Making the record skip: a case study on the rise of online platforms in the independent electronic music industry and its consequences for the gatekeeper role of the intermediary

Abstract

The rise of new online platforms has changed the music industry dramatically and has been a hot topic in cultural economics. By focusing on the gatekeeper role of the intermediary, this study wants to shed some light on the changes that have occurred for an actor that plays a vital role in the independent music industry. By implementing a case study that is placed in the independent electronic music industry of Rotterdam, this study suggests that that the gatekeeper role of the intermediary is not changing dramatically since the emergence of new online platforms. However, online platforms due start to filter out music themselves as well, even though this gatekeeper function is still done by the intermediaries themselves. The case suggests that online platforms will grow and become important intermediaries and gatekeepers in the future.

Key words: intermediary, gatekeeper, online platforms, DIY, independent music industry

Student: **Jeffrey Poldervaart**

Student number: **358053**

Supervisor: **Pawan Bhansing**

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1. Introduction

The music industry is regarded to be highly dynamic (Burke, 2011). There are considered to be high levels of product differentiation, a high level of entry and exit among artists, the creative input of the music industry, and there is also an on-going technological innovation in audio software and hardware, as well as fast changing developments because of digitisation in the form of the Internet, digital distribution and the rise of new online platforms like Spotify, SoundCloud, Bandcamp and iTunes (Burke, 2011; Rysmand, 2009; Handke et al, 2013). I will focus on the latter, the developments that are caused by digitisation, and analyse how it affects the industry structure of the music industry. Cultural economics still has some gaps to fill when it comes to digitisation and the implications for the music industry. There is an urgent need for insights regarding the impact of digitisation on the following various aspects in different parts of the cultural sector. Recent concepts and phenomena like customisation, personalisation and user innovation, media convergence, new forms of user-producer and user-user interaction, and the rise of highly concentrated suppliers of general-purpose, which are Internet-based services such as search engines, social media sites and online retailers, require more insights (Handke et al, 2013). In recent years, some studies have shed some light on these concepts and phenomena (Benner and Waldfogel, 2016; Bourreau, 2014; Dumbreck and McPherson, 2016), and these studies have unveiled interesting findings that contribute to recent discussions about digitisation and how it affects the music industry. This study wants to elaborate on the most recent points of debate in the music industry and contribute to the discussions. The rise of online platforms caused for the emergence of the D2F (direct-to-fan) phenomenon. Tessler and Flynn (2016) argue that this approach cuts out every quality filter and gives basically every artist market access. This development has renewed debates in the music industry around equating quantity with quality. This study will contribute to this debate by providing qualitative data that is focused on the gatekeeper functions of the industry's intermediaries or music entrepreneurs. The long tail hypothesis (Anderson, 2006), a phenomenon that will be further elaborated in the theoretical framework, is also a topic for discussion as recent empirical findings in the music industries are consistent as well as opposing Anderson's hypothesis (Benner and Waldfogel, 2016; Dumbreck and McPherson, 2016; Zhang, 2016). This case study will contribute to the long tail hypothesis discussion by providing qualitative data that relates to Anderson's hypothesis.

The independent electronic music industry has a completely different industry and market structure than the mainstream music industry, with every genre or subgenre operating in its own specialised niche market (Hesmondhalgh, 1998; Tessler and Flynn, 2016). I will explain these differences by focusing on the characteristics and concepts that explain the music industry. These are concepts like the nobody knows principle, niche markets, entry barriers, a community of ethos, network, the star system and authorship. These concepts have proven to be vital for the explanation of the music industry (Burke, 2011; Dumbreck & McPherson, 2016) I will also analyse the differences in industry structure by comparing the roles of the different actors in the industry and how they interact with each other. This study will especially look at the role of the intermediaries, which in most cases also fulfil a gatekeeper role in the music industry, making them an influential player in the music field (Burke, 2011; Caves, 2000; Caves, 2003; Handke, 2010). Throughout this study, the referred intermediaries and gatekeepers are oftentimes artists that have become active music entrepreneurs in the independent music industry, thereby also giving them intermediary and gatekeeper roles. This process of artists becoming music entrepreneurs, initiated by online platforms, is the latest trend in the independent music industry (Dumbreck & McPherson, 2016).

Is the gatekeeper role of the independent music industry's intermediary changing though? The Internet provides the consumer with little to no search costs, making it easier to look for music. The most popular digital platforms provide the consumer with algorithms that give the user recommendations based on their listening and/or viewing history. It is these digital platforms that initiated the emergence of the D2F (direct-to-fan) phenomenon, which took the independent music industry by storm (Tessler and Flynn, 2016). And are their any other changes that are related to the rise of new platforms? Did it emphasise the importance of personal branding in the independent music industry? How have these developments affected the DIY mentality? And how did the intermediaries cope with a changing industry? The aim of this exploratory study will be to try to answer these questions and further our understanding of the impact of digitisation and recent humdrum innovations on the independent music industry. Through an in-depth qualitative case study, I will explore a mostly unexplored terrain. Because the players in the field of independent music operate in niche markets, I will focus on one of these markets that focus on genre. As an independent electronic music lover I am a frequent visitor of concerts and parties. Therefore I consider myself to be an active participant of the independent electronic music industry. Even though independent electronic music is an overarching concept that covers a lot of different genres and therefore a wide variety of niche markets, I will still focus on the independent electronic music scene, but on the local scene in my hometown of Rotterdam, the Netherlands.

The thesis will have the following structure: first of all I will explain the role of the intermediary and gatekeeper in the music industry. Then the differences between the mainstream and independent music industry will be discussed, by focussing on the main concepts that define these industries. By focussing on the independent electronic music industry, we will find some unique characteristics that define this part of the independent music industry. Subsequently I will give a summary and discuss the relevant academic literature I have collected for this thesis. After having an in depth explanation and comparison of the concepts and analysing the differences, I will give a brief overview on the independent electronic music scene in Rotterdam and explain why I have chosen to focus my case study on this particular scene in Rotterdam. Afterwards I will discuss the methodology I applied to gather the qualitative data of my case study. I will give an in depth description of the gathered data that I have attained by having semi-structured interviews with experts, in this case music entrepreneurs that are considered to be intermediaries and gatekeepers, by having two observer-participator moments in which I have organised an independent electronic music event, and observe an independent label owner and participate in the tasks of two of two of his label's new releases. Another source of data will be the cultural sector analyses that are demanded from the municipality of Rotterdam and delegated to Rotterdam's Council of Arts and Culture (RRKC). Due to the worrying messages that the municipality got from the local dance and club sector, it ordered for the RRKC to investigate this particular sector in 2010, so the findings of this RRKC report have been analysed as well. Subsequently, the case study's findings will be presented, followed by the conclusions, limitations and implications.

2. Theoretical framework

2.1 Intermediary / gatekeeper

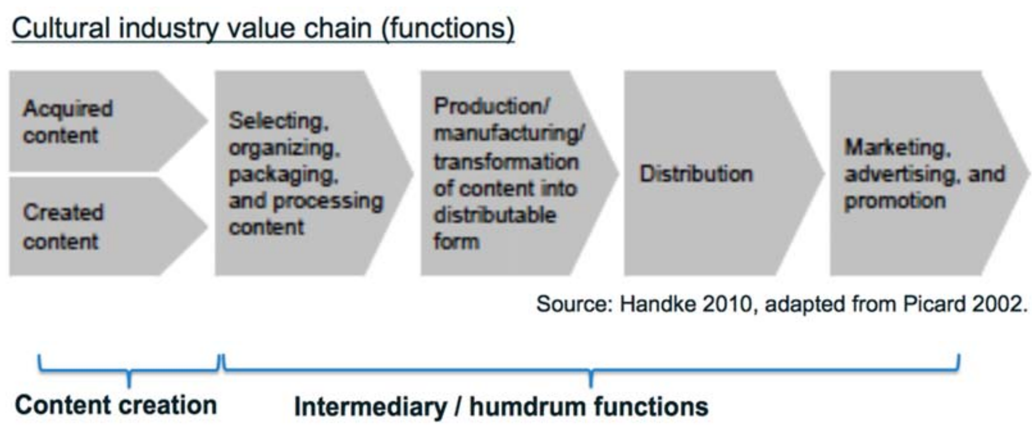
The emergence of intermediaries in the market system is a phenomenon that has been explained by Hayek (1945). He argues that there is always a case of information asymmetry between firms and parties in a market system. One of the main issues for these parties is to fight this lack of information by getting access to market knowledge. Third party firms, the intermediaries, could undertake the process of acquiring this knowledge as a value added service. This makes the intermediaries instrumental in the process of delivering a valuable product or service to the market. This process of delivering a valuable product or service to the market exists out of activities that firms operating in specific industries perform and is called a value chain (Porter, 1985).

