2012, p. 245). Online platforms also enable easier communication with audiences as well as networking with peers and professionals. The different tools and new intermediary platforms that musicians can use to manage their music and careers theoretically support DIY production models as they decrease the necessity of certain traditional intermediaries and professionals. Digital networked media assume economic functions that formerly relied on the value chain of institutions like labels and distributors (Bernardo & Martins, 2014, p. 8). Hence, they represent new alternatives for more independent approaches to music production and career development, as individuals and musicians have direct access to them. Zoë Keating is one example of a musician who has embraced such alternatives by building a sustainable career without working with professionals like bookers, managers or a label. The American cellist and composer counts over 50,000 Likes on Facebook, many of her songs have been featured on mainstream commercials and TV shows, and she has charted a number one album on the iTunes classical music charts (although her music is very contemporary). During her live performances, Keating uses looping software on her MacBook to create layers of her cello playing, resulting in something like a one-woman orchestra (Keating, 2017). Apart from the use of these digital tools, Keating, who previously worked as a data analyst, has been able to use the location data of her listeners (through soundcloud and Facebook) to book her own concerts in locations with considerable audiences (Keating as cited in O'Reilly, 2016). She has no manager and no label, while all distribution of her music happens online with the help of aggregators like CDBaby (Keating, as cited in Midem, 2012). She is an interesting example as she raises many issues related to independent musicianship and the current music industry. Although she appears in interviews on billboard.com and relies on Spotify and iTunes for most of her music distribution, she considers herself to be "outside the music industry" and a DIY artist (Keating as cited in Howard, 2015, p. 2), implying that, for her, the *industry* is separate from her musical career. She also considers herself to be entrepreneurial and with her

data analytics background, Keating is certainly not the average musician in terms of having a diverse skillset to reach this kind of independence. She also admits that her music is too niche to break into the mainstream and that being signed to a label would not make her better off financially.

Her story implies that DIY artistry is possible, but that it depends on the level of success musicians strive for and whether they acquire or have the new required skills. It seems that music production following the DIY model usually happens “at the micro-level, where to be self-sustaining is considered to be a financial success” (Strachan, 2007, p. 259), and that Keating is a rare example. Hracs (2013) also produced some findings about specific work practices of independent musicians and found that they are trying to adapt more entrepreneurial strategies themselves, which also poses challenges; Hracs argues that the common DIY model of production can be an inefficient practice, as it leads to de-specialization and musicians struggling with business tasks they are not familiar with (p. 8). In general, many empirical studies conducted about DIY musicianship conclude that while digitization has indeed afforded many new alternatives to the typical intermediaries and suppliers of niche genres are able to reach a geographically dispersed audience, DIY artists have not necessarily benefitted from digital technologies across the board (Strachan, 2007; McLean et al., 2010). They suggest that musicians are yet to acquire the necessary business and industry knowledge and use digital tools more effectively to realize a DIY approach (McLean et al., 2010, p. 1975). The apparent empowerment of both musicians and fans brought by information and communication technology is, to a large extent, a myth and the advantages are still limited. There clearly still is a power imbalance between major labels and artists and the discourse about artists’ empowerment through ICT is largely a myth put forward by traditional industry players, while some aspects of DIY culture are even appropriated by majors as a marketing strategy (McLean et al., 2010, p. 1369). Researchers, however, do make concessions about the *potential* of empowerment: while major labels and media conglomerates are still most powerful (McLean et al., 2010, p. 1373) and many online tools are not democratic forums, they also suggest that the potential of DIY models of producing music is slowly increasing, but that it relies on more entrepreneurship, tech-savviness and more education about the industry and available tools, as a result of the continuing commodification of music (p. 1375).

Bargaining power is also something that independent musicians are lacking in the new constellation of digital music intermediaries like Spotify. In their early stages, it seemed that streaming platforms were truly accessible and presented equal access and chances to any content provider. Since their increasing economic relevance and the success of the business



model, however, major labels have found ways to appropriate these services through the promotion of their releases (see Section 2.2.), effectively also dominating these new distribution channels. This is one reason why majors could still be attractive to emerging artists, as they can rely on the bargaining power of their label with online retailers and streaming platforms. Spotify and its peers have been matter of debate related to very low compensation for most artists. But while the streaming service has separate contracts with the major labels, performing rights organizations as well as independent music unions ensuring a certain flat percentage fee, individual independent artists have no bargaining power in this situation. The DIY artist Zoe Keating has also been outspoken about her disappointment with streaming royalties paid to artists by streaming services like Pandora and Spotify as well as YouTube. To make her point, she has posted detailed breakdowns of her royalty income on her website several times, illustrating the low earnings from millions of streams compared to paid downloads, while pledging for better deals between online distributors and unsigned artists.

### 2.2.2. Online promotion as a new skill of independent artists

One obvious novelty in musicians' careers is the need to engage with online media for the promotion of their music, which requires certain skills. The use of digital tools in musician's work practices has been qualitatively examined by La Rocca (2014) and Kaya, Steffens, Hearn & Graham (2010), both based on interviews with musicians. La Rocca (2014) was interested in finding out which online technologies independent musicians use most effectively for building their career and expanding their fan bases. The results of the research exposed the common tension between the internet's opportunities and its downsides for contemporary cultural products: on the one hand, musicians heavily engage with fans on platforms like Facebook, YouTube and Twitter and this helps them to stay in touch with their fan base. On the other hand, however, musicians feel that they do not acquire any new fans online, but only connect there with audiences that they found at live performances, the activity that most respondents deemed as most crucial for their careers. They also point out that digital tools require high investments of time and effort while the oversupply of information online hinders the effectiveness of their use. It seems that "social media has become an important and beneficial networked institution for independent musicians" (La Rocca, 2014, p. 8), but that they are not necessarily enhancing their chances to acquire new fan bases that go beyond their local scenes. This means that, similar to streaming services, it is easier than before for artists to present themselves publicly with these technologies, but the mere engagement doesn't necessarily lead to economic results.

The ambiguity of these results are also present in Kaya et al.'s (2010) research, in which the scholar interviewed musicians about their use of online tools to diffuse their music. While some of them regarded social networks as an opportunity, others were more suspicious and regarded factors such as the difficulty of being noticed among many musicians online and the technical skills necessary as a major obstacle (Kaya et al., 2010, p. 9). These studies reflect the findings of Hrac's (2013) work, as they also highlight the fact that the increasing time spent on business activities by musicians takes a toll on their creative work while often not even having effective results. According to the qualitative studies discussed so far, new or newly important skills include: self-branding, online communication, management,

### 2.2.3. Goals and rewards

In his empirical research about independent record labels, Robert Strachan puts forward the idea that these "small-scale popular music practitioners tend actively to shun the economic capital favoured by large-scale cultural producers in favour of (informal) symbolic capital" (2007, p. 246). He positions the independent music scene as clearly outside the commercial music industry, implying that the values differ and stand in opposition to the financial interests of that industry. While this claim suggests that these small-scale musicians and producers made a conscious decision about their artistic careers to be independent, he later on admits that many musicians see the indie label as a stepping stone for a contract with a major and that, eventually, many indies have to collaborate with majors for business activities that benefit from economies of scale and existing infrastructure, nowadays especially for promotion (Strachan, 2007, p. 248). Strachan also sees the DIY model of production as remaining at the micro-level, "where to be self-sustaining is considered to be a financial success" (2007, p. 259). He argues similarly to McLean et al. (2010) concerning the appropriation of DIY practices by major labels, explaining that many of the famous examples of DIY success, like that of the two bands Arctic Monkeys and Clap Your Hands Say Yeah, were actually major-backed promotional campaigns pretending not to be.

The evaluation of the success of DIY artistry, and independent music production in general, depends a lot on the stakeholders' goals and which rewards they are striving for. Also a central issue in the field of cultural economics, the tension between economic and artistic goals in creative professions such as music is relevant in the context of independent music production, because it can explain an individual actor's decision to chose a certain constellation of a professional network. The tension also questions the dominance of the price logic in the work practices of musicians, as sometimes the desire for artistic independence can be prioritized over higher financial rewards. As the rise of indie culture in the 1980s that

exhibited an anti-corporate stance within the music industry exemplifies, independent music production does not only reference its organizational and institutional structure and position within a larger industry, but also embodies a certain *identity*. Here, once again, sociology can add to the understanding of the complex interdependencies of economic and personal needs. Economic theory has struggled to explain some of the behavior displayed by artists, as for instance the large amount of unpaid work they usually perform, because it contradicts theories assuming that self-interest in financial means explains behavior. Another example is the phenomenon that artists work more on their art even if the income of their other job increases (Abbing, 2002, p. 85). Social scientists like Hans Abbing (2012) have studied the rewards that artists strive for, and it seems that they commonly make compromises between artistic and economic aims and that social norms in creative professions sometimes even pressure individuals to pretend to have anti-commercial attitudes (p. 89). Intrinsic motivation and psychic income plays a larger role in creative professions as well, which is seen in the amount of artists pursuing these professions despite low incomes and high failure rates (Rengers & Madden, 2000, p. 326).

Independent music production today is sometimes portrayed as a part of the music sector that embodies this anti-commercial position, as it is juxtaposed to the commercial music produced by the major labels' superstars. Independent labels often produce music of niche genres where the artist retains more autonomy over the creative process. The mode of production developed partially from the disdain of the lack of autonomy associated with major label contracts that often forced the creative vision of the executives on musicians, which translates into a loss of control on the part of the creator (Hracs, 2012, p. 445). This means that next to the costs and skills, the attitudes and personal (artistic and economic) goals of musicians also determine their work practices and their adaption of certain network constellations. Based on the literature discussed so far, I argue that not all musicians who are signed to an indie label or work truly independently do this because of their desire to retain control over their music or because they subscribe to the indie identity. Based on available empirics, musicians pursue different practices for different reasons. The nature of the music industry, especially its competitiveness and oversupply of talent, means that not everyone can score a contract with a major label that ensures musicians some job security and the ability to focus on their core product, the music. Especially since revenues from recorded music are falling, these contracts are becoming increasingly scarce and force many musicians to be independent by necessity. A survey conducted in 2011 by the online platform ReverbNation involving 1,869 respondents actually found that a majority of independent artists are seeking to be signed with a major label (ReverbNation, 2011). But, as stressed above, musicians do

vary in their aspirations. Kaya et al. (2010), apart from studying the use of digital tools, come up with a typology of musicians that demonstrates these differences: While artistic purists include old school artists and independence seekers with a primary focus on their music, business pragmatists are more open to the economic side of music production and include major label seekers and digital era enthusiasts (Kaya et al., 2010, p. 9).

### *2.3. Conclusion of theoretical framework*

The current literature on independent musicians is quite unanimous regarding the ostensible empowerment that independent musicians have gained through the impacts of digitization. While the authors see opportunities to some extent, they are also suspicious of a changed power structure and concede that the music industry is still dominated by superstars and major companies, while the unsigned musician is struggling with the internet-led independence and the associated business tasks. It also seems that while some traditional intermediaries like labels might not be as crucial for areas such as distribution, independent musicians use aggregators like CD Baby to efficiently feature their music on web services, resulting in the addition of new intermediaries. Another open question, on which authors disagree, is whether musicians adopt the DIY approach by choice or by necessity. Zoë Keating, for instance, started out on her own out of necessity after being rejected by some labels, but now sees her practices as the best option available to her, both financially as well as artistically. The current musical landscape still relies on the label model and it seems that traditional intermediaries are still necessary to manage successfully expanding careers when the scope of activities exceeds the artists' capabilities. There are also signs that very popular artists can more easily adapt these independent models because their reputation and fan base is large enough to promote self-released music online, as has been successfully realized by bands like Nine Inch Nails and Radiohead (Bernardo & Martins, 2014, p. 22). These acts, however, are still products of long-term contracts with major labels, before they could achieve this kind of success independently.