Bailey and Barkos (1997) find four important roles of market intermediaries. The first one is to aggregate buyer demand or seller products to achieve economies of scale or scope and to reduce bargaining asymmetry. The potential benefits for other parties in the industry, the buyers and sellers, include reducing information asymmetry or bargaining power for the other party, reducing transactional costs, and taking advantage of economies of scale.

The second role is to protect buyers and sellers from opportunistic behaviour of other actors in a market by becoming an agent of trust. Intermediaries are aiming to have a long term participation In the market, that is why they are highly motivated to make sure that market transactions are completed, and that both supplier and customer live up to their end of the deal.

Another role is to facilitate the market by reducing operating costs. Information transfer between firms is a costly affair. This is where the intermediary can step in and facilitate the exchange of information by supervising the process and translating information that is being sent between two parties.

Finally, an intermediary can also be instrumental at matching buyers with sellers. It might be hard for customers and suppliers in a certain industry to find one another. Intermediaries could be helpful in this aspect because they are more knowledgeable about the supply and demand characteristics of the market, or might be able to provide a price discovery mechanism. Because of their participation in a lot of different transactions, their network of buyers and sellers can provide intermediaries with useful information and analyse consumer preferences.



The intermediary roles in the creative industries are located at the humdrum functions. By analysing the cultural industries, Caves (2000; 2003) argues that the only correct form of process for a cultural product is the one that can be seen in the graph above. It shows the value chain of the cultural industry by looking at the functions. There is a clear distinction between the create input, which exits out of the content created by the artists, and the humdrum inputs, which are considered to be non-creative functions, performed by intermediaries, which covers areas like processing content, distribution and marketing.

According to Hesmondhalgh (1998) however, the functional and successful processes in the independent electronic music industry have shown that the artists do not always need intermediaries to get their own products to the shelves. Most artists have developed to be cultural entrepreneurs with different intermediary roles, next to their creative inputs. This particular phenomenon is linked to the DIY mentality (Dumbreck & McPherson, 2016). The artists is not only a creator and producer, in the independent electronic music scene it is common for an artist to also be a record label owner, a distributor, a party promoter or event organiser, a DJ, both at events and on specialised niche radio stations (in the early days of electronic music, these were illegal pirate radio stations, but most of the current radio stations are commoditised, professionalised and legal), which also makes the artists a curator with gatekeeper functions, next to the other intermediary roles that he or she can fulfil (Hesmondhalgh, 1998). The artist, for example, could have a clear vision on what kind of sound he or she wants to portray and start his or her own label to start releasing music that is related to that sound. Another motive to start an own record label could be that the existing labels reject the artist's music, so he or she decides to release it him or herself (Hesmondhalgh, 1998). The music entrepreneurs I interviewed were asked why they take all these different roles upon themselves. I will share their thoughts later on when I discuss and analyse my interview findings.

Caves (2000) and Towse (2011) underline the importance of the intermediary or market making function of gatekeeping. In the end, like in every market, the consumer is king because of the profit motive. Even though profit is not always the main goal in independent music, producers need to survive, that is why they will not produce goods that no one wants, at least in the medium to long run. Producers also do not have the power to persuade or force consumers to pay for products they no not want to buy. The role of gatekeeping is an interim process that takes place within the chain of production, and it is effective in determining the nature of cultural supply (Towse, 2011). Actors in the creative industries that perform this intermediary and gatekeeping role act as filters or mediate between artists and the consumer, which gives them the power to influence artists' careers and cultural output, and their decisions will eventually affect cultural development (Caves, 2000; Towse 2011).

Digitisation and humdrum innovations caused for the emergence of new types of intermediaries. O'Reilly and Finnegan (2010) argue that newly created market system knowledge gets scattered among different actors in the market, which made new sorts of intermediaries arise that are able to acquire some of this new market system knowledge and help different players in the market to cope with new forms of information asymmetry. O'Reilly and Finnegan (2010) call this intermediary an electronic marketplace, which is defined as:

"An organisational intermediary that electronically provides value added communication, brokerage and integration services to buyers and sellers of direct and/or indirect products and/or services in specific horizontal or vertical markets by supporting basic market functions, meeting management needs for basic information and process support, and/or operating the required IS/IT infrastructure."

Intermediaries like Bandcamp and iTunes generate revenue by providing value added services to different players in the market, while also creating and managing the digital infrastructure. These newly added intermediaries already play a vital role in facilitating exchanges in networks that are characterised by disparate knowledge (O'Reilly and Finnegan, 2010). It shows that these new intermediaries still acquire the same place in the value chain by helping the other actors with the 'classical' intermediary functions, namely by providing the actors in the market with aggregation, trust, facilitation and matching suppliers with customers.

2.2 The 'nobody knows' principle

What defines the music industry, and what makes it structured the way it is, is the *nobody knows principle*: nobody knows if the cultural end product will be successful or not, there is no real success formula when it comes to music, nobody knows how the consumer will value the product, which makes it the core problem in the creative and cultural industries, one of fundamental uncertainty, one of symmetrical ignorance (Caves, 2003; Towse, 2011). The humdrum inputs in the mainstream music industry will do everything in their power to lower the risks of this uncertainty by applying formulas that succeeded in the past, by constantly trying to extrapolate this knowledge to the product, yet these efforts still only achieve minimal predictive value (Goldman, 1984/Caves, 2003). The humdrum intermediaries in the mainstream music industry try to minimalize the risk because they invest high sunk costs in realising the end product, which means that the input that has been used for flopped attempts cannot be reutilised for other products. The intermediaries will mostly have to deal with flops, with only a few hits. Therefore the intermediaries will try to get enough revenue from each hit to cover the losses on several flops (Caves, 2003). This indicates why *nobody knows* is the corner stone of the contracts that are made in the music industry. It is the main factor in contract negotiations between creative and humdrum inputs. The big mainstream intermediary, a big record company that focuses on pop music for example, has huge bargaining power, as it can provide most if not all of the humdrum input that is needed to produce and end product. The big record company can choose from a lot of artists to decide which one of them will have the highest chance of making a hit, making these powerful intermediaries the most important gatekeepers of the mainstream music industry. They will choose carefully, as they will invest a lot of capital on studio time, producing, mastering, promotion, and sometimes even distribution. The artists have little to no bargaining power, unless they turn out to be successful (Caves, 2000). The artists that turn out to be successful will get offered longer and more lucrative contracts. The label will decide how much output they expect from their musicians, which could for example be one album a year. Both label and successful artist are striving for a career long relationship that will be highly fruitful for both financially.

2.3 Art for art's sake

Even though the independent electronic music industry faces the same uncertainty, *nobody knows* is less problematic for the actors on this particular side of the music industry. It is because of another fundamental property that underpins the organisation of the music industry. Caves (2003) and Towse (2011) argue that *art for art's sake* invokes the utility that the artist gains from doing creative work. In the independent electronic music industry, this principle is considered to be more important than the uncertainty that comes with the *nobody knows* principle. *Nobody knows* is accepted as a given, the focus is more on the quality of the product, without worrying about which possible formula could make the product financially successful (Hesmondhalgh, 1998; Tessler and Flynn, 2016). The intermediaries in the mainstream music industry look at *art for art's sake* from a financial perspective, both in a negative and a in a positive way. The only positive aspect of *art for art's sake*, according to the intermediaries in the mainstream music industry, is that it makes artists a source of cheap labour, because artists may accept wages for creative content that fall short of their opportunity cost in humdrum employment (Caves, 2003). A negative aspect of *art for art's sake* is that it complicates the contracting process, because it also embraces the artists' taste as to how the creative product has to be performed by taking qualitative aspects like the used style or technique into account. Independent music intermediaries and artists do not see this principle as a burden, it is the main focus point; it is what defines independent music production (Hesmondhalgh, 1998).

2.4 Niche markets that focus on genre, not on authorship

Whereas the mainstream music industry focuses on a market that consists of a large mainstream audience, often times on a large national, if not global scale, the independent electronic music industry operates in niche markets that are structured around genre and subgenres (Hesmondhalgh, 1998; 2005). There is a market that focuses on techno, there is a market for house, and a market for jungle, for example. All these genres have multiple subgenres, for example deep house, tribal techno or liquid drum and bass. Small micro labels have formed their sound around one of these genres or subgenres, giving the recorded independent electronic music industry a completely different industry structure, compared to the mainstream music industry. The latter exists out of a few big corporate players that together have a huge market share, and can be considered an oligopoly (Hoskins et al, 2004). An example of the big and powerful intermediaries' (also called the Majors) market share is shown in the following table, which depicts the top four and six of UK record companies and their market share between 1985 and 2005.

Table 41.1 Features of key segments of the industry supply chain

Feature \ Market	Creative artists	Record companies	Retail record stores
Concentration	High	High	High
Turbulence	High	Low	Low

Table 41.2 Top four and six UK record company album market share, 1985–2005

Albums, % units	1985	1990	1995	2000	2005
Universal (PolyGram pre 2000)	14.5	23.2	20.6	20.5	32.6
EMI	13.4	15.9	13.4	10.7	12.2
CBS–Sony	15.0	10.4	12.0	11.6	22.6
WEA–Warner	12.2	12.1	9.9	11.7	9.9
Total top four	55.1	61.6	55.9	54.5	77.3
Total top six	68.5	73.7	72.3	70.4	81.2

Notes: PolyGram data exclude Universal except for years 2000 and 2005. In 2005 CBS–Sony includes BMG.

Source: BPI *Year Books.*

The independent electronic music industry is structured quite differently. The industry structure can be considered a monopolistic competition, without the intermediaries being as highly concentrated and centralised, as is the case in the mainstream music industry. As is the case for all independent music communities, active music entrepreneurs jumped into the market gaps that were left behind by the established mainstream music industry, and offered the niche music products that were not supplied by the major record companies (Tessler and Flynn, 2016).

The focus on genres and subgenres is a distinctive feature of independent electronic music and dance music culture, which resulted into specialisation from the part of artists and record labels, which then again allowed them to thrive in these niche market structures. Hesmondhalgh (1998) argues that there are two dynamics that connect producers and audiences in the music industry: genre and authorship. Both of these dynamics have creative and commercial functions. Audiences that are active in the independent electronic music scene have shifts in style rather than on identity of the performers. This is the other way around in the mainstream music industry. Genre tends to become less important than authorship in an industry of big promotional budgets. The more well known the artist, the less important it is that the consumer has genre information (Hesmondhalgh, 1998).

Linked to niche markets in the cultural industries is the long tail hypothesis (Anderson, 2006). It argues that products that are offered in niche markets will account for an increasing share of sales with the scattering of digital information and communication technology. As commerce transactions are more and more taking place via online retailers, platforms and marketplaces, marginal costs of distributing and retailing reproducible cultural goods are diminishing. This so-called ecommerce has the potential to integrate markets, no matter the geographical distance, which also could make it more profitable to supply a wider diversity of cultural goods. Digitisation has also reduced information costs, which makes it easier for consumers to search for niche products that fit their individual taste (Handke, 2013).

2.5 Entry barriers

In the mainstream music industry, minimum efficient scale, the smallest amount of production that a company can achieve while still taking full advantage of economies of scale, is high in this industry, because of the record companies' high economy of scale and therefore their ability to spread the costs on their high output (Burke, 2011). This is also one of the main factors behind the fact that nothing changes in the hierarchy; the high economies of scale are an effective entry barrier. It is extremely difficult for new companies with humdrum functions to compete with the high output, which would require a lot of economic capital from the very start (Burke, 2011; Towse, 2011). The independent intermediaries operate in niche markets with relatively smaller audiences, which gives them a lower economy of scale with lower costs, giving them lower costs compared to their mainstream counterparts. This makes it less tough for new companies to enter the market (Burke, 2011; Hesmondhalgh, 1998).

Hracs and Leslie (2014) argue that digital technologies and innovations have made the independent music's DIY model the most prominent organisational form for up and coming musicians. Digitisation has declined entry barriers and democratised production, consumption, distribution and promotion of music. Digital platforms have allowed musicians to become more entrepreneurial and discover humdrum roles of marketing, distribution and fundraising. Benner and Waldfogel's (2016) findings suggest that the independent record labels appear to adopt the cost reductions that have been made possible by digitisation and new technologies. Both the already existing independent record labels and the newly entered ones, whom are spurred by the lowered entry barriers, have made the number of newly released independent music increase strikingly. The major record companies on the other hand, show a decreased output of released music. The majors have become even more selective and try to apply formulas that brought success in the past by only releasing music from already successful artists. These high revenue artists seem to have an increased amount of "success" (the likelihood of being listed on the top charts) with their newly released music (Benner and Waldfogel, 2016).

2.6 Superstar phenomenon versus DIY's community ethos

The music industry, like most creative industries, is affected by the superstar phenomenon. Rosen (1981) was first to describe this phenomenon, and he developed a superstar theory. He states that small differences in talent translate into large differences in earnings. Rosen explains that distinct qualities of a service that is defined by a narrow margin are imperfect substitutes in consumption, which means that consumers are rational and favour fewer high quality services rather than more of the same service at inferior levels (Rosen, 1981; Schulze, 2011). More recent research on the earnings of artists also acknowledge that the distribution of income from royalties is immensely skewed, with the royalties of the superstars being high and those of the majority's being trivial (Kretschmer and Hardwick, 2007; Towse, 2011).

Benhamou (2011) argues that, next to a superstar phenomenon, the consumer's information process for selecting consumption leads to a totally random selection of talent. According to Adler (1985), information costs is the main reason to why consumers choose what other buyers have already preferred, due to a mimetic process. Consumers tend to follow other consumers to reduce risk as well, namely the risk of buying lesser products, which could make these so called bandwagon effects a part of the explanation of the concentration of profit for a certain few of artists (Handke, 2013). Another point is that there might be network externalities that could partly explain consumer behaviour. Consumers could give more value to popular works because the shared experience of listening to the same musicians or going to the same concerts could become the subject of desirable social interaction (Handke, 2013). All this means that not only market forces like the gatekeeper role of the intermediaries, but also the consumer's behaviour and unwillingness to spend on information costs decide who gets the biggest piece of the pie, without regarding the chosen artists to be the most talented (Benhamou, 2011).

The independent electronic music industry, alongside with its niche markets, because of its DIY mentality, is regarded as a community driven music scene that exists out of really passionate music lovers that are in some way or the other involved in the production and distribution process (Hesmondhalgh, 1998; Tessler and Flynn, 2016). The foundation of the community is a tight network between all the different actors in the scene, which makes it more of an entirety instead of the emphasis on the different intermediary roles that they could represent. The different clubs and venues that organise events that are created for a specific genre or sound are considered to be vital meeting points, as well as the specialised record stores (Hesmondhalgh, 1998; Tessler and Flynn, 2016). This community ethos did not only provide the industry with its independence, it also gave its members important connections that form a network which could provide a starting music entrepreneur with the knowledge to set up a record label for example, or help out with another part of the industry process. It is a less hostile environment, especially when compared to the centralised oligopoly power structure of the mainstream music industry.

Besides the not so hostile environment with not that much entry barriers, it are the relatively low productions costs that are also appealing for artists that have the idea of starting something of their own in their particular niche market. The low costs for the technological equipment in their own bedroom studio basically cover all the investment you need for the production. Because of the lack of the star system, there is also no necessity to spend time and money on promoting and creating a certain image for the artist. The community itself will create this image for the artists, as they will notice the productions and the sound that he portrays by affiliating his or her name with the certain sound of a certain label in the specific genre or subgenre. There is no need to do excessive tours or make promotional videos with the artists, promotion will come itself if the product is received positively by the community and specialised media outlets and other gatekeepers in the scene, respected DJ's for example (Hesmondhalgh, 1998).

Independent electronic music inherited and implemented the DIY structure that has been created during the Punk era of the 1970s (Tessler and Flynn, 2016). Punk is a genre and subculture that started because of an anger and frustration that was felt by many young people during the 1970s. It reflected their increasing discomfort with traditional social hierarchies and political and governmental power structures (Tessler and Flynn, 2016). These feelings of frustration and anger towards society and the powers that be were forged into a stance of rebellion. From an economical perspective, Punk's aesthetics resulted into a 'set of business and industrial practices that helped to establish an entirely new entrepreneurial paradigm: DIY or do-it-yourself' (Tessler and Flynn, 2016). Punk music entrepreneurs started their own bands, record labels, record stores, distributing fanzines and promoting Punk nights and concerts. The Punk movement created the foundation for a community ethos that is still alive and important for independent music industries to this day. The lines between fan, intermediary and artist were increasingly blurred because of the DIY spirit, thereby creating alternative and tightly knit local communities. Theses local communities of artists, stores, studios, labels and events operated completely separate from the already established infrastructure of the major record companies, making them oppose the established music industry power structure with their own hybrid music chain and network. The independent music industry was created around these alternative networks as these communities identified and corrected the market gaps that were left behind by the major record companies of the mainstream music industry. The torch of the DIY spirit and its community ethos got passed to dance music and rave culture, which emerged in the late 1980s. While the mainstream absorbed Punk and indie, the nascent electronic music scenes reaffirmed the innovative and entrepreneurial spirit of the independent music sector (Tessler and Flynn, 2016).