All of the discussed issues are relevant for our research question because they imply that the digitally-driven decrease of relative costs associated to music production is not enough to assume that musicians perform all functions on their own that had previously been too expensive. Intermediaries and professionals provide expertise and networks that cannot be easily replicated by an individual artist in order to make themselves heard among the vast population of aspiring artists. Likewise, many seemingly democratic platforms (like Spotify) have been re-claimed by the dominance of major labels, which goes to show that decreasing costs of distribution cannot be seen independently of their broader context. These costs might

just as well have been replaced by increased costs of promotion. Other aspects suggest that rather than dis-intermediation, the current landscape is undergoing processes of re-intermediation, that seems to be still in transition and results in the shifting of functions rather than their disappearance. Additionally, the scarcity of major label contracts, declining revenues from recorded music and new digital technologies also imply that new skills are required that were not part of the traditional value chain in the music sector. Most of the discussed literature on the topic is, in the face of the speed of digital change and the time actors need to adapt to new practices, somewhat outdated. While we have so far referred to theoretical answers (with some references to empirical data) about how digitization has changed the work of individual musicians, the next chapter will map how functions of independent music production are distributed based on empirical data from the perspective of the musician. The purpose is also to see whether, five to ten years after some of the judgments above have been made, DIY practices are more pronounced or not.

## 3. Methods

### 3.1. Research questions

While the previous sections were aimed at positioning the research issue in its broader context of the music industry, economic theory and existing literature about independent musicians' work practices, the following chapter will explain the methodology as well as provide justifications for the choices made. After repeating the central research question, some hypotheses will be presented before explaining the specific methods used. This is followed by outlining the approach used to collect data, including sampling and survey design. The methods and design of the research have been selected according to the research questions it attempts to answer:

*How does digitization influence the different functions of music production, distribution and promotion for independent musicians?*

Sub-questions:

- *Which creative and non-creative tasks associated with their music do musicians assume themselves, and which ones do they outsource?*
- *Which factors are associated with higher levels of outsourcing?*
- *How do musicians develop non-artistic skills?*
- *Do musicians take advantage of new income opportunities? (like crowd-funding, living room shows)*

### 3.2. Hypotheses

Based on the discussed theory, the general hypothesis underlying the data collection expects that the more professionalized the function and the more it involves contacts and knowledge about the network, functions will remain with outsourced professionals, unless digital tools make it cheap enough to acquire the necessary knowledge. The existing literature has produced several hypotheses that this empirical research aims to test, as most of them are based on qualitative methods or are, considering the pace of change in the music sector, worth testing again at this point in time:

- Musicians need time to adapt to the new industry and new digital tools that help them to assume more tasks themselves, and that as a result of that, the potential of DIY careers is increasing (McLean et al., 2010).

- The potential of empowerment depends on the musicians' tech-savviness, their entrepreneurial skills and related education (Kaya et al., 2010).
- DIY music production remains at the small scale (Strachan, 2007).

### 3.3. *Research design and method*

The thesis employs a quantitative strategy to answer the research questions. An online survey addressed to independent musicians aims to provide an overview of their practices of outsourcing certain tasks related to their music careers. Although a qualitative approach can be helpful to understand the behavior and decisions of participants in economic life, a quantitative analysis of independent musicians' professional networks regarding the different functions of music production, distribution and promotion has advantages in this specific research context. To track a change in these practices, the first step is to establish a *pattern* of outsourcing certain functions versus doing them "in-house". Most efficiently, this exploratory endeavor can be achieved through a survey addressing the approaches to handling these different functions. Due to the higher feasibility of a large sample through surveys as opposed to qualitative interviewing, the quantitative method can establish this pattern with more representativeness than a small sample of interviewees. Hence, patterns in the general population of independent musicians cannot be identified based on a small number of cases. A qualitative approach with fewer case would merely provide examples rather than a pattern. In terms of the advantage of a survey in this specific practical context, it can be said that the research question aims at finding out about functions and therefore work practices. In order to ask about as many of these functions as necessary, a survey can yield efficient results by asking specific questions. The measurement was based on certain concepts drawing on theory and the resulting hypotheses (Bryman, 2012, p. 161).

### 3.4. *Data collection*

#### 3.4.1. *Sample*

The unit of analysis in this research is the independent musician as defined in the literature review, both including solo artists and bands. The music economy involves a complex set of actors with myriad of different exchanges between many stakeholders. Since we are interested in what independent musicians' work looks like in the current industry context, it makes most sense to ask them directly, as they are the only source that has information about all of their practices (DiCola, 2013, p. 10). The total population of independent musicians is unknown, because, as it is common in the creative industries, there is no occupational control in the music industry and the precise conceptualization and categorization of musical actors in

general is not possible (Janssen, 2001). This also means that the survey allows the respondents to self-identify as independent musicians with serious aspirations to practice music professionally. As a selection criterion, the first question of the survey was whether the respondent earns any money with their music, in order to ensure a certain level of professionalism and the presence of economic exchanges. Only those answering *yes* were forwarded to the next question. A similar strategy was applied by the *Artist Revenue Streams* research project, which used time spent on making music and percentage of artist-based income as indicators for the sample's characteristics in their *Money From Music* survey (Future of Music Coalition, 2012).

#### 3.4.2. Sampling method and distribution of survey

Due to the circumstances described above, a random sample was not possible. Instead, non-random snowball sampling was applied. To counteract some of the limitations of that method, personal contacts used were located in different cities and countries and were active in different musical genres. These factors all contributed to a more diverse sample as opposed to using just one source of contacts. Additionally, the snowballing method was also most fruitful in terms of response rates, as people encouraged to fill out a survey by someone they personally know seemed more willing to do so. Because of the expected higher response rate of those contacts, the first step of data collection included compiling a contact list of those musicians and distributing the survey to them via e-mail as well as private and public Facebook accounts. This first batch of contacts included both musicians' contacts provided to me by my personal network as well as musicians I personally knew. To increase the chances of a positive response, these approximately first 80 contacts were contacted with partially individualized messages, despite it being quite time-consuming. Some contacts also offered to share the survey link with musician friends of theirs, which was possible through a freely shareable link.

Apart from using the direct personal network, including people active in the music scene or musicians themselves, possible respondents were also looked up via the help of the internet, since most musicians nowadays use the internet (Gao, Delava, Doyle, Shingler, & Stearns, 2009, p. 107). Primarily, they were looked up by their Facebook artist's pages, their websites as well as bandcamp.com, which is a large promotional and distribution website specifically for independent musicians. Baltar and Brunet (2012) have argued that virtual snowball sampling through social networking sites can be more effective to increase a sample compared to traditional snowball sampling when it comes to populations of study that are hard to reach: The public Facebook pages of music acts identify independent artists in the



“About” section, which made it easy to select possible respondents that were not signed to a major label. Further, this method reduces the selection bias because it adds participants from different contexts that provide more representativeness than only a convenience sample (Baltar & Brunet, 2012, p. 65). The contact list of independent musicians known to the researcher was extended with musicians found through these platforms.

Before the distribution, the questionnaire was tested by two musicians, resulting in minor changes for the sake of clarity based their feedback. While the database of possible respondents was continuously expanded until the end of the data collection, the survey was open between April 3<sup>rd</sup>, 2017 and May 10<sup>th</sup>, 2017. The survey was designed and executed with the online survey tool Qualtrics. For reasons of feasibility and due to the geographical dispersion of the sample, it was distributed exclusively online through an anonymous and reusable link. Although this made it impossible to identify non-respondents, it was necessary to facilitate the snowball method: respondents could easily share the survey with their own contacts. Since the survey did not involve too much text, it was decided to distribute it only in the English language. One week after the initial e-mail or message, a follow-up message was sent thanking those who have responded while encouraging non-respondents to fill in the survey. See Appendix A1 for the survey text.

### 3.4.3. Composition of the sample

During the period of data collection, the survey was able to record 101 complete responses, 120 when including those only partially filled, but with relevant information including the main variables. All responses that progressed less than 69% of the questions were eliminated as they did not contain the central part about the professional set-up. Unfortunately, due to the use of snowball sampling and the spread of the anonymous link, I am not able to state the exact response rate. However, based on estimations considering the 251 directly contacted artists as well as the rough amount of people approached by my contacts, the response rate probably lay around 20 to 30%. Since the effect of digitization has had an equally transformative impact in technologically advanced countries, the sample of independent musicians was not limited to a specific geographical region. However, due to the network of the researcher and the snowball sampling method applied, some countries including Germany (34%) and the Netherlands (26%) are over-represented in the sample. For the same reasons, the sample consisted primarily of young respondents: Solo artists were between 19 and 43 years of age, averaging at 28.3 years. The corresponding numbers for the average age of band members are a range between 19 and 45 years and an average of 27.7 years. 44 solo artists and 76 bands responded to the study (band members were asked to fill in the survey from the

perspective of the entire act). Only 35% of the sample were women. 22% of respondents stated that their music is the only income source, while 28% received 100% of their income from music, when accounting for music teaching jobs. The dominance of multiple-job holding among the respondents is in line with empirical results presented earlier. On average, respondents reported that they made 51% of their income from music. Almost half (48%) of the acts were signed to an independent label and most have been active for a few years ( $M = 5.34$  years;  $Mo = 3$  years). Taking all these characteristics into consideration, the findings of the survey represent answers from young independent musicians, mostly early in their careers. This should be kept in mind throughout the discussion of the results, where more details about the musicians' characteristics will also be provided. Appendix A2 provides a complete overview of demographic variables.

### 3.5. *Validity and reliability*

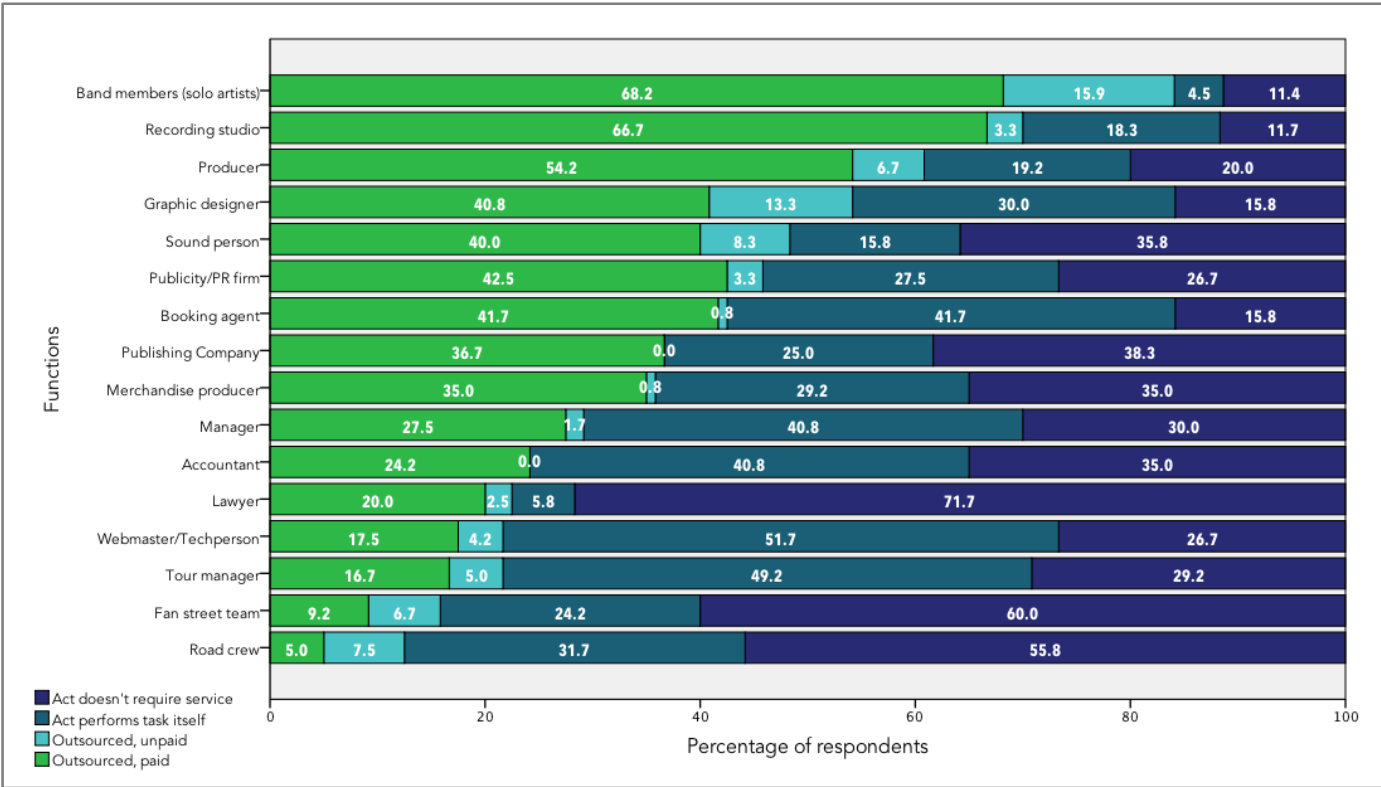
In terms of validity, the research benefits from its topic, as the survey primarily did not ask questions about respondents' opinions or attitudes, but rather about their actual professional situation. Hence, the chances that the concepts were measured appropriately are high: Since musicians themselves provided information about their own professional set up and career at the present moment, the measurements did not leave too much ambiguity. Looking at previous research dedicated to similar topics was also intended to increase the validity of the measures chosen, including the mentioned *Money from Music* study. The external validity of course has to be considered with the sample characteristics in mind. The music industry is a diverse field consisting of different types of artists with different aims, styles and at different scales.