2.7 Digital platforms

The most recent developments in the music industry that have been caused by digitisation have been the rise of digital platforms like iTunes, Spotify, SoundCloud and Bandcamp (Burke, 2011; Tessler and Flynn, 2016). Most of these platforms can be considered to be two-sided markets. These are two-sided firms; they buy inputs on one side and sell outputs on the other, with the firm acting as an intermediary platform. It does not actually buy the product but only facilitates trades and charges for the match making or trade related service (Rysman, 2009). The decisions of both the input and output agents affect the outcomes on both sides, mostly through an externality. There are strong network effects, that is why the input agents prefer to make use of the services of an intermediary firm, the digital platform, that deals with more output agents, the consumers (Rysman, 2009). In the case of the music industry, the artists and the intermediaries that release the end product, the record labels, provide the input.

Digitisation and the emergence of digital platforms created some profound changes for the input agents of the independent music industry. New online platforms have become the catalyst for a shift from a DIY to a D2F (direct-to-fan) business model (Tessler and Flynn, 2016). Independent artists and record labels have new opportunities to directly share, promote, sell and distribute their music via online platforms. These so called D2F opportunities emerged at the end of the 1990s and caused for a shift from focusing on physical distribution via independent micro labels, to digital distribution via online platforms as a core business, for both artists and record labels (Strachan, 2007). Especially the artist now has the opportunity to cut out every middleman and directly engage with his or her fans. These developments shifted notions of independence more towards the level of the individual artist, giving them more power than they had before the rise of digital platforms (Tessler and Flynn, 2016). The newly acquired strength of the D2F artist also eliminated any remaining quality filter to market access, namely the gatekeeper functions of the intermediaries, which in turn reopens debates in the music industries around finding a balance between quality and quantity (Tessler and Flynn, 2016).

Another outcome of the artist's newly seized power and market access opportunities is that it comes with total entrepreneurial and artistic responsibility. Artists in the D2F era are forced to become more entrepreneurial as they have no other choice but to create their own opportunities. The shift from DIY to D2F started with the spirit of DIY as its foundation, but it also has eroded some of the independent music industry's DIY characteristics. Tessler and Flynn state that 'Long-held DIY ideals of democratisation and Internet freedom drove early platform uptake. But once online, the community-spirited and self-styled entrepreneurialism and collaboration between artists and indie labels, was supplanted by ideologies that served the content agendas of the platforms. Whereas reclaiming the means of production was a politicised ideal of the DIY era, under D2F it was assumed to be an ever-present part if the creative process and the sole responsibility of the artist' (2016, p. 59).

Anderson's long tail hypothesis (2006) has been implemented in the digital platforms' business models. The long tail hypothesis indicates that 'selling one download of a million tracks is as profitable as selling a million downloads of one track' (Tessler and Flynn, 2016, p. 61), that is why having as much products as possible accessible online intensifies the platforms' chances of making profit. The long tail business model of the online platforms has lowered the entry barriers for artists as the long tail hypothesis indicates that any artist can have a presence in the marketplace (Tessler and Flynn, 2016). However, maintaining that presence and turning a profit out of it requires D2F artists to become more entrepreneurial, with an increasing need to increase their skillset with techniques that cover other fields of work, for example in the field of ICT, marketing, PR and promotion. Artists will need to learn, understand and apply the before mentioned humdrum techniques in order to build, manage and use the attained databases of customers and followers (Tessler and Flynn, 2016).

It is key for D2F music entrepreneurs to get the audience's attention, because being present in buyers' minds is profitable in information-rich economies like the music industry (Falkinger, 2008). The primary attention seeking strategy that is being applied at online platforms is the constant creation of content. In the case of online platforms and social media, content does not only exists out of actual music products or performances, artists also have to be entrepreneurial in the way they share other type of updates and information online. By frequently sharing blogs, vlogs, photos, videos, events and comments, artists contribute to the conversation and engage and sustain the audiences' awareness of them and their music (Tessler and Flynn, 2016). However, turning the attention the D2F artist's content receives into profit requires explicit knowledge of complex music industry structures. Its presence on online platforms have made investing in content a hazardous affair for the artist in the D2F era as solely his or her own entrepreneurial actions will affect their career; all the risk lies with the artists themselves. Sunk costs will have to be made to consistently produce content and to spend time on developing and expanding an array of necessary humdrum skills (Tessler and Flynn, 2016). Despite the increased risks and challenges for independent artists in the D2F era, online platforms have managed to manoeuvre themselves in a position that makes these independent musicians think that operating on these platforms is a necessity, rather than being received with scepticism and animosity (Tessler and Flynn, 2016).

An increased online presence through digital platforms and social media created a new type of value measurement system for artists now turned music entrepreneurs. Their contents' value is both measured and added by the amount of online interactive features like plays, views, likes, shares and comments. However, these types of online measurement statistics are considered to be vanity metrics: data that gives the delusion of a flourishing project but actually provides little indication as to the value of the communication between artist and fan (Ries, 2011). The fans of most value are the ones that, besides regularly listening and buying music, really feel connected with the artist' work and are willing to actively participate in the conversation on behalf of the artist. Often times, these fans can be considered the gatekeepers of online prosumer communities that have originated around digital platforms as they position themselves between the producers and other consumers, a role that Toynbee (2000) describes as social authorship. Among fans and other consumers, it is friends that act as a 'form of collaborative filtering for new music' (Brown and Sellen, 2010). By visibly supporting certain artists and by contributing to the artists' conversations, fans do not only act as a filter or gatekeeper, they also construct their own online identities by supporting these acts (Tessler and Flynn, 2016).

The mostly discussed platforms during my research have been SoundCloud, Bandcamp and Spotify. SoundCloud started in 2007 as an audio platform. Users can upload or record originally created audio and share it with other SoundCloud users and promote it. It is quite common and widely used by artists and record labels in the independent electronic music industry, as a way to share newly created music, previews of upcoming releases or recorded DJ sets. Because of its strong network effects (SoundCloud has over 40 million registered users and 175 million unique monthly listeners) it is considered a strong promotion tool as well. It is also a common practice in the industry to share SoundCloud links via social media platforms like Facebook, Instagram and Twitter.

Bandcamp is also a promotion tool that caters mostly independent artist and labels, with the main difference that it also offers the services of an online music store. Artists and record labels are provided with microsites where they can share tracks and releases. Via Bandcamp, independent artists and record labels can cut out middlemen like distributors and sell their artistic product directly to their audience. Its unique network externality is that it provides a more personal relationship between the artists, independent labels and their audience. By buying music from their Bandcamp page, fans feel like they directly support the independent artist or record label. The customers are also added to the artist's or record label's mailing list, which also provides to having a closer artist-audience relationship (Tessler and Flynn, 2016).

Spotify is the most recent digital platform that found its place in the music industry, and it is quickly becoming an established music streaming service with over 100 million users (50 million are paying users). Users can search and stream music for free or a small fee, and create playlists. It offers a 'freemium' service, which means that its basic features are free (with advertisements), while additional features like improved streaming quality are offered via paid subscriptions. The independent electronic music scene has only recently started to be open towards this streaming service, with just a few offering some of their music on this service (Duffin and Dumbreck, 2016).

2.8 Rotterdam and independent electronic music

Rotterdam has been essential in the development of an electronic music scene in the Netherlands (Tukker, 2015). House music (there were no real divisions by genre like there is now in electronic music, everything was called house back in the early days) flew over from the United States and took the United Kingdom by storm. Via the UK, house music found its way into the Netherlands, along with the party and rave scene, and took the Netherlands and the rest of Europe by storm. Rotterdam was considered to have a leading role for the development of electronic music in the nineties (Tukker, 2015). People from all over the Netherlands came to Rotterdam to visit one of its infamous and pioneer clubs. Parkzicht was one of the most famous clubs and a cornerstone of Rotterdam's flourishing nightlife. The club was essential in the development of 'gabber', a music genre that took the world by storm. The particular sound of the music and the scene behind it created an entire subculture behind it, making in the first and only real Dutch subculture to date (Verhagen et al, 2000). Some artists, record labels, record stores and distributers are still key players in the electronic music community worldwide, but Rotterdam lost its place as one of the most innovative and flourishing dance music cities. Gabber lost popularity and is a niche again. Hard and dark forms of techno, electro, house and drum & bass remain popular in the city. The closing of essential clubs in 2006 caused for Rotterdam's independent electronic scene to be in crisis. Recent years have seen it come out of this dark period. It will be interesting to investigate the recent developments that made this city have a thriving nightlife scene again. All of the music entrepreneurs that were interviewed for this case study were key in the revival of the independent electronic music industry of Rotterdam. It was engaging to hear their narratives, which also provided this study with useful data and interesting findings.

3. Methodology

The purpose of this thesis is to understand the impact of the most recent innovations on an industry, by focusing on the social, structural and economical changes. As a research method, the case study is used to contribute to our knowledge of individual, group, organisational, social, political, and related phenomena (Yin, 2014). That is why the case study approach fits this purpose. Whatever the field of interest, the distinctive need for a case study arises out of the desire to understand complex social phenomena. *“A case study allows investigators to focus on a “case” and retain a holistic and real-world perspective – such as in studying life cycles, small group behaviour, organisational and managerial processes, neighbourhood change, school performance, international relations, and the maturation of industries”* (Yin, 2014). In this case, the focus will be on organisational processes made by intermediaries and gatekeepers, and the maturation of an industry; namely how the independent music industry copes with the most recent innovations caused by digitisation. This study focuses on more of this type of ‘how’ and ‘why’ questions, which also makes it more likely to implement the case study approach (Yin, 2014).

This thesis will examine contemporary cases that cannot be manipulated. Direct observation of the events will be utilised, and the applied participation will not influence results in any form. Participation in this case will only serve as a way to get an in depth understanding of the role of an actor in the particular industry we are focusing on, namely the role of the intermediary and the gatekeeper in the independent electronic music industry. The same goes for the semi structured interviews with persons involved in the studied events, these interviews exist out of questions that will not manipulate the answers of the interviewees in any case. The ability to deal with this mixture of data gathering is the case study’s unique strength (Yin, 2014).

According to Yin (2014), there is a twofold definition of case studies. First of all it is about the scope of the case study. It is an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-world content, especially when there is no clear distinction between phenomenon and content. The second part of the definition of case studies arises because in real life situations, the boundaries between phenomenon and context are not always that distinguishable as well. This is why other methodological aspects become relevant as the characteristics of a case study: it becomes an inquiry that is able to cope with technically different situations in which there will be much more variables of interest than data points, and as one result depends on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result profits from the previous development of theoretical propositions to guide the data collection and analysis. In the end, a case study generates in depth reflexive data that will capture the plurality and complexity of organisational perspectives by acquiring as much insider information as possible form multiple sources of data (Yin, 2014).

Even though this study also relies on theoretical concepts that are listed in my theoretical framework, I will mostly analyse the case study evidence by applying a ‘working my data from the ground up’ approach, one of the analytic strategies that are distinguished by Yin (2014) and are used to analyse case study evidence. This inductive approach encourages focusing on the data instead of following the possible theoretical propositions that could have led to the case study. By pouring trough the data without having any theoretically embedded proposals, one will notice patterns and useful concepts. These insights can be the foundation of your analysis and lead you further on into the case study evidence.

After choosing an analytic strategy, Yin suggests to implement an analytic technique for the structure of the case study and for the further collection of data. The evidence generated in this case study will be analysed by using the ‘explanation building’ technique. This analytic technique is implemented when the goal is to analyse the case study data by building an explanation about the case. This case study wants to explore the effects of online platforms on the niche markets of the independent electronic music industry, and argue if the role of the industry’s intermediary has changed. To explain these phenomena it is needed to stipulate presumed sets of causal links about it (Yin, 2014), which are linked to the “how” and “why” questions I am asking. Explanation building in case studies occurs in narrative form, which makes it difficult to be precise. That is why the build explanations will reflect some theoretically significant propositions, which will counter the lack of precision. In this case study the causal links will reflect critical insights into cultural economics theory and suggest propositions that can lead to future policy recommendations for the municipality of Rotterdam.

The iterative nature of explanation building leads this case study to the process of coding. Thematic coding has been applied to analyse the case study data (Guest, 2012). Because of the inductive nature of this study and its 'working my data from the ground up' approach, examining and triangulating the interview transcriptions, the literature review and the observation-participation moments generated the codes. These codes are then transformed into themes, which are patterns across the data sets that are key to the description of a phenomenon, and can be linked to one of the research questions. By analysing the findings, the following codes were generated:

- *Role of the gatekeeper*
- *Role of the intermediary*
- *Quality*
- *Community*
- *Network*
- *Genre*
- *Niche markets*
- *Implementing new online platforms*
- *Independence*
- *Reacting to new online platforms*
- *New form of value*
- *Diversity*
- *DIY mentality*
- *Profit versus art for art's sake*
- *Underground*
- *Personal branding*
- *Scene*
- *Record stores*

- *Radio*
- *Lack of clubs*
- *Taste formation*
- *Consumer preferences*

Themes

The codes *role of the intermediary, role of the gatekeeper, taste formation* and *consumer preferences* were forged into the theme: <u>*Changes in the role of the intermediary and the gatekeeper versus changes in taste formation.*</u>

The codes *scenes, community, radio, genre* and *niche markets* were melted together as the theme: <u>*The formation, fragmentation and professionalization of Rotterdam's independent electronic music industry.*</u>

For the codes *implementing new online platforms, reacting to new online platforms, independence, personal branding* and *new form of value* the following theme was used: <u>*Attitude towards new online platforms and personal branding.*</u>

The codes *DIY mentality, underground, quality, diversity* and *art for art's sake* are linked to the theme: <u>*Using DIY mentality for creativity and collaboration.*</u>

This leaves the codes *lack of clubs* and *record stores* for the theme: <u>*The scene's infrastructure.*</u>

The main research question: ***"Is the role of the independent electronic music industry's intermediary changing?"*** is linked to the theme: <u>*Changes in the role of the intermediary and the gatekeeper versus changes in taste formation.*</u>

The questions: ***"Are the changes related to the rise of new online platforms?"*** and ***"How do new online platforms influence personal branding?"*** are related to the theme: <u>*Attitude towards new online platforms and personal branding.*</u>

The question: ***"How does the rise of new online platforms relate to DIY?"*** is connected to the theme: *Using DIY mentality for creativity and collaboration.*

And lastly, the question: ***"How did the intermediaries cope with a changing industry?"*** can be linked to the themes: *The formation, fragmentation and professionalization of Rotterdam's independent electronic music industry* and *The scene's infrastructure.*

Data collection

The data that will be used in this case study will be gathered by applying three methods, namely semi-structured interviews, observation-participation, and the collection of local and relevant documents. With the data that I got from these three sources of evidence, I will make a cohesive piece that converges in a triangulating fashion, with each part of data substantiating the other parts. The results of the data collection will be analysed thoroughly and will pave the way for some implications for the municipality of Rotterdam, implications for future research, conclusions and discussion.

Interviews

The interviews have been semi-structured interviews with active key players in the independent electronic music scene of Rotterdam for over the course of one month. All of them have been actively participating in this scene for years, making them experts in this specific field as well. The actors of choice can all be considered to be music entrepreneurs. They all fit in a current trend in the music industry described by Dumbreck and McPherson (2016). They argue that everybody that works in the current music industry can be considered an entrepreneur, and their findings show that it is becoming standard for young people that just started to work in the industry to start something on their own and to be involved in multiple tasks within that industry. It is becoming a common practice to start an own record label next to having a band, or to organise music festivals for example. All of the interviewees have these entrepreneurial characteristics. Next to being a musician and/or a DJ, these artists are also a record label owner, music event organiser, promoter, radio host or radio station owner. That is why all the interviewed music entrepreneurs can be considered the industry's intermediaries and gatekeepers as well. All of the participants agreed to have their names and company names be made public. The questions that are asked to these key players are linked to the research questions and the sub questions. Some other questions came up naturally during our conversations. All of the interview transcriptions can be found in the attachments.

Interview questions

- Could you tell me something about yourself are and what you do in the music industry?
- What are your latest projects? Could you tell me something about them?
- What are your feelings on the current music scene in Rotterdam?
- Do you feel that the scene in Rotterdam is vibrant/fruitful? Why so/not?

- Have there been any changes over the years?

- What are your thoughts on the rise of new online platforms like SoundCloud, Bandcamp, Spotify?
- (If you only have been active recently, without noticing changes) What are your thoughts on these platforms?
- Did you feel like you had to reinvent yourself because of the rise of these new platforms?
- How has it affected your organisation/projects (record label, events, radio show, club, media outlet, blog)?

- Do you think that it is harder/easier to stand out from the rest (in these times of a flood of music)?
- Is the scene starting to get more commercial? Why so/not?

- Is the DIY mentality of the scene still alive? Why so/not?
- Do you feel that you have a role as a gatekeeper?
- What are your feelings on your role as a gatekeeper?
- What is lacking in the underground scene in Rotterdam? What does it need?
- Do you have any more thoughts on the current underground/independent electronic music scene?

- What did you think of the interview? Were the questions clear? Do you have any recommendations or anything to add for future interviews?