To increase reliability, the wording was carefully thought through. Commonly known music business terminology (e.g. booking agent) was used and the questions were worded as short as possible but as concrete as necessary. The fact that the survey was standardized for all respondents eliminates, to a certain extent, possible unreliability in observations made by researcher.

# 4. Empirical analysis

## 4.1. Descriptive statistics: mapping of outsourcing pattern

To understand the affiliations of independent musicians with providers of certain services related to their professional careers, the first step is to map the professional set-ups of respondents. The original variables representing the different functions were recoded to only have four values: *outsourced and paid* (includes long-term and project-based), *outsourced but unpaid*, *act performs tasks itself*, and *act doesn't require this service*. All results presented in Graph 4.1. (see Appendix B1 for matching table) refer to the entire sample ( $N = 120$ ), except for the *band members*, as it made most sense to only look at solo artists for that variable ( $N = 44$ ). Bands are usually arranged as equal partnerships and hence band members are not considered to be outside professionals to be hired. 68.2% of solo artists, however, stated that they pay musicians (for live performances or recordings), while 15.9% have musicians play for them on a voluntary basis. This makes band members the most outsourced of all functions.



Graph 4.1.: Professional affiliations of respondents,  $N = 120$

Surprisingly, when considering the entire sample including bands and solo artists, the function that is outsourced the most is the recording studio. Despite the lower costs of recording tools afforded by digital technologies, these proportions imply that professional

studios continue to be important for independent musicians and the associated high quality recordings. The technical skills needed to understand recording technology are certainly one explanation for why musicians, even considering the high costs of renting studios in conjunction with the small scale of most sampled musicians, continue to outsource that function. Still, home recording is common, with 18% of the sample stating that they record their music on their own. Another function also related to the recording process is the producer, which is the next most-outsourced function. Comparing the distributions for studios and producers, the 20% who indicated no need for a producer very likely include some who actually perform this on their own, but are less aware of it as a distinct task. The third and last function that is outsourced by the majority of all respondents is the graphic designer. They might be frequently outsourced because of two main factors: on the one hand, commissioning someone for a relatively low lump-sum payment does not infer too many costs on a musician, making it an affordable one-off investment; on the other hand, graphic design requires particular skill and talent and cannot be easily done on a professional level. Certainly, those musicians who do have enough skill to use digital tools for graphic design with professionally looking results, will do so, explaining a high share of respondents stating that they perform this function in-house.

Although outsourced by less than half of respondents, important professional affiliations included sound persons, publicists or PR firms and booking agents. The last two of these actors provide very specialized functions that rely on professional networks and certain industry knowledge. Booking agents often have established personal networks with venues, especially at the regional level, and often enjoy a certain leverage in negotiating that cannot compete with a musician's own attempt to successfully book their own shows. The fact that just as many respondents stated that they perform the function of the booking agent on their own as those outsourcing the function, proves this function's indispensability. Since acts want to play shows, which all of the respondents regularly do, it means they need to contact venues and secure performances if they do not have an agent. The internet has lowered communication costs, which enables individuals to write e-mails, as opposed to calling venues by phone, for instance. A similar reasoning, based on network and knowledge, can be applied to the frequent (relative to the other functions) outsourcing of a publicist or PR firm. As discussed in the theory, the creative industries are characterized by over-supply, making it hard for suppliers to compete against others. Even though digitization has afforded new ways of promoting oneself online, it seems that it is still important for musicians to get professional help to secure, for instance, radio airplay or TV appearances for their act. Again, this kind of promotion relies on knowledge of the media landscape, target demographic and

networks and can be often performed more effectively by professionals. In contrast, very few respondents stated that they employ a paid fan street team for promotional purposes, implying that this kind of publicity generation is outdated in the current music industry. What used to be handing out flyers for concerts and putting up posters might now be replaced by Facebook event invitations and sponsored adds on social media. The over-choice facing consumers online makes publicists especially crucial in helping artists to gain attention. In regard to hiring sound persons, one possible explanation for their outsourcing would be that it requires, like operating recording gear, technical skills that not every musician possesses.

Showing lower frequencies of outsourcing are tasks related to management of finances and the career, including publishing companies, managers, accountants, lawyers and tour managers. All these functions are, unlike the graphic designer, considerable investments and might not be a priority for many of the respondents who are in early career stages as they are not indispensable. The highest share of in-house assumption of a function was recorded for the task *Webmaster/Techperson*, which 52% of responding musicians stated to perform themselves. Considering that 27% stated they do not need this service, but only 17% of sampled musicians indicated not having an artist website or blog, some of the last category probably also perform basic tasks associated with setting up and maintaining a website. This relatively high share of the sample that performs tasks related to setting up a website on their own confirms the ease with which websites and artist profiles can be set up. Having a presentable web presence is not any longer dependent on expensive developers, as online tools have made it very easy for individuals to design websites with templates and pre-developed elements. Obtaining a domain and a hosting service are the first steps in that process and do not required any particular knowledge that goes beyond basic web skills. For actually designing the website, services like WordPress offer user-friendly features that can be customized.

It is also interesting to take a look at those functions that have higher shares of unpaid outsourcing. In our sample, those functions that were outsourced but unpaid more than all others were band members and graphic designers. This might be explained by the relative wide-spread character of these professions: especially as opposed to the other extreme like booking agents, accountants, lawyers or publishing companies, they are more likely to be in a musicians' personal network, which is often the context for pro bono and volunteer work (Scott, 2012). More than a third of respondents went to music schools which also offers an environment of collaborations, especially for unpaid favors as musicians are in the early stages of their careers where playing with others is still a part of building reputation and hence more likely to happen pro bono.

When considering the type of activities that we are trying to map, it appears that musicians in the sample are more likely to hire out those tasks directly concerned with their core creative product, their music and live performances. Band members, producers, a studio and a booking agent are on the top of the list of outsourced activities, along with publicity services. Managerial and administrative functions, in contrast, including (tour) managers, accountants, lawyers and publishing are not part of the professional set up of most respondents. Especially accounting and managing are tasks that many musicians claim to assume themselves, putting them in charge of their own careers, while having to focus on these jobs in addition to their musicianship. This pattern can be interpreted as musicians being more willing to make investments in their creative product rather than in the administration thereof. To some extent, this contradicts our underlying hypothesis, namely that musicians are more likely to outsource highly professional functions than those not involving specialized knowledge. Rather than the professionalism of the function, outsourcing appears to depend more on the type of activity concerning the centrality to the creative product. Instead of recording their music at home and focusing on having a good manager, the majority of the sample hire out studios while less than a quarter employ a manager. Based on what the literature has produced about the importance of promotion due to oversupply in the creative industries, these results imply that musicians at the beginning of their career focus on the quality of the product itself while neglecting the necessary management to advance their careers.

On average, musicians performed more of the presented tasks on their own ( $M = 7.53$ ; out of 14 functions – dropping band members and fan street teams), rather than outsourcing them ( $M = 5.12$ ). Part of this distribution can likely be attributed to the sample composition: most acts who replied to the survey are small independent acts, who simply have not reached a scale of activity that requires professional help from lawyers, road crews and publicists. However, the higher share of DIY functions also shows that musicians are able to perform a lot on their own. In general, this comparison is less meaningful than distributions described above, because the functions have different levels of importance to the musicians' careers.

#### *4.2. Differences in outsourcing regarding specific functions*

##### Unsigned and signed artists

Since being signed to an independent label or not has implications for musicians' work practices in terms of autonomy and professional affiliations, the pattern of outsourcing

functions was grouped according to signed and unsigned respondents.<sup>2</sup> A label contract is used as an indicator for success here. Quite consistently in the sample, more of those signed by a label outsource certain functions. As Table 4.2.1. (see Appendix B2 for accompanying graph) shows, large differences exist especially for publicists, booking agents, publishers, managers and accountants. That being said, other functions, including recording studios and producers, are outsourced almost as frequently by unsigned artists. Despite high outsourcing levels of signed musicians, percentages for functions like accountants and lawyers are still quite low for both groups. Overall, the trend is to outsource most core functions, especially among signed musicians.

Table 4.2.1.: Differences in outsourcing behavior among signed and unsigned musicians

Functions	Percentage of respondents who outsource (% within group)	
	Signed	Unsigned
Studio	79.6	72.9
Producer	68.5	68.5
Publicist/PR	60.3**	32.3
Merchandise producer	59.5	51.2
Graphic designer	58.6	50.0
Booking agent	58.6***	25.8
Publisher	55.6**	22.9
Sound person	46.6	50.0
Manager	41.4**	16.1
Accountant	37.9**	11.3
Road Crew	34.6	21.4
Lawyer	29.3	16.1
Tour Manager	29.3*	14.5
Webmaster	27.6	14.5
<i>Significance level based on Chi-Square tests for independence: *p&lt;0.05 **p&lt;0.01 ***p&lt;0.001</i>		

When tested for significance, these observations prove to be relevant for the functions publicist, manager, accountant, booking agent, publisher and tour manager. The results

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<sup>2</sup> For all following analyses and tests, the values of the function variables were recoded, containing only *outsourced* and *DIY*. For all artists who recorded music, for instance, it was assumed that *I do not require this service* meant they performed functions associated with recording and releasing themselves (like studio, producer, label). The same theoretical reasoning led me to combine the two answer categories for tasks that are involved for all respondents, including managing, accounting, booking, etc. If it made sense that some artists actually don't require a certain task (like road crew or lawyers), I *excluded* all those cases before running the analysis. For this section we focused on 14 functions, dropping *fan street team* (based on its irrelevance in the sample) as well as *band members* and *songwriting* from the list, as they are artistically driven functions. In-text reporting of statistical results is in accordance with the *APA Manual of Style*.

indicate that being signed or not does not significantly influence those functions that are related to the most basic elements of recording music, like producing and recording in a studio. It also implies that even unsigned musicians can afford to rent recording studios and that the financial backing of a label is not always necessary in these specific areas. The results also confirm that many of the musicians not signed to a label often maintain their web presence on their own, while signed artists do so to a lesser extent.

### Frequently and occasionally performing artists

Which specific functions are related to the level of activity of an act has been measured by grouping respondents into those performing frequently (once a week or more) and those performing occasionally (less than once a week). Overall, frequent performers outsource more than occasional performers and once again, there is not much difference for functions including studios, producers, graphic designers, merch producers and sound persons. In Table 4.2.2 (see Appendix B3 for accompanying graph), we see a similar distribution to the one when looking at signed and unsigned musicians. However, there are more significant differences, as frequently performing artists also outsource significantly more lawyers and webmasters in addition to publicists, booking agents, publishers, managers and accountants.

*Table 4.2.2.: Differences in outsourcing behavior among frequent and occasional performers*

Functions	Percentage of respondents who outsource (%, within group)	
	Performing frequently	Performing occasionally
Studio	77.8	75.8
Producer	75.0	62.1
Publicist/PR	65.8**	36.6
Merchandise producer	63.3	50.0
Graphic designer	63.2	50.0
Booking agent	63.2**	31.7
Publisher	58.3**	30.3
Sound person	55.3	45.1
Manager	50.0***	18.3
Lawyer	39.5**	14.6
Accountant	36.8*	18.3
Road Crew	34.8	22.6
Webmaster	34.2*	14.6
Tour Manager	31.6	17.1

*Significance level based on Chi-Square tests for independence: \* $p < 0.05$  \*\* $p < 0.01$  \*\*\* $p < 0.001$*

Considering the differences among groups according to success and level of activity, we can conclude that there is, across the board, more outsourcing regarding some functions,



while other functions are equally outsourced by unsigned and less active musicians. For the functions, this has implications of their importance and indispensability: in the current independent music scene, studios, producers, sound persons and merchandise producers remain very important as outsourced functions for musicians of different levels of success and activity. Considering the high involvement of digital technology in the first three of these services, it is surprising that they remain so heavily outsourced.

### Solo artists and bands

There are also some differences among solo artists and bands, as we can see in Table 4.2.3 (for accompanying graph, see Appendix B4). To ensure the meaning of these difference, it was made sure that the two groups don't differ considerably in other areas that could have an impact on these patterns: the two groups in the sample are similar concerning their music-based income share ( $M_{solo} = 55.4$ ,  $M_{band} = 48.1$ ;  $t(100) = 0.91$ ,  $p = .363$ ), their level of activity (73% of solo artists and 66% of bands perform less than once a week,  $X^2(1) = 0.62$ ,  $p = .431$ ), and their relationship to a label (55% of solo artists and 45% of bands are signed to and indie label,  $X^2(1) = 1.07$ ,  $p = .300$ ).

*Table 4.2.3.: Differences in outsourcing behavior among solo artists and bands*

Functions	Percentage of respondents who outsource (%, within group)	
	Solo artists	Bands
Producer	77.5	59.7
Studio	70.0	80.6
Merchandise producer	64.3	50.0
Graphic designer	63.2	50.0
Sound person	52.3	46.1
Publicist/PR	50.0	43.4
Publisher	37.5	41.9
Lawyer	36.4**	14.5
Booking agent	31.8	47.4
Accountant	31.8	19.7
Road Crew	29.4	27.0
Manager	27.3	28.9
Webmaster	18.2	22.4
Tour Manager	13.6	26.3

*Significance level based on Chi-Square tests for independence: \*\* $p < 0.01$*

We see that more solo artists than bands in the sample outsource some tasks, but most of these differences are not statistically significant. Still, more solo artists in the sample outsource producers, which could be ascribed to the difficulty of producing while recording. While band members can divide recording tasks among each other, solo artists might see a

higher need to hire outside help. More bands hire studios for their recordings, which compared to solo artists could be related to the amount of instruments to record and the requirement of more technology. Bands' higher levels of outsourcing booking agents and tour managers are partially explained by the roughly 10-point difference between the groups in performance frequency. Accountants and lawyers are outsourced more frequently among solo artists. While bands enjoy the privilege to assign a task like doing the accounts on a member who is good with numbers, it might be harder for solo artists to perform this function themselves. As for lawyers, it is hard to explain the significant difference found in the sample. Maybe this difference can be explained by a variable that is not accounted for in the survey, as it does not make sense that solo artists require a lawyer more so than bands. Part of the difference can probably be explained by solo artists in the sample exhibiting a higher music-based income share, as mentioned above.

#### 4.2.1. Differences in the level of outsourcing

Above we established that different groups outsourced different functions. But which factors are associated with higher *levels* of outsourcing? A multivariate linear regression model predicting this level included other factors that might be related to musicians' practice to outsource functions rather than doing it themselves. While the level of outsourcing (measured as count of outsourced positions per respondent) was the dependent variable, the independent variables included: being signed to a label, frequency of live performances (once a week or more versus less than that), the number of years the act has been active, size of the act and music-related income share of overall income. The model could only explain a small, but significant, portion of the sample, as it predicts 21.4% of cases ( $R^2 = 0.214$ ). However, the only significant predictor was the frequency of live performances ( $p = .005$ ). No significance of the other predictors might be partially explained by the correlation between them: The variables label and income share ( $r_s = -.45, p = .000$ ), label and performance frequency ( $r_s = -.38, p = .000$ ), label and years active ( $r_s = -.18, p = .047$ ), income share and frequency of performance ( $r_s = .41, p = .000$ ) and income share and years active ( $r = .23, p = .022$ ), all show significant correlations.

Table 4.2.1.1: Results of the multivariate regression analysis predicting the level of outsourcing

Model		Coefficients <sup>a</sup>				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.534	.755		4.683	.000
	Years active	.016	.078	.019	.202	.840
	Size of act	-.054	.140	-.036	-.385	.701
	Frequency of live gigs	2.207	.760	.297	2.903	.005**
	Signed or unsigned	1.172	.717	.172	1.635	.105
	Music income share	.010	.009	.115	1.080	.283

a. Dependent Variable: Sum of functions outsourced by artist

To determine the actual effect of the variable and see precise differences, an independent sample t-test was performed for the two groups of frequently (once a week or more) and occasionally (less than once a week) performing acts. The results show a significant difference in their level of outsourcing,  $t(118) = -4.80, p = .000$ . Acts performing more frequently ( $M = 7.11$ ) generally outsourced considerably more functions than those performing only occasionally ( $M = 4.20$ ). If we consider the frequency of live performances as an indicator of the general level of activity of the act, it looks like those who are more active require more professionals. As the literature suggest, DIY approaches are very time consuming and require artists to sacrifice much of their time for administrative tasks. It is not surprising, then, that those musicians who are very active outsource more in order to make music. Although the data does not give us insights about the direction of this effect, both alternatives make sense: artists who start outsourcing will have more time for performing, while performing more can also generate the necessary capital that enables hiring outsiders in the first place. Heightened activity also increases the demand for service providers because it reduces musicians' time for assuming tasks themselves. What the data does confirm, however, is that higher levels of activity coincide with higher levels of outsourcing.

Despite the fact that the other independent variables showed no significance in the tested model, we can still observe some significant differences among different groups in the sample. For instance, respondents signed to a label outsourced significantly more functions, ( $M = 6.33$ ) than those not signed by any label ( $M = 3.98$ ),  $t(118) = 4.05, p = .000$ . This suggest that musicians who are signed to a label hire more professionals for their music careers and confirms the traditional role of the record label in providing musicians with services or connecting them with other professionals. It could also be interpreted as a result of a generally higher level of success and financial means of signed musicians, which enables

them to outsource more tasks to paid professionals. In a correlation analysis, I tested the association between the share of music-based income of a respondent's overall income and the amount of DIY functions. The tests results confirm a significant moderate negative correlation between those two variables,  $r(100) = -.34, p = .000$ . Similarly, the share of music-based income in an artist's overall income and the number of *outsourced* positions were moderately positively correlated,  $r(100) = .31, p = .002$ .

In the data, there are no differences between acts of different sizes in terms of their general level of outsourcing,  $t(118) = -0.53, p = .599$ . Since the theory suggests that musicians' skills are crucial in pursuing DIY practices, we would expect less outsourced functions for larger acts, but the findings do not show evidence for this hypothesis. Maybe having more members does not necessarily translate into a more diverse skillset regarding managerial abilities and hence it has not much influence on outsourcing practices. Another explanation would be that, in line with results presented later on, most musicians prefer outsourcing over DIY practices whenever they are able to, instead of developing their own skills. No differences could be found between music school graduates and those who don't have formal music training,  $t(118) = 0.50, p = .616$ , and neither between respondents who have a high school degree or less and those who hold a degree from a university or another post-secondary degree,  $t(118) = -1.28, p = .205$ .

Combining all these observations, we can conclude that signed musicians and those playing concerts frequently outsource more functions than other artists in the sample. We can also say that the larger the music-based income share of an artist's overall income, the more likely it is that they outsource more. These results therefore support the hypothesis that DIY music production is still happening mostly at the small-scale, because they prove associations between the number of outsourced versus DIY functions and different indicators of the scale of the act, including income, performance frequency and their affiliation with a label.

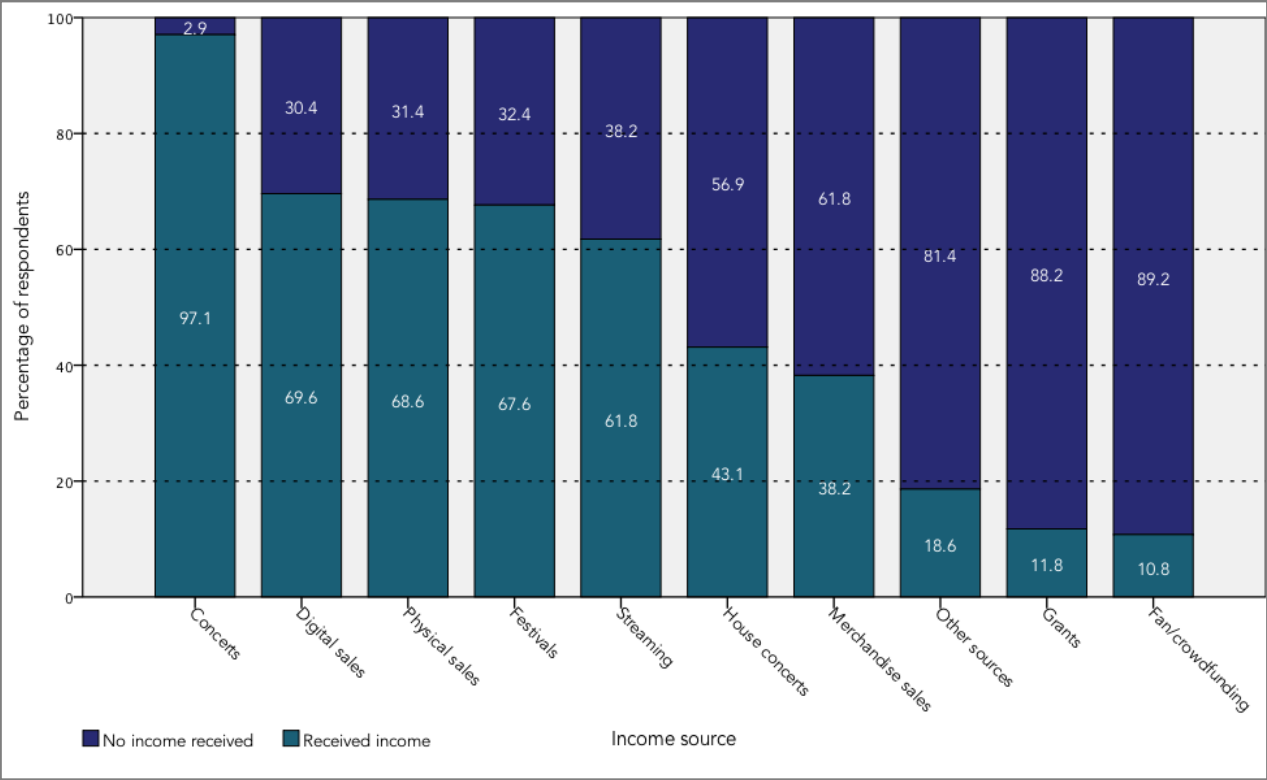
### 4.3. *Musicians' income streams*

As a proxy for their business model, respondents were asked about their income from different activities. They were prompted to state whether they received income from a certain source and for which percentage of their overall music-based income this accounted for.<sup>3</sup> In the sample, artists generate most of their income with live performances of different formats

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<sup>3</sup> Due to invalid data, I could only analyze this data from 75 respondents. Some misread the question and, instead of providing the respective share of their *overall* artist-based income, stated the percentage *within* a certain category (like "live performance"). Wherever possible, the percentages were normalized to add up to 100% in cases when the respondent provided the overall income share but failed to reach the 100%. Data about which activities contributed to the musician's income is available for 102 respondents.

(including venue concerts, festival gigs and house concerts), as the average share of this source was 65%, while income from recorded music (physical, digital sales and streaming), only averaged at 20% of the overall income. The dominance of live performance income in the sample matches empirical data presented in Chapter 2 that confirms the declining revenues from recorded music and the increasing importance of live music as musicians’ main income source. As we can see in Graph 4.3., physical sales are still relevant in the sample, as more respondents report income from that source than from streaming (digital sales are most common). This could be explained by the low royalties paid to independent musicians on streaming platforms, with payments only starting after a certain number of streams. Although 38% of respondents do not receive income from streaming, only 16% do not use the service at all (see Section 4.4.).