List of interviewees

Guido van Dieren has been organising events in Rotterdam for over ten years. He has two running club nights, 360 Degrees and All Eyes On, at the cultural venue Bird, located in Rotterdam. Next to a club, Bird is also a concert venue and restaurant. Guido is also a curator for Bird, he decides which acts will eventually perform at Bird. He is also a DJ himself and performs regularly. His sound can be described as being soulful, covering everything from house to afrobeat and funk.

Patrick Marsman is a DJ and the founder of Pinkman and Charlois. The music that Patrick releases on his labels must evoke some sort of irresistible feeling out of him. Pinkman is home to the more straightforward house and techno tracks, Charlois the more experimental electro and disco tunes. To Marsman it is important to have a personal connection with the artists he collaborates with, to help their careers and create a network of likeminded people he can enjoy music with. He recently started the Rotterdam based online radio station Operator, a station that focuses on local independent music. With this project, he hopes to bring the different music scenes of Rotterdam together.

Annika Wetzel (she prefers to be called Ann) is a DJ, producer and co-founder of the Beatmakers Union, a project that brings musicians and music lovers and collectors together to make music together and have a good time. Ann also started ANUS Records as an outlet for her love for experimental and bass driven music. You will not find perfectly produced tracks on ANUS, above anything else it has to be organic and touching. 'Be odd, be future, be not too serious' is the slogan, which partly explains the record label's name. With her label, Ann has her own radio show on Red Light Radio and she recently started her own radio station PlusPlus, a platform that aims to bring art and technology closer together.

Techno will not get that much darker than the releases of Mord, the label founded by Rotterdam native Bas Mooy. It reflects the personal taste of the experienced DJ, producer and party organiser, who has been active in the scene since 1999. Bas stayed true to his sound and preference for techno, even in the days of the softer minimal takeover. His hard work paid off, as the techno world has embraced his sound, with regular Mord label nights at institutions like Berghain. Bas also has his own booking agency, through which he manages 32 young and talented artists.

Marco Grijssen started from scratch, over 25 years ago. He was passionate about drum & bass music, but there was not really an established drum & bass scene in Rotterdam back in those days. He decided to take matters into his own hands and started a magazine, a record store, he organised parties, he became a DJ, and he started his own label distribution company under the name Triple Vision, which until this very day is one of the most important techno and drum & bass labels and distributors in the world.

Observation and participation

There have been two observation and participation moments that have enabled the researcher to immerse himself in the role of an intermediary in the independent electronic music industry and face the issues that come with this role. The first moment was the opportunity to create an own independent electronic music event in Rotterdam. The project course Applied Entrepreneurship for the master's degree *Cultural Economics & Entrepreneurship* at Erasmus University in Rotterdam proved the researcher with the opportunity to create an own event. Next to people in my own network, this event extended my independent electronic music industry's network immensely and provided me with most of my interview contacts. A log transcript of the process of creating, managing and evaluating this event can be found in the appendix (3). Another observation-participation moment was the opportunity to follow music entrepreneur, gatekeeper and intermediary Patrick Marsman for a day and aide him with his work as a record label owner. He invited me on that particular day because he had to prepare two of his latest record label releases. An essay of this observation-participation moment can also be found in the appendix (2).

Literature review

To gain insights on the cultural sector in Rotterdam, the municipality orders the Rotterdamse Raad voor Kunst en Cultuur (RRKC), the Rotterdam Council of Arts and Culture, to investigate the city's cultural sector and write a sector analysis report every four years. These analyses give important insights by analysing data gained from actors in Rotterdam's cultural field, and also provide a consumer perspective. The report checks its findings with guidelines provided by both the national and local government, and highlights trends that occur in the cultural sector of Rotterdam. It also provides the sector with a SWOT analysis and implications. In 2010, the municipality received worrying messages from actors that are active in the local dance and club sector. Rotterdam's nightlife was in crisis, which is why the municipality ordered the RRKC to analyse these particular sectors to find threats and solutions. This particular sector analysis proved to be really useful for this research, as it focuses specifically on the dance and club sector, which also covers the scenes and niche markets of the independent electronic music industry. Links to RRKC's sector analyses are provided in the appendix (1).

4. Findings

Changes in the role of the intermediary and the gatekeeper versus changes in taste formation – Digitisation and the rise of new online platforms have not caused for dramatic changes for the gatekeeper role of the intermediaries in the independent electronic music industry. Online platforms have just created new forms to find, listen and share music. The industry's intermediaries and gatekeepers use these new sources to discover new music, but so does the audience. Online platforms have made it easier and cheaper to find music because of diminishing search costs. The intermediaries do acknowledge that these platforms are starting to become a kind of gatekeeper themselves, or at least have given the audience some power in decision-making. For themselves it is more of a supplement for their work. The music entrepreneurs acknowledge that digital platforms have created of valuing system based on content and the amount of likes, views, plays and the like, and that this valuing system influences their decision-making. One of the music entrepreneurs argues that it influences his gatekeeper role as a programmer:

"Yes, if I book an act I get to know how much plays it has on Spotify, with a thousand plays in Amsterdam for example. These statistics are really used by people in the industry; they really take it into consideration. It is the same for Youtube. If I book an act I will also look at the amount of people that have listened to their music on YouTube (Guido van Dieren)."

The industry's intermediaries do not see their gatekeeper roles being taken over by online platforms or eventually by the audience. The audience will always remain a gatekeeper for themselves or for their friends or family, and only for the purpose of consuming music. The music industry's gatekeeper and intermediary have the roles to select music and musicians for the purpose of selling or promoting it to a larger audience.

The music entrepreneurs do see increasing changes for their roles in the future, but have different opinions about which directions these changes will go. They see an increase in music that is being produced; you simply cannot keep up with everything. This is why online platforms that will to that work for you will become bigger and more prominent. Some argue that the influence of platforms as intermediaries will increase. Even though the music entrepreneurs are the ones that mostly decide what will be put online on those platforms, they feel that the platforms themselves will have more of a say in what they will make available, which will eventually come down to who is willing to pay the most to remain visible. This is exactly why some of music entrepreneurs think that their own role as intermediary and gatekeeper could or should become more important in the future, as a way to fight the influence that the strongest players in the music industry will have on these online platforms:

"Yes, I think that the filter role of online platforms will become much more important in the future. It is a development that you can see initiating right now, because it is impossible to keep up with everything nowadays. That is why I think that platforms that will do it for you will gain importance in the future. You already see it happening with Facebook and Instagram; they have recently adjusted their algorithm. That might have been initiated by the latest events surrounding the presidential elections in the United States. Those online platforms are making you live in a bubble in which you only get content that you know you will like beforehand. You are seeing content that your friends like, whom often times are in the same bubble. So you are not receiving any oppositional input, you are not receiving things you actually do not like and could enable you to take a stand against it or to at least think about it. We are not receiving those impulses (Annika Wetzel)."

She goes on by stating that the government will have to play a role and come up with policies to fight this type of unfair competition. It is a danger that will be faced by society as a whole, because people will live in their own bubbles, without any input from opposing concepts and ideas, which could damage society. The recent emergence of fake news is a precursor of what will become more prominent in society.

Digital platforms are starting to influence the consumer's taste formation like the industry's music entrepreneurs are doing with their gatekeeper roles. One of the music entrepreneurs states that:

"These platforms are most certainly influencing the consumer's listening behaviour. That is why there is this new kind of movement coming up lately that listens and

plays a lot of African music for example. You basically do not have to pay any money for it, or at least not that much anyway. So there is a lot of music that you can consume for free, and you will not go to the record store every week to actually buy the music because you have a limited budget, so you just buy a few records. Before digitisation those were the only records you knew, the ones that you actually bought. You would get some records every week, perhaps every month. So yeah that has changed completely, and I think that it most definitely is influencing the consumer's listening behaviour (Guido van Dieren)."

New platforms have a role in taste formation for both the intermediaries as well as the audience. Search costs have dropped immensely because of digitisation; everybody has the ability to listen to free music. Instead of only going to the record store, club or tuning in to a specialised radio station for new music, people can go online and discover music with the use of online platforms, with little to no limits. On the other hand, online platforms also took down some barriers for artists and made it easier for them to share music, without the interference of any intermediaries:

"These platforms have become important players. We once started with a goal, with an initiative to share music. If I look at myself as an artist, but also by looking at others, I see that as people we are quite introvert, at least most of us are. These kinds of platforms have given us the possibility to share our music directly, whereas you first had to actually release before people actually heard of you as an artist. Nobody would have a clue if you actually were making music. So in that sense producers (electronic music artists) are easier find and approach (Annika Wetzel)."