Graph 4.3.: Frequencies of income sources among sample (N = 102)

Table 4.3.: Sample's average income shares from different sources (N = 75; includes also those not reporting any income from specific sources)

Income source	Average share of overall music income (%)
Concerts	46.1
Festivals	12.0
House concerts	6.7
Live total	64.7
Physical sales	8.6
Digital sales	5.9
Streaming	5.8
Recorded music total	20.3
Merchandise	2.4
Crowd funding	2.1
Grants	1.7
Other sources	8.8

While the graph shows us only who received any income at all from the specific activities or sources, Table 4.3. gives more detailed insights about how high the income of that source is as a share of the acts' total artist-based incomes, as sample means. We see that although the majority of respondents reports income from recorded music, its shares are very small compared to live activity. Again with the help of a regression model, possible circumstances predicting higher income shares from live performances were tested, in order to see whether certain factors cause higher live earnings. Independent variables tested included: genre, booking agent, label, tour manager and the use of tour date promotion tool, but the model did not have any predictive power with none of the independent variables causing the share of income received from live music ( $R^2 = 0.089$ ;  $p = .159$ ). This means that our data cannot firm that any of these factors causes the the share of that revenue stream to rise. Despite this result, we can still look at differences among different group to understand the business models of independent musicians better. Testing the correlation between the music-based share of the respondent's total income and the share of income from live performance, does not show any significant results,  $r = -.13$ ,  $p = .281$ . While other research has shown that lower-earning musicians are more likely to rely more heavily on live performance (DiCola, 2013, p. 28), our sample does not exhibit this grouping. Rather, we can see that independent musicians with different income levels who answered this survey don't differ much in their live performance activity. The overall characteristics of the sample might explain this, as it only includes independent artists, while the cited study included also large-scale artists. We can conclude then, that live performances represent an important revenue stream for independent musicians in general, and is not associated with their income level. There was also no significant difference between signed and unsigned artists ( $t(73) = 0.34$ ,  $p$

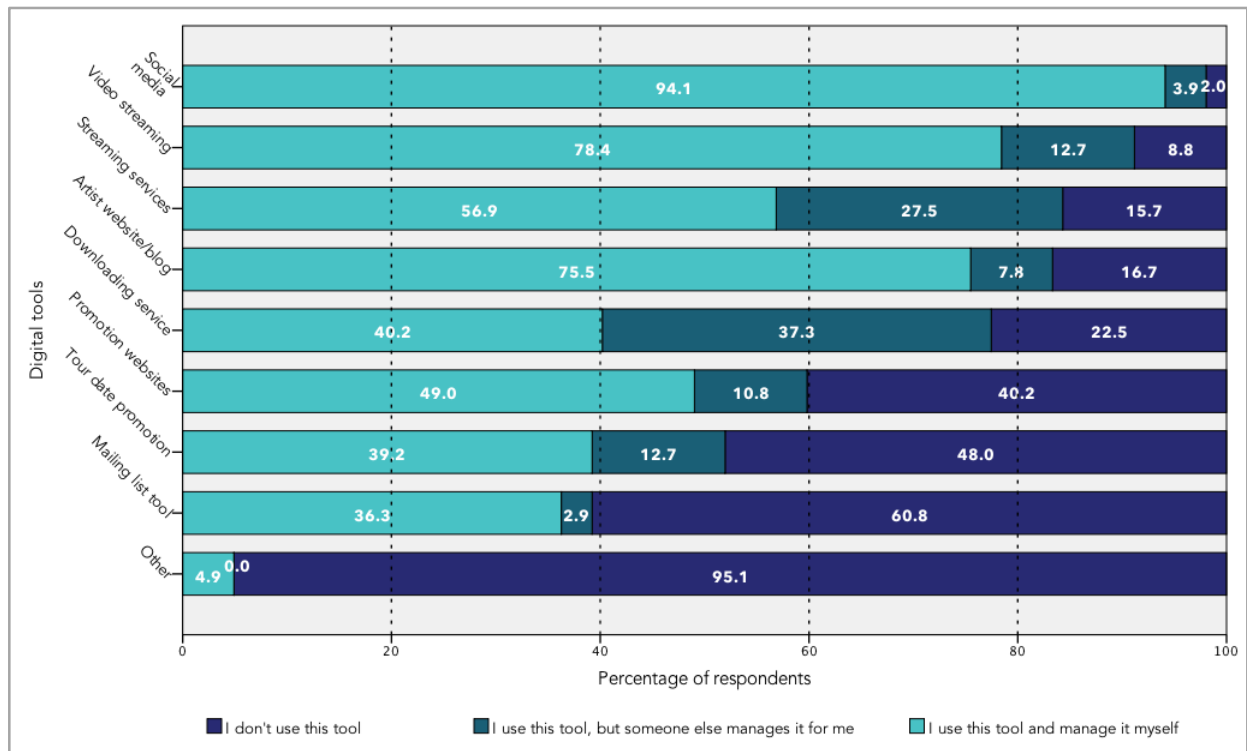
= .736), nor between artists outsourcing a booking agent or those booking their own shows ( $t(73) = 0.74, p = .448$ ). Additionally, no difference could be found between acts of different genres ( $t(73) = 0.39, p = .700$ ), which might be due to the limited variety of represented genres.

Another figure worth looking at is the very low average share from merchandise sales. With only 38.2% of the respondents reporting income from merchandise, the average share of its contribution to musicians' incomes is only 2.4%. The rising relevance of live performance has also been credited with increasing the importance of this revenue stream for artists (Frith, 2007), an observation that is not supported by our findings. Similarly, only very few respondents report (and if so, low) income from crowdfunding, house concerts as well as grants. The literature suggested that new crowdfunding possibilities have the potential to provide finances that labels used to bring to the table, but based on the sample, this source of capital is not yet wide-spread among independent musicians. Considering that we have a sample consisting mainly of moderately successful acts, the challenge of crowdfunding might be compounded by not yet having acquired enough following to exploit the mobilization of fan involvement. The low figure in regard to grants is not so surprising, as popular music is not a very subsidized field.

House concerts, just like crowdfunding, are another revenue stream that has gained in importance in the digital music age. 43% of survey respondents said they play house concerts and gain revenue from them. When performing a nonparametric correlation between the frequency of live performances and the average crowd size of respondents, we don't get a significant relationship and a very weak correlation,  $r_s = .04; p = .636$ . Although this does not directly confirm that house concerts as a specific format are becoming important, it does show that performing more often is not associated with crowds getting larger and could imply that smaller concerts are also performed by very active musicians. This evidence supports developments towards more personalized and smaller concert experiences that house concerts exemplify.

#### 4.4. *Use of digital tools*

Since the assumption expressed in the literature is that digital tools can empower independent musicians by leveling access opportunities to them formerly controlled by intermediaries, it is worth looking at which tools musicians use for promotion and distribution, and how they manage those. Graph 4.4. captures the aggregate results of respondents' answers about this topic.



Graph 4.4.: Respondents' use of digital tools (N=102)

Apart from mailing list tools, all others were used by the majority of respondents. Almost all musicians maintain social media profiles, predominantly managed by themselves. Also very wide-spread among the sample are video-streaming, music streaming services, an artist website and music downloading platforms. The second tier of tools in terms of popularity among respondents includes mostly promotional web offers: promotion websites (e.g. Bandcamp, CD Baby), tour date promotion platforms (e.g. Songkick) and mailing list tools (e.g. Mailchimp).

Two tools that were particularly often used but managed by somebody else were music streaming (28%) and downloading platforms (37%). This result might be explained by the existence of so-called aggregators, a digital age intermediary that offers artists to distribute their music on several streaming and downloading platforms for them. It is also likely that those not managing the tools alone have managers or labels to do it for them. Although there is a significant correlation between being signed and outsourcing the administration of for instance downloading services,  $X^2(1) = 8.16, p = .004 (V = .321)$ , 11 of the 36 unsigned respondents using downloading services outsource its management as well. In interviews with independent musicians, Young and Collins (2010) found that many artists struggle with the paperwork involved in featuring one's music on different online stores and see it as an obstacle. Hence, even some unsigned artists use intermediaries to handle these new distribution channels, so they do not *necessarily* provide the direct artist-to-fan channels

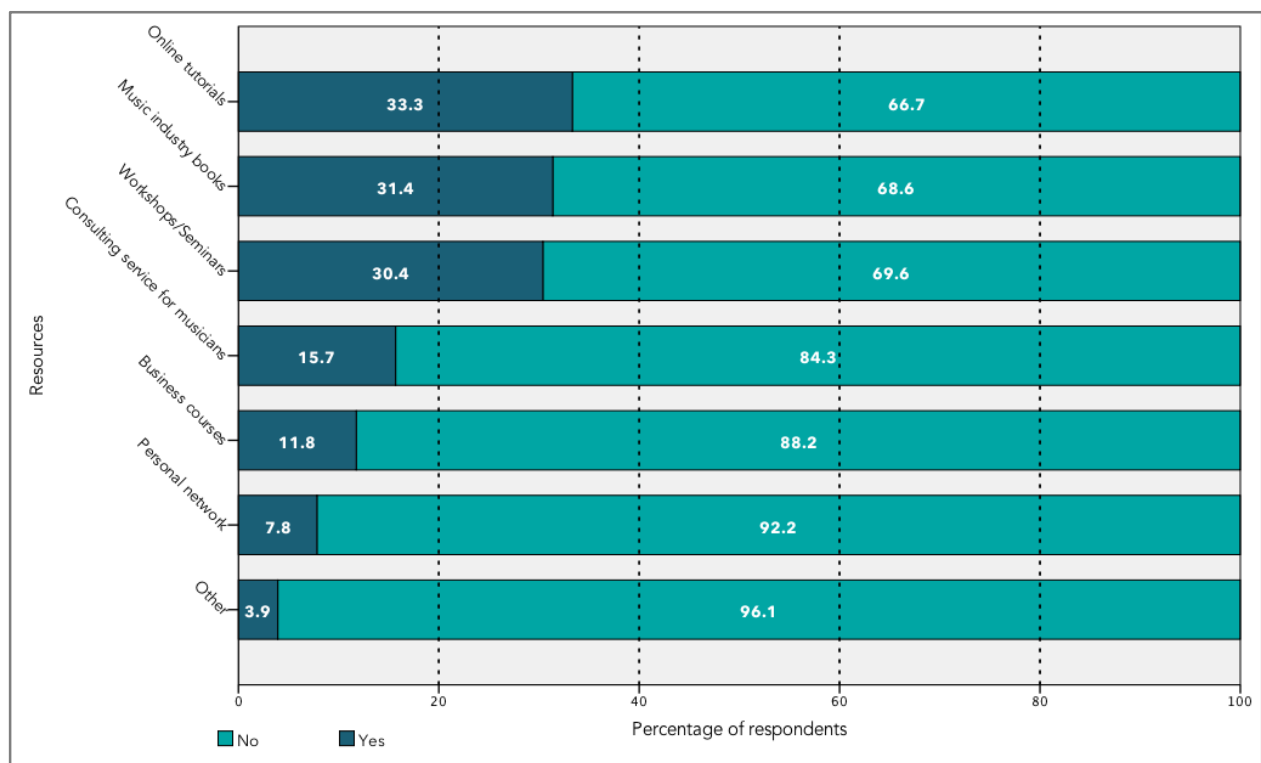


that they were initially assumed to enable, especially for artists signed to independent labels. Still, a majority of all artists distributing their music via streaming and paid downloads do so by managing the tools on their own, demonstrating the relative ease of handling these new distribution channels. Overall, the results in Graph 4.4. confirm that artists engage in distribution and promotion online to a large extent, mostly administered by themselves. But the fact that a small majority doesn't take advantage of the second-tier promotional tools implies that musicians still have to exploit the offer to a larger extent and increase their online visibility.

But which of the respondents are more likely to use more of these tools? To answer this question, we looked at its level among different groups. In the sample, older respondents were more likely to use more of the digital tools,  $r = .31, p = .001$ . This result might seem surprising considering theoretical reasoning that younger people are more familiar with technology. However, since the sample has an average age of about 28 years, we have a quite young demographic in the first place. Therefore, the positive correlation between number of digital tools used and age might indicate that those with more experience know better which web-based services are available and how to use them for promoting and distributing their music. The absence of any correlation between respondent's usage of such tools and their income share from music,  $r = .05, p = .630$ , can be interpreted in support of claims by La Rocca (2014), who found that the usage of digital tools does not necessarily help artists to increase their success. In the sample, there is no relation between respondents making more money from their music in terms of share of their overall income and their use of digital tools. Despite different income groups not showing differences in their level of online engagement, there is a statistically significant, but small, difference between those performing live frequently ( $M = 6.52$ , out of 9 tools) and those only performing occasionally ( $M = 5.63$ ),  $t(100) = -1.99, p = .049$ . There is a moderate positive correlation between the level of outsourcing and the number of tools used,  $r = .39, p = .000$ . If we assume that digital tools empower independent musicians to manage their careers in a DIY approach, we would expect a negative correlation: those using more tools outsource less functions. However, the opposite is true: those in the sample who outsource more also engage with more online technologies. This, again, suggests that the use of digital tools is not necessarily associated with DIY practices. Musicians working with professionals rely as much on the services provided online, including distribution platforms and social media, which implies that these tools are largely *additions* to the service landscape rather than substitutes for established professionals or intermediaries.