<u>The formation, fragmentation and professionalization of Rotterdam's independent electronic music industry</u> - The findings convincingly confirmed that the independent electronic industry is divided into a wide amount of small niche markets and scenes that are split by genre and subgenre. All the experts of Rotterdam's independent electronic music industry that I interviewed, the experienced music entrepreneurs, wanted to make sure that they could only speak for themselves or their own scene, whenever I asked something about the scene in Rotterdam. They always followed by referring to the certain genre, subgenre or style they were related to. This resulted in different takes on their thoughts about the scene in Rotterdam, which can be translated into their thoughts on their own

respective scenes in Rotterdam. What followed were distinct answers, sometimes even contrasting. One of the interviewed music entrepreneurs answered:

"From what I am doing, you could say that the scene is quite small. I got the feeling that I am almost the only one. At least I do not know that many organisers that are in the active in the same sound. I guess the scene, at least for the soulful sound, can be considered a quite small one (Guido van Dieren)."

While another music entrepreneur responded:

"It is strong, I think it is a healthy scene. There are a lot of record labels that I find interesting, loads of interesting deejays as well (Patrick Marsman)."

During the interviews, it became interesting to find out why this fragmentation took place, and why some of the styles and genres catch on in Rotterdam, while others find it more difficult to operate in this city. One of the most experienced entrepreneurs, he has been, and still is an active member of Rotterdam's independent electronic music industry for 25 years, acknowledges that there is an on going process of fragmentation taking place:

"… Nowadays people find something cool that was happening ten years ago, then another group likes this other sound, others like that sound, which is not purist enough for yet another group. At one point you have thousands of different things, which all used to be one thing ten years ago (Marco Grijssen)."

This fragmentation process is linked to the industry structure, which exists out of micro labels that focus on genre or subgenres, each with a corresponding community. Shifts in style by the audiences are the main trends. I asked the music entrepreneurs why they think that certain styles, genres and subgenres tend to be more present in Rotterdam, while others are struggling to establish themselves in the city. All of them pointed out that an important factor could be the city's history of electronic music. One of the music entrepreneurs argues that:

"What plays a role is our history of gabber. The fact that we had a huge gabber scene has had a major influence on Rotterdam. The little brothers, or maybe even the children of people that were part of the gabber scene must have been influenced by what their elder brothers or parents were listening to. It does not necessarily mean that they listen to gabber as well, but I could very well be that affected them in their taste for the harder styles of electronic music (Guido van Dieren)."

Gabber is a subgenre and subculture that originated in Rotterdam in the nineties, and it became quite popular. This subgenre was a really hard and fast tempo style of electronic music. Even though popularity has decreased significantly, the interviewees find the emergence this phenomenon to have an important role in taste formation and consumer preference today. They see a correlation between the popularity of the harder styles and subgenres of techno, house, electro and drum & bass in Rotterdam today, and the rise of gabber in Rotterdam in the nineties. Another music entrepreneur adds that:

"Rotterdam has always been a tough and rough city, it is really straightforward, it has some power in it. (…) Rotterdam has the port with its docks… It is much more straightforward than Amsterdam. I like it, I really feel at home here (Patrick Marsman)."

The city's rawness made these harder styles connect more to the youth of Rotterdam; the softer styles are the ones that do not seem to match with the city's DNA.

Another, more experienced music entrepreneur argues that the scene has grown tremendously over the last twenty years, accompanied by a high level of professionalization. This has threatened the communal aspect of the independent electronic music scene in Rotterdam:

"I think that the scene has grown tremendously, and I have been actively participating for 20 years now… The first party I organised was in 1999 or 2000, which is already 17 years ago. What was the name of the venue? Anyway, we could rent a space there. We wrapped things up in aluminium foil and stuff like that. We were real amateurs back then (laughs). But the fun we had back in those days! Looking back and comparing it with the current state of the scene… I mean, take the production of Rotterdamse Rave for example, with about 5000 guests. That was unthinkable back in the early days. You just had a few organisations that created events for the maximum of 600-700 guests, which was fine and went well. These few organisations had an event every couple of months, so it was less competitive. It most certainly was not about the money. We did everything just for the sake of techno, and to give the people a good time. The entry fee, for example, was as low as possible, about 5 euros, 7 tops. It is not like nowadays, with every organisation

having 'early rave' tickets for 13 euros, 'late rave' tickets for 19 euros, and 'oops I forgot to get a ticket' tickets for 26 euros. That was not what we were about. But then again, there are two sides two every story. On one side, the professionalization of the scene has been beneficial to both artists and the audience as well, as the experience of the events has improved. On the other side, the innocent and amateur-like approach of the early days also had its charm (Bas Mooy)."

The growth of the most dominant house and techno scenes has attracted players that are mostly in it for commercial gain. It is getting more about profit and less about the love for music, which is how all of these scenes started. But they acknowledge that there will always be a core of people that are passionate about the music that are what keeps the scene alive. The growth of some of the events one of the entrepreneurs was organising made it less interesting for her:

"What I have noticed with Beatmakers Union is that is has grown and is becoming quite big. We started off small like a family, but that communal feel is lacking right now. That is also the reason why we have decided to organise these events less frequently. Lately organising the events turned out to be a huge operation. But basically we are just producers (musicians) ourselves, we started these events because we just wanted to make music. At some point we are just busy organising everything, also during the event itself (Annika Wetzel)."

The entrepreneurs acknowledge that the process of professionalization has brought benefits to both artists and the audience, but the scene is losing its charm.

Initiatives are taken to fight the negative consequences of the local independent electronic music scene's on-going professionalization and fragmentation. Music entrepreneurs started online radio stations in an effort to bring different scenes closer together and create a place where different young upcoming artists and entrepreneurs can meet the more established ones. Specialised radio stations have always been important hubs for independent electronic music communities, and such a platform has been lacking in Rotterdam. One of the entrepreneurs explains why he started an online radio station:

"Well for me, from my point of view, and I think other agree with me on this, I find it really important to make different scenes and styles of music in Rotterdam to connect with each other. I think it is great to create a place where both known and

unknown artists can meet. By doing so I try to bring more music to Rotterdam. We focus on local music and local musicians; we will firstly look in our own city. The type of genre is not important. Sure, I am connected to a certain sound and genre, looking at my record labels and myself as a deejay. However, what I want to achieve with the radio station goes far beyond my own taste in music. I just want to look at people that are passionate and willing to start exciting initiatives in Rotterdam. To me, it is important to give these people a platform. That is mainly why I started the radio station actually. Other then that, Rotterdam was missing an online radio station while Amsterdam has Red Light Radio, The Hague has Intergalactic FM and Utrecht recently started Stranded. I have been involved in radio for five years, so I know how much radio can help to push your career. You also learn a lot from it. I like to do radio, and I imagine that more people in Rotterdam feel the same way about it; they just did not have a place for it. By launching Operator we have created such a platform (Patrick Marsman)."

This social aspect of independent electronic music, the willingness to serve the community and help others out, is strongly felt in Rotterdam and is considered to be of great importance by its music entrepreneurs. Others have helped to push their careers and they are willing to do the same for others. While one releases music made by his friends on his record labels, another entrepreneur started a booking agency and helps young emerging artists with the start of their careers:

"I talked with three big booking agencies, who did invite me over to talk with them, but they eventually chose someone else. Then I was like, looking at it from a DIY perspective, you know what, I am going to start my own booking agency. Sure, I am probably the biggest artist on its roster, but there are also a lot of young lads that are around my level or that are just started recently with their careers. It is nice to see that they are doing well and that I am able to help them. We started with one agent and now we have three, with two of them working fulltime. It really has become a company, which allows me to provide the two agents with a job in the music industry. For me it is important to help people, it is something I have always done. Every now and then I take some time to help people with how they have to start a label or what they have to take into account when it comes to Buma/Stemra (the Dutch music copyright entity), stuff like that. Not placing yourself above others

and being helpful to others, that is really important to me. I think that I have this attitude because I also got a lot of help from others when I was just starting my career. I am really thankful for all the information I got; it was the final push I needed, without that push you mist likely will not make it. I am sure that everybody in this industry had one or two people that gave them that final push (Bas Mooy)."

<u>*Attitude towards new online platforms and personal branding*</u> – The entrepreneurs are mostly positive about the new online platforms that have emerged and shaken up the music industry. One of the music entrepreneurs argues that the introduction of new online platforms has given the underground some strength and more freedom to do its 'own thing', while also filling the gaps that are left behind by the mainstream music industry:

"Thanks to these developments we were able to exists because there was a vacuum that arose. The big players wanted to make money; everything is about money, eventually. But this is not the place to get big amounts of money any longer. That is when people like us step up. I mean, for us it is about the money as well, but not like that. We are here to realise our dreams, for the love of music and passion for vinyl, we are happy to earn a bit less money. Only a few will make the decision to work hard for twenty years. Mostly it are just a few, the others want to have a lot of money on the bank in a short period of time. So yeah, we are here right now, we made it. I do not think it would have been possible if there were a lot of money to be made. There are always these predators lurking that want to invade and gain power. It used to be really awful, with everybody fighting each other, but those days are over (laughs). Everybody is just doing his or her thing now. So yes, it does give the underground certain strength, you can basically do whatever you want (Marco Grijssen)."