#### 4.5. How musicians develop their non-artistic skills

To understand the way artists cope with the current industry context, one of my subordinate research questions aims at exploring how they develop the skills needed to do so. The literature suggests that musicians have to be more entrepreneurial to manage their own careers and that one challenge facing the DIY model are the skills that some musicians are lacking (e.g. managerial abilities, Hracs, 2013), and that acquiring skills and struggling with these tasks takes away time from focusing on writing, recording and performing. Survey participants were asked whether they use certain services and resources and could select multiple answers. Graph 4.5. presents the results to this section.



Graph 4.5.: Artists' ways to develop non-artistic skills for managing their careers (N = 102)

In the sample, the most popular resources were online tutorials, music industry books and workshops or seminars. This shows that the internet does not only provide musicians with tools to distribute and promote their music, but also with knowledge about the business aspects of their careers. From the 53 people who stated to have used at least one of these offers, the average number of services used was 2.45 (out of 7), meaning that, in the sample, those who are looking for ways to develop their skills usually consulted more than one resource. Overall, however, only 52% of respondents indicated that they used certain resources to develop their skills regarding managing their own career at all. Considering that most acts in the sample were in their early career stages, many without label or manager, it is

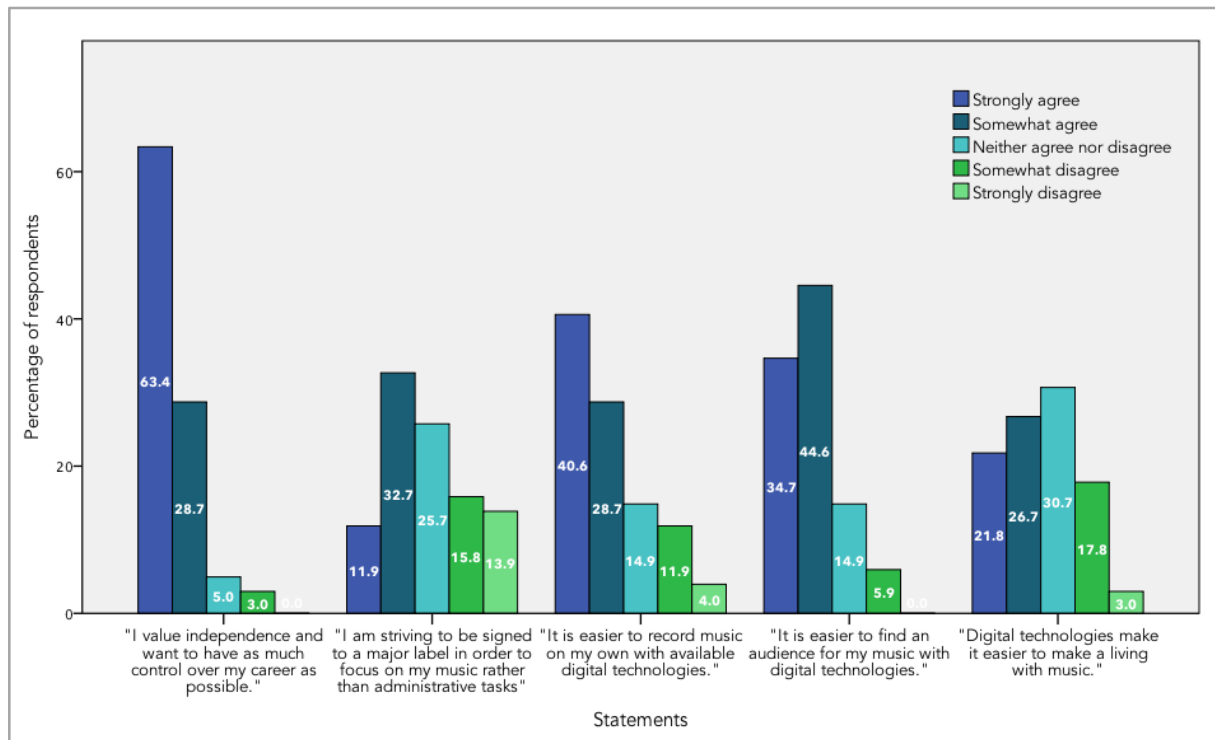
remarkable that not more have taken advantage of ways to improve their ability to advance their careers. It relates to Brian Hrats' (2013) qualitative findings which identified a lack of managerial skills as one main cause for DIY challenges, and shows, that in the sample, many did not try to actively change that. As Gao et al. (2009) observe, there is a general reluctance of indie musicians to treat their music career as businesses (p. 105), which, while helping to explain why so few artists actively develop business-related skills, also means that many struggle to sustain themselves financially.

There are, overall, some musicians that take more advantage of digital technologies in general: those respondents who consulted online tutorials to improve their knowledge also used significantly more of the digital tools discussed in Section 4.4. ( $M = 6.5$ , out of 9) than those who didn't consult these tutorials ( $M = 5.6$ ), although the difference is small,  $t(100) = -2.08$ ,  $p = .040$ . There was, however, no correlation between the level of outsourcing and the extent to which people developed their skills,  $r = -.02$ ,  $p = .845$ , nor the level of DIY practices and skills development,  $r = .10$ ,  $p = .309$ .

#### 4.6. *Musician's attitudes*

##### Attitudes about independence and major labels

Another open question that the existing literature exhibited is whether musicians *choose* independent production models or adapt them by necessity. To contribute empirical insights, the survey asked respondents about their aspirations concerning their role as musicians. They reacted to two statements on a five-point Likert scale (ranging from 1=*strongly agree* to 5=*strongly disagree*). As Graph 4.6. shows (a table is attached in Appendix B5), most musicians in the sample value their independence and want to have as much control over their careers as possible ( $Mdn=1$ ). These results might suffer from some degree of social desirability bias, as the independent music scene generally promotes an anti-commercial stance where independence, especially to preserve artistic integrity, is stressed over financial aspirations (Strachan, 2007, p. 246). However, the answers to the following statement about major label contracts puts musicians' attitudes towards independence into perspective: They also did not completely reject the idea of signing with a major label ( $Mdn = 3$ ). The majority of respondents agreed that they are striving for a major label contract in order to focus on music instead of administrative tasks. A lot less musicians disagreed with the statement, while a quarter neither disagreed nor agreed. This implies at least two things: musicians largely prefer to focus on their music and to outsource administrative tasks to labels. It also goes to show that most respondents do not adapt their independent work practices by choice, even if they value independence.



Graph 4.6.: Respondent's attitudes towards independence, major labels and digital technologies

Signed and unsigned artists valued their independence equally strongly, as there was no significant difference between the two groups regarding their answers,  $\chi^2(3) = 2.221, p = .528$ . In our sample, we found a significant weak correlation between the level of DIY (number of functions performed by the act itself) and valuing independence,  $r_s = .21, p = .038$ . Considering the coding of the variable, this means that the more functions respondents assumed themselves, the more likely they were to disagree with the statements about valuing their independence. While this might seem contradictory at first, it can also contribute to the question of necessity versus choice of DIY practices: It implies that musicians with a stronger DIY approach do not necessarily do it because they value their independence more than artists who outsource more. This constitutes more empirical evidence towards the claim that DIY artists do not always pursue these work practices due to their indie mentality.

#### Attitudes about digital technologies

Also based on stating their level of agreement, respondents were further asked to assess the advantages of digital technologies for musicians (see Graph 4.6.). Overall, musicians seemed optimistic about the opportunities they present: Especially when it comes to the ease of recording music on your own, most respondents agree that available digital technologies play a role ( $Mdn = 2$ ). Older artists were more likely to agree with this relationship than younger musicians in the sample,  $r_s = -.21, p = .037$ , which could be explained by younger artist

lacking the recording experience. Even more agreement was expressed with the statement that it is easier to find an audience for music with digital technologies, with 79.2% of total respondents either strongly or somewhat agreeing. When it comes to the ease of making a living from music, however, musicians in the sample are more divided about the affordances of technology, with more people expressing disagreement and many being neutral. This goes to show that while digital technologies do afford musicians with ways to distribute their music, these interactions, from the perspective of independent musicians, are not easy to monetize.

## 5. Discussion and conclusion

As the current music landscape for independent musicians is still in a period of transition with emerging distribution channels and changing income configurations for artists, the results of this research have to be considered in that context. The literature reviewed stressed the rising potential of DIY approaches to music production, and this thesis has attempted to provide a current mapping of this development, in order to find out to which extent this potential has been realized. The empirical results confirm that higher levels of success are still associated with higher levels of outsourcing. While many musicians do perform many functions on their own, the most central functions are still predominantly outsourced among independents and those outsourcing show higher levels of success and activity. The data collected in this research does not explain the direction of the association, but it does imply that musicians who move towards greater success don't do it alone, but rather rely on outside help to manage their careers and oversee distribution and promotional efforts. In regard to the main research question about how, specifically, digitization has impacted the functions involved in music production, distribution and promotion for independent musicians, we can make the following observations: Musicians, despite the lower costs of recording tools, continue to rely on outsourced recording studios, producers and sound persons independently of their level of activity and success. This implies that musicians value these functions highly, considering that only 22% of our sample are full-time musicians in terms of income. Our results therefore cannot confirm the prediction that musicians will assume these tech-heavy functions by themselves, although this cross-sectional study cannot capture any change. It also shows that musicians place more importance on those functions that are directly tied to their core creative product, while focusing less on getting help for the business side of their careers. This stresses the predominant focus of musicians on the art rather than the business behind it. Although an outstanding creative product is often a prerequisite for economic success, musicians, according to their professional set-ups, seem to underestimate the importance of gaining attention in the competitive contemporary music industry. On the other hand, this finding confirms that, in today's independent music scene, the recording serves as a kind of business card for musicians, especially in a market characterized by over-supply where having professional, high quality recordings is an advantage over competitors.

Most artists manage their own careers and do not outsource these functions to professional music managers. In his study of independent musicians in Toronto, Brian Hracs' (2013) has stressed the importance of managers in local music scenes and identified the

function as crucial for independent artists in the contemporary landscape, as the need to coordinate and exploit emerging opportunities is higher than ever. Our quantitative results cannot confirm these observations. The commission- and project-based relationships between artists and managers that Hracs credits as the dominant practice might not be common in the music scenes of our respondents – as only 7.5% of all respondents report hiring a manager on a project basis. Considering the fierce competition musicians face, these kind of arrangements could benefit them, as they would need to commit less financial resources in a project-based relationship with a manager, while still getting the help they need and being able to concentrate on their music.

Musicians who release their music with an independent label have more professional affiliations than self-releasers, and higher levels of music-based income was also associated with more outside help. However, the frequency of performance was the sole significant predictor of a higher level of outsourcing among variables tested in a regression model. This implies that musicians who are very active outsource more functions, due to constraints of time or because they can afford to expand their professional set-up. Concerning the questions guiding this thesis, however, it is more important to look at which results were not significant. For instance, the similar level of outsourcing between bands and solo artists contradicts the assumption that DIY practices depend on the skills of musicians, if we assume that bands have a more diverse skill-set than one individual alone.

In terms of musicians' income streams, the findings suggest that while musicians hire professional help most often for recording music, their financial strength lies clearly on live performances, as they constitute the largest income source for independent musicians. The outsourcing focus on recorded music might seem misplaced seeing that performing yields higher incomes. But considering the current workings of the music industry, recorded music still has, apart from its intrinsic merit for the consumer, an instrumental economic function in promoting artists' live shows. Hence, having good content out there is important despite low earnings from recorded music. In terms of income, the data collected for this thesis suggest that there is potential for musicians to exploit at least two sources to a larger extent: Merchandise sales can be a considerable addition to performance fees, but a large majority of respondents did not report any, and if so little, income from these complementary products. Equally under-exploited is crowdfunding, which only a small fraction of musicians stated to have used. It might also very likely be the case, however, that musicians are indeed trying to take advantage of these sources, but that, contrary to the belief that merchandise can recoup some of the lost sound recording revenue, it is harder to earn income with these sources than the literature suggests.

Overall, this research cannot identify DIY models of music production associated with more active and successful musicians, which confirms that these practices are still typical for small-scale activity. Ten years ago, Young and Collins (2010) interviewed independent musicians and concluded that DIY practices cannot *yet* lead to market success independently from labels (p.340). While acknowledging that there are successful exceptions to broader patterns, this quantitative study confirms, ten years later, that DIY practices are still associated with smaller scales of music production, and that more success is associated with high levels of outsourcing. Taking into account the relatively low levels of musician's developing their non-artistic skills and the stated desire for recording contracts, the future realization of the DIY potential seems far away. The fact that especially online distribution platforms are often not managed by artists themselves also suggests that they do not necessarily offer a direct-to-fan model of distribution. The independent music scene represented by the respondents of the survey and the production of music are therefore still largely characterized by a division of labor.

In 2007, Gao et al. (2009) asked 87 independent musicians how important they considered certain external business services to be. Their findings produce promotion, booking, online distribution, and web needs/services as the top four services, while business management and design needs are at the bottom of the list, following CD manufacturing and merchandise production. As far as the functions overlap with the ones of this study, and if we draw a parallel between the importance of a service and the level of its outsourcing, we see clear differences: My results position graphic design as much more central to musicians' needs than web needs, while the outsourcing of booking and promotion (or publicity) reflects equal importance as in Gao's research. This difference suggests that musicians today are able to handle much of their web needs on their own, and graphic design is more important than before. This could be explained by the fact that creating a consistent brand, even visually, is part of the new struggle for attention in the digital music sector, in which image and brand are a tool for distinction.

### 5.1. *Limitations and further research*

This research has presented an exploratory mapping of independent musicians' outsourcing patterns, but the discussed results have to be seen in light of the sample's characteristics, which is largely young, aspiring and on a small scale. Although "young musicians are a very important and large part of the industry where future trends may be visible today" (Leenders, 2015, p.1804), the composition of the sample limits the broader representativeness of the findings. Given the limited time and lack of financial resources as



well as the difficulty to access members of the music industry, the sample lacks in variety and further research would benefit from a larger sample size with more diversity, especially in terms of success and age of the musicians. This would provide insights into the professional set-ups of more successful and older independent musicians. However, the thesis also benefitted from the sample characteristics, as we can see clearly which professional functions are relevant even for musicians in the beginning of their careers. In hindsight, the survey design would have benefitted from a more extensive list of functions, to receive an even more detailed mapping of musicians' work practices.

To understand the strategic organization of independent musicians and their relationship with external actors, it is also helpful to learn more about the providers of the discussed services. While there is more information about major labels, their contracts and the services they provide for musicians, we still lack information about how independent labels provide their artists with different services, how contracts are drawn up and how they own professional network might have changed in the digital music age. With that information, we could get a richer picture of the environment of independent musicians and understand what it actually means to be signed to an independent label today.

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## Appendix A1: survey

Hello,

Thank you for taking the time to complete this short survey. I really appreciate your help. The aim of this research is to establish a pattern of outsourcing certain tasks related to making music versus independent musicians doing those on their own. By providing some information on how you work, you will contribute to this pattern (anonymously, if you prefer).

If you are involved in different music projects, please chose your main band/project and answer the question only for that choice from the perspective of the band. If you are a solo artist, but hire a band for performances and recordings, please chose the option "solo artist" in the following.

Thank you very much,

Gloria Kaiser

The research is part of my master thesis in Cultural Economics at the Erasmus University Rotterdam and results will be used only for academic purposes. It will take around 10 minutes to complete the survey. Regarding any questions, feel free to contact me via: gloria\_kaiser1@yahoo.de

**Q1.1 In the last 12 months, have you received any income from your music? (This means that you (or your band) have (has) been paid for performances, recordings, or composition, regardless of the amount)**

- Yes (1)
- No (2)

Condition: No Is Selected. Skip To: End of Survey.

**Q1.2 Are you a solo artist or member of a band?**

- I am a solo artist (1)
- I am a member of a band (2)

Display This Question:

If Are you a solo artist or member of a band? I am a member of a band Is Selected

**Q1.3 What is your band's name? (If you prefer to answer this survey anonymously, skip this question)**

Display This Question:

If Are you a solo artist or member of a band? I am a member of a band Is Selected

**Q1.4 How many members are in your band, including yourself?**

Display This Question:

If Are you a solo artist or member of a band? I am a solo artist Is Selected

**Q1.5 What is your artist name? (If you prefer to answer this survey anonymously, skip this question)**

Display This Question:

If Are you a solo artist or member of a band? I am a solo artist Is Selected

**Q1.6 What is your age?**

Display This Question:

If Are you a solo artist or member of a band? I am a member of a band Is Selected

**Q1.7 What is the average age of your band members?**

**Q1.8 Please indicate your gender**

- Male (1)
- Female (2)
- Prefer not to answer (3)

**Q1.9 What is your level of education?**

- Less than high school (1)
- High school graduate (2)
- Bachelor's degree (3)
- Master's degree (4)
- Doctorate (5)
- other post-secondary degree (6)

Display This Question:

If What is your level of education? Bachelor's degree Is Selected

Or What is your level of education? Master's degree Is Selected

**Q1.10 In which academic field did you pursue your studies?**

- Business or Economics (1)
- Other Social Science (2)
- Arts (3)
- Humanities (4)
- Natural Sciences (5)
- Applied Sciences (6)
- Other (7)

**Q1.11 Where are you currently based?**

Country: (1) \_\_\_\_\_

City: (2) \_\_\_\_\_

**Q1.12 Aside from music, how do you earn your income?**

- Music-related job (including teaching music) (1)
- Non-music related job (2)
- I am a student (3)
- Music is my only income source (4)
- Other (please specify) (5) \_\_\_\_\_

**Q2.1 Did you go to a music or performance-based college/university, or a conservatory?**

- Yes (1)
- No (2)

**Q2.2 Please choose the rough genre you consider yourself to be most associated with**

- Rock (1)
- Indie (2)
- Pop (3)
- Soul (4)
- Punk (5)
- Jazz (6)
- World Music (7)
- Other (8) \_\_\_\_\_

**Q2.3 How many years have you been active with your current musical act?**

**Q2.4 About how many days per week do you currently spend performing, working on music or developing your career?**

- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)
- 6 (6)
- 7 (7)

**Q2.5 Are you a member of any collecting society or musicians' union?**

- Yes (please specify) (1) \_\_\_\_\_
- No (2)

**Q2.6 Over the past 5 years, did you or your band have a relationship with a record label?**

- Yes, independent label (1)
- No, I self-release my music (2)
- No, I did not release any music in the past 5 years. (3)

**Q2.7 On average, how often do you perform your music live?**



- A couple of shows per year (1)
- About once a month (2)
- 2 to 3 times a month (3)
- Once a week (4)
- More than once a week (5)

**Q2.8 What is your average crowd size?**

- less than 30 people (1)
- 30 to 50 people (2)
- 50 to 100 people (3)
- 100 to 200 people (4)
- 200 to 400 people (5)
- more than 400 people (6)

**Q2.9 Have you recorded any albums or EPs?**

- Yes (please specify how many) (1) \_\_\_\_\_
- No (2)

**Q2.10 In the last two years of your career, how have you perceived the level of your success?**

- My level of success has remained roughly the same (1)
- My level of success has increased (2)
- My level of success has decreased (3)

**Q3.1 Who, besides yourself, is part of your artistic "team", and how are they compensated?**

	Paid, commissioned relationship (project-based)	Contract- based relationship (longer term)	equal partnership	Unpaid/ volunteer/ pro bono	I perform this task myself	I don't require this service
Songwriting partner(s)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Band members (solo: for performance or recording)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Producer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recording studio	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Record label	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Publishing company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Paid, commissioned relationship (project-based)	Contract- based relationship (longer term)	equal partnership	Unpaid/ volunteer/ pro bono	I perform this task myself	I don't require this service
Business manager	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Booking agent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tour manager	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sound person	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Road crew	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Publicist/PR firm	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Paid, commissioned relationship (project-based)	Contract- based relationship (longer term)	equal partnership	Unpaid/ volunteer/ pro bono	I perform this task myself	I don't require this service
Webmaster/tech person	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Graphic designer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Merchandise producer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accountant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fan street team (promotion)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attorney/Lawyer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Q3.2** Is there anyone else in your team who we haven't mentioned, and how are they compensated? \_\_\_\_\_

**Q4.2** You said you made income from music. What percentage of your total income was that?

**Q4.3** The next three questions will ask you to tell us whether you have received income from any of these sources in the last 12 months. Please also estimate the percentage of your total artist-based income (not of your general income!) that falls into the different income sources and make sure your answers add up to 100 percent (Live performance income + recording income + other sources = 100 percent). You might have to round up certain percentages.

#### Q4.4

Income from live performances:			
	Received income?		Percentage of artist-based income
	Yes	No	
Concerts/shows	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Festivals	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Living room shows/ house concerts	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

#### Q4.5

Income from recordings:			
	Received income?		Percentage of artist-based income
	Yes	No	
Physical sales (e.g. CDs and Vinyl)	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Digital sales (e.g. iTunes; direct downloads)	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Streaming (e.g. Spotify, Youtube)	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

#### Q4.6

Finance and other income			
	Received income?		Percentage of artist-based income
	Yes	No	
Merchandise sales (T-Shirts, posters...)	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Fan/crowdfunding	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Grants (private or government grants)	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Other income sources we did not mention: <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

**Q5.1 The next two questions regard your use of digital tools and your approach to developing non-artistic skills.**

**Q5.2 As a musician, which of these technology-based tools do you use to promote and distribute your music? Please choose all that apply:**

	I use this tool and manage it myself	I use this tool, but someone else manages it for me	I don't use this tool
Artist website/blog	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Streaming services (e.g. Spotify, Soundcloud)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Video streaming (e.g. YouTube, Vimeo)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media (e.g. Facebook, Instagram, Twitter)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Downloading service (e.g. iTunes)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mailing list tool (e.g. Mailchimp)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promotion websites (e.g. Bandcamp, CD baby)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tour date promotion (e.g. Songkick, BandsInTown)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other: <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Q5.3 Do you take advantage of any tools or services to develop your non-artistic skills needed for managing your career? Please select all that apply.**

- Local consulting service for musicians (1)
- Workshops/Seminars (2)
- Online tutorials (3)
- Business courses (4)
- Music industry books (5)
- Other: (6) \_\_\_\_\_
- I did not use any of these. (7)

**Q6.1 Thanks for making it to this part of the survey. To conclude, here are just two more questions about your own attitude towards your music career and digital technologies.**

**Q6.2 and Q6.2.**

Please tell us more about your aspirations regarding your music:					
	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree
I value independence and want to have as much control over my career as possible.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am striving to be signed to a major label in order to focus on my music rather than administrative tasks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please indicate how much you agree or disagree with the following statements:					
	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree
It is easier to record music on my own with available digital technologies.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is easier to find an audience for my music with digital technologies.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Digital technologies make it easier to make a living with music.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Appendix A2: demographic information

<b>Demographic variables</b> (unless otherwise noted, $N=120$ )	<b>Frequency of distribution (%)</b>	<b>Number of respondents</b>
<i>Country of residence</i>		
Germany	34.2	41
Netherlands	25.8	31
Australia	10.8	13
United States	10.0	12
Other	19.2	23
<i>Type of act</i>		
Solo artist	36.7	44
Band	63.3	76
<i>Age – solo artist (N=44)</i>		
19 to 25	29.5	16
26 to 35	63.3	28
36 to 43	6.8	3
$M=28.3$		
<i>Average age – band members (N=76)</i>		
19 to 25	40.8	31
26 to 35	53.6	40
36 to 45	6.6	5
$M=27.7$		
<i>Gender</i>		
Male	64.2	77
Female	35.0	42
No answer	0.8	1

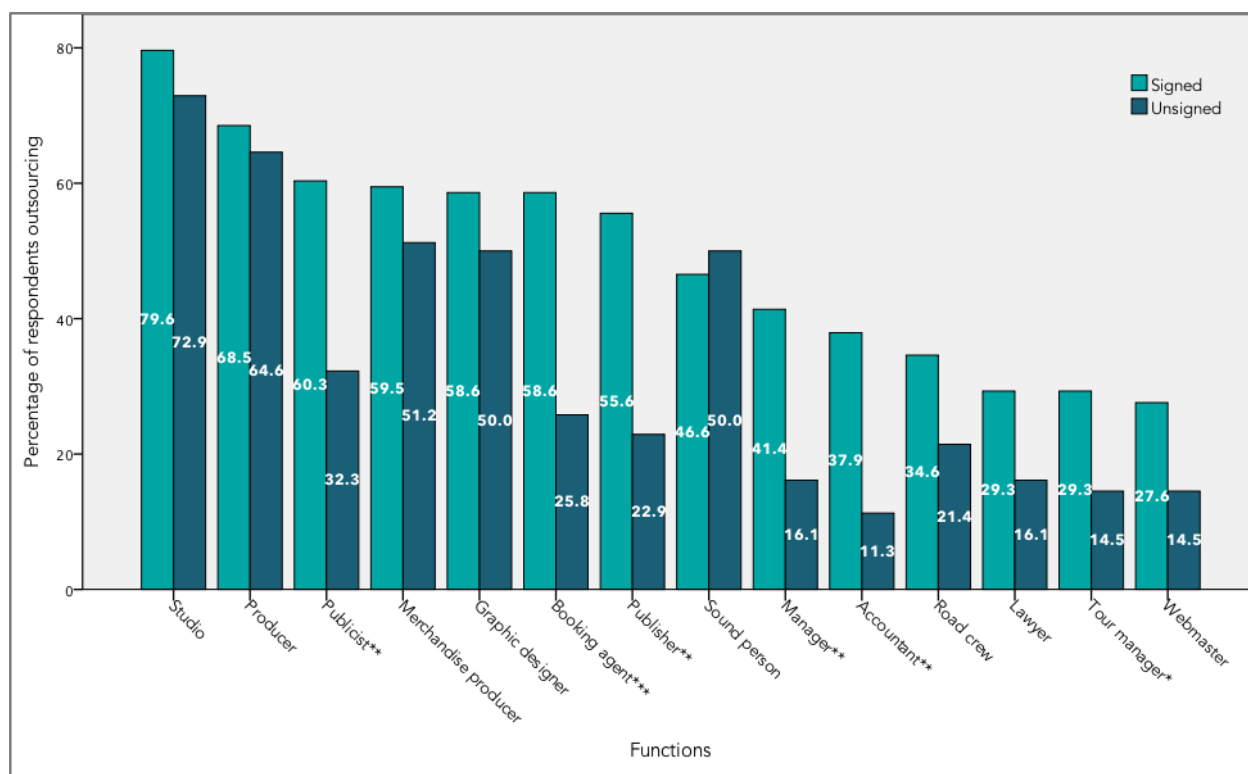
<i>Music as only income source</i>		
Yes	21.7	26
No	78.3	94
<i>Signed to independent label</i>		
Yes	48.3	58
No	51.7	62
<i>Years active with current act</i>		
1 to 5	65.8	79
6 to 10	26.7	32
11 to 20	7.5	9
<i>Days spent on music per week</i>		
1 to 4	45	54
5 to 7	55	66
<i>Average audience size</i>		
up to 50 people	26.7	32
50 to 100 people	41.7	50
100 to 200 people	20.8	25
more than 200 people	10.8	13
<i>Frequency of live performances</i>		
Less than once a week	68.3	82
Once a week or more	31.7	38
<i>Music income share of overall income</i> (N=102)		
1 to 20	35.3	36
25 to 50	23.5	24
60 to 80	6.9	7
90 to 100	34.3	35
<i>Genre</i>		
Rock & Punk	10.0	12
Indie	29.2	35
Pop	14.2	17
Jazz, world music & soul	25.0	30
Folk & Acoustic	11.7	14
Other	10.0	12
<i>Music school graduate or student</i>		
Yes	41.7	50
No	58.3	70
<i>Level of education</i>		
High school graduate	26.7	32
Bachelor's degree	51.7	62
Master's degree	15.8	19
other post-secondary degree	5.8	7

## Appendix B: tables and graphs

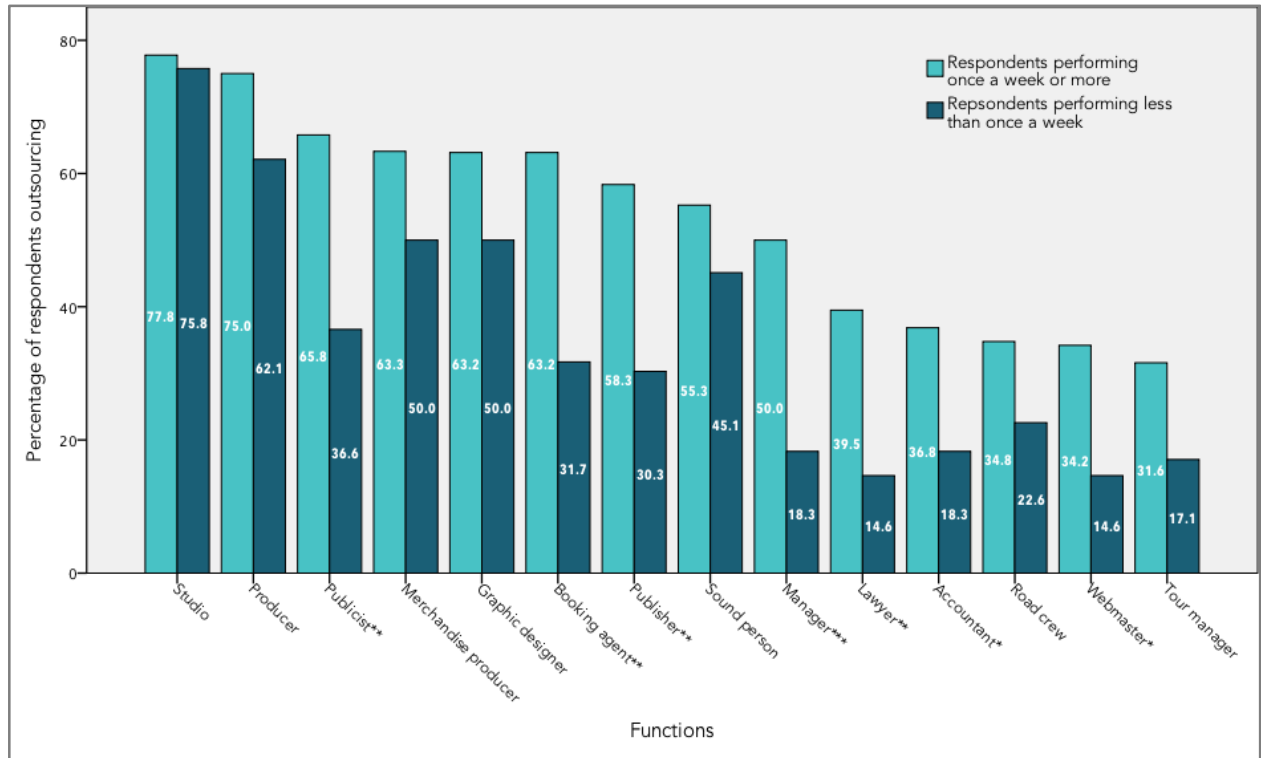
### B1: Professional set-up of respondents (frequencies of distribution):

Functions	Outsourced, paid	Outsourced, unpaid (pro bono, volunteer)	Act performs task itself	Act doesn't require this service
Band members for solo artists	68.2%	15.9%	4.5%	11.4%
Recording studio	66.7%	3.3%	18.3%	11.7%
Producer	54.2%	6.7%	19.2%	20.0%
Publicity/PR firm	42.5%	3.3%	27.5%	26.7%
Booking agent	41.7%	0.8%	41.7%	15.8%
Graphic designer	40.8%	13.3%	30.0%	15.8%
Sound person	40.0%	8.3%	15.8%	35.8%
Publishing Company	36.7%	0.0%	25.0%	38.3%
Merchandise producer	35.0%	0.8%	29.2%	35.0%
Manager	27.5%	1.7%	40.8%	30.0%
Accountant	24.2%	0.0%	40.8%	35.0%
Lawyer	20.0%	2.5%	5.8%	71.7%
Webmaster/Techperson	17.5%	4.2%	51.7%	26.7%
Tour manager	16.7%	5.0%	49.2%	29.2%
Fan street team (promotion)	9.2%	6.7%	24.2%	60.0%
Road crew	5.0%	7.5%	31.7%	55.8%

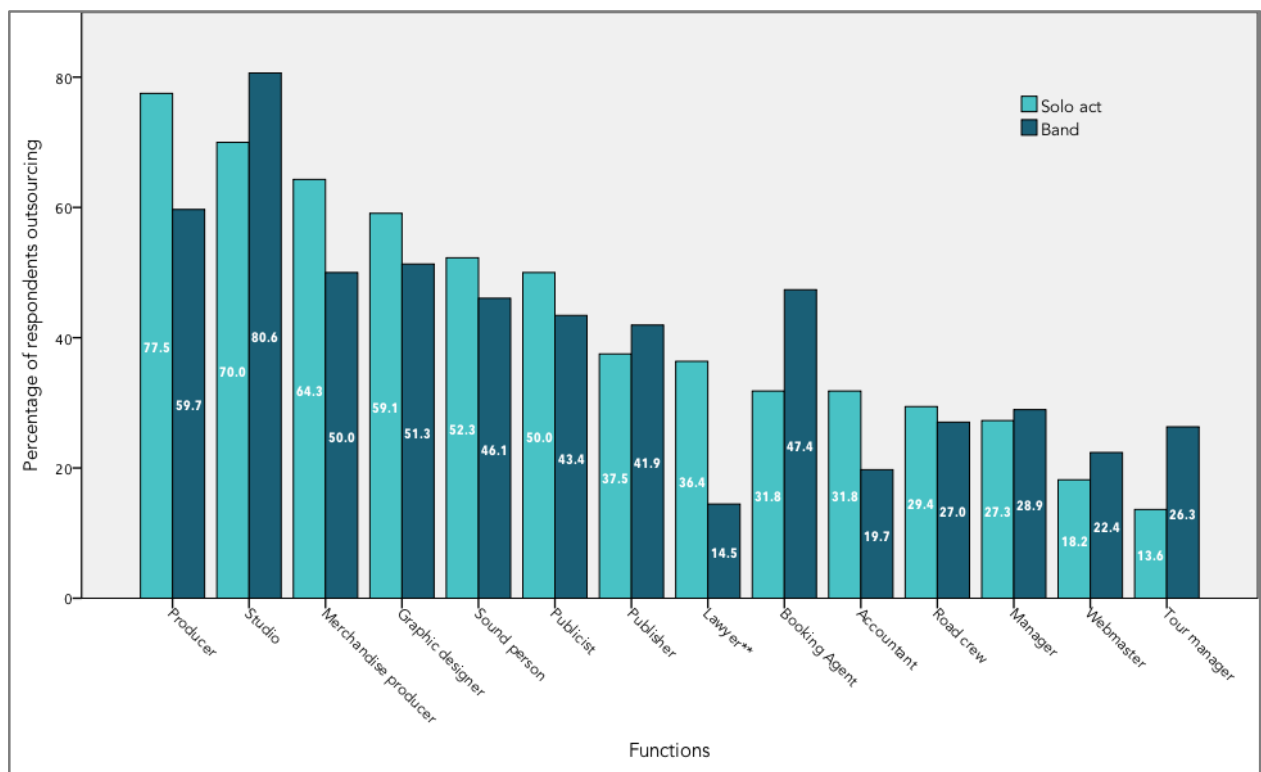
### B2: Outsourcing of functions among signed and unsigned musicians; significance level based on Chi-Square tests for independence: \*p<0.05 \*\*p<0.01 \*\*\*p<0.001:



**B3:** Outsourcing of functions among frequently and occasionally performing musicians; significance level based on Chi-Square tests for independence: \*p<0.05 \*\*p<0.01 \*\*\*p<0.001:



**B4:** Outsourcing of functions among solo artists and bands; significance level based on Chi-Square tests for independence: \*\* p<.01.





**B5:** Frequency distributions of respondent’s answers to Likert-scale items:

Statements	Neither				
	Strongly agree	Somewhat agree	agree nor disagree	Somewhat disagree	Strongly disagree
I value independence and want to have as much control over my career as possible.	63.4%	28.7%	5.0%	3.0%	0.0%
I am striving to be signed to a major label in order to focus on my music rather than administrative tasks	11.9%	32.7%	25.7%	15.8%	13.9%
It is easier to record music on my own with available digital technologies.	40.6%	28.7%	14.9%	11.9%	4.0%
It is easier to find an audience for my music with digital technologies.	34.7%	44.6%	14.9%	5.9%	0.0%
Digital technologies make it easier to make a living with music.	21.8%	26.7%	30.7%	17.8%	3.0%