Other music entrepreneurs do not necessarily see the rise of new online platforms as something positive or negative, it is mostly just different:

"Well one of the advantages is that I do not have to go out in the cold and spread flyers all through the city (laughs). But yeah I do not see it as a bad or good thing; it is just different. You basically conform yourself with how all the others are promoting their events. It is almost impossible to promote an event without using Facebook, for

example. You just have to think differently about promotion. Hanging posters is different than making Facebook posts (Guido van Dieren)."

Some of the entrepreneurs argue that the introduction of online platforms has made the market become more competitive. Others say that the formats are just different; there has always been competition between people that do the same:

"Well, let me you like this: if you want to start a record label, a party or a radio show, you are not doing something new, it already has been invented. It was the same back in the day. If you wanted to start a band, I am talking about the time of our parents and grandparents, you were just one of the many bands. I just think that it is another format or tool nowadays, but the competition for doing the same thing has always been there (Annika Wetzel)."

The rise of new online platforms has created new kind of values, new forms of valuating artists and events in the independent electronic music industry. Even though the quality of the music will always be the main factor for decision-making, organisers now also look at the artists' ratings on online platform before making a decision. How many likes does an artist have on Facebook? How many YouTube views? What about the amount of plays at Spotify? All these questions are starting to become more relevant for music entrepreneurs in the independent electronic music industry:

"Nowadays it is more like: alright, if we book this guy with 6000 likes we are able to post this and that, which enables us to reach this amount of people… Things are a bit sharper now, but you cannot blame them. It is a scene that is maturing and keeps on developing (Bas Mooy)."

The music entrepreneurs acknowledge that this type of online rating should be analysed and looked at carefully. The music entrepreneurs are aware that these types of online valuation are not always what they seem and say little about the actual value of an act or product:

"Yeah, things like YouTube and SoundCloud are signals that you have to pick up, it is part of my function now. As a gatekeeper you have to know what is going on. This type of data could be indicators and show that something might work, but you can never be certain if something will actually work for your organisation or location. If I book an act that has one million likes, but all these likes are coming from Spain, than

it still might not work in your city. You just try to get a clear picture by adding every piece of information together, and then you make a final decision. You ask yourself: do I find this act interesting enough? Do I dare to book him or her? Do I dare to take the risk? So yes, it most certainly has some kind of influence on my decision-making (Guido van DIeren)."

This new type of rating system has created new types of superstars in an industry that has not been that constrained by the superstar phenomenon like the mainstream music industry has been and still is. Some artists and organisations have gained immense popularity for underground or independent music standards, and have a big amount of followers on social media and other online platforms. Because of their big number of followers, these popular artists and organisations are starting to have increasingly important roles in the audience's taste formation:

"*I think that, thanks to organisations like Dekmantel (one of the biggest independent electronic music organisations in the Netherlands), a lot of disco deejays are able to have a lot of gigs in the Netherlands, or at least play at parties that promote their kind of house. You can also see it online. If Dekmantel posts something online on one of their channels, it gets a huge amount of likes. If I post the same thing online, it will just get three likes or something like that, they will get 300 likes. So they most certainly have a role as tastemakers. It is interesting to see how this strength is being used, or not used, to see what can come out of it. It must be exciting for such an organisation to be able to stir people a little bit towards new sounds they can hear. Sure, there is a limit to what people will accept, some things will not be appreciated, but they do have an influence on taste and stuff like that (Guido van Dieren)."*

Online platforms also created new ways of promotion, focusing on creating content as a promotion tool for different actors in the independent electronic music industry. Content marketing is taking the independent music industry by storm. It is becoming the standard for music entrepreneurs and organisations to provide their audience with content and share this on social media or other online platforms. Every deejay shares recorded sets on SoundCloud for example. Some of the music entrepreneurs see this new form of promotion as a bad development, especially regarding the social media platforms, which are intrinsically linked with the other music orientated platforms and are essential for promotion. They feel that they had to reinvent themselves:

"Especially regarding communication. You have to master some of its tricks. You have to know that you have to post something on Facebook from 4 until 6 pm because then you have more reach. You have to now that you must always post something with a photo, things like that. Or else nobody will see your post. You are being shaped by those platforms in a way. Actually it is completely ludicrous thinking about it, that Facebook decides these things for you. So yeah, you are forced to adapt your communication, to make your posts and content likeable. If you have news items that you would like to share, you have to narrow it down to two sentences or else nobody will see it, but what if you have more things to say? I actually find it really disturbing (Patrick Marsman)."

After marketing has also become a common phenomenon. Photos and videos are made during events, which are shared afterwards. It gives the audience a sense of extending their experience; it becomes more than just the event itself. It also extends the dialogue between audience and organisation or artists, which keeps the audience excited for upcoming events. Artists have proof that they have performed somewhere, which can serve as a promotion tool for future bookings:

"It is important for an event to have content that can be used afterwards by the organisation. It has become a part of marketing nowadays. First you have the marketing before an event, but now it is also about the marketing after the event. It is also a good thing for artists that they have something to share, because I feel that you have to be able to proof that you performed somewhere before you can claim that you have performed there (laughs). It has become some sort of status quo to meet with such demands (Annika Wetzel)."

The visibility of artists and organisations increased, which makes brand image and personal branding more important. How to cope with the newly acquired visibility, created by new online platforms, is not a one-way street. Some entrepreneurs argue that you will have to be active in every platform to make it in the scene. An argument is that there is little to no correlation between the records that are being played by the deejays and record sales, while this used to be a common way of music promotion in the independent electronic music community:

"There will probably still be a group of passionate music lovers that will get excited about it, but we as distributors do not see any correlation anymore between what kind of track a famous deejay plays and the sales of that record. There is only one deejay that does have a correlation with record sales, which seems to be Ricardo Villalobos. But other than that you have to be on a lot of places. Which leads us to what we were talking about: everything has been spread out in different sub groups. It is nice to be popular on Facebook, but if you are on Bandcamp as well, people will have to find you there as well, all the DIY folk are over there… Spotify includes people that have a lot of money. They are like: I will just get a subscription, I do not care for how much, I will just pay something like 10 euros and listen all day. People from the United States are not on Spotify. How do you reach them? So you will have to be everywhere and take every sub group into consideration (Marco Grijssen)."

Other entrepreneurs argue to just see the new online platforms as a supplement for marketing purposes, and therefore choose carefully which of these platforms fit your organisation:

"These platforms are a kind of supplement for your projects. It has its value if we look at it marketing-wise. It might be that these platforms help you to survive as a business, but you will have to back it up with a decent marketing strategy and find out what fits your record label, for example. If you want to remain underground or something, you will have to look at what type of platforms are available and which ones are being used in your scene. I think it differs in every scene. I can imagine that the more mainstream music scenes are more on Beatport, so to say, instead of SoundCloud. It also depends per country and from which location you want to distribute. If you find yourself being active in the Japanese market for example, you will have to find out what is being used over there. I would not start to use every platform out there, make well-thought choices instead that fit your vision as an organisation (Annika Wetzel)."

Increased visibility has not made it harder to differentiate you from the rest, the introduction of online platforms have just made it different. It does emphasise the importance of attaining knowledge and knowing how to put it to use. Obtaining a powerful network has always been important in this industry, but the increased influence of image building has made networking even more important:

"It is impossible to talk about it being harder or easier, it is mainly just different, it is both easier and more difficult because of that. It is about knowledge and how you put that to use. Everybody does exactly the same, with the only difference being that it seems to work for some while some do not make it. It also depends on your network and being able to apply it well by making the right choices. In that sense it could be more difficult now, but I am doing it with ease, things just start to work out themselves. It is a lot easier, in that sense, because there is so much more information and network opportunities out there (Marco Grijssen)."

Overall, there is a strong believe that quality and creativity will always prevail and people that genuinely care about your product or service will always find you, no matter the increased visibility and fiercer competition. There is no reason to think in platforms, a music entrepreneur just has to focus on a vision and in what he or she believes. This art for art's sake principle, with a focus on the quality of music and an emphasis on innovation and creativity, is strongly felt as being the most important for their projects and activities. All of the music entrepreneurs share this feeling and feel that a strong believe in your music will overcome every obstacle:

Yes, there is a lot of music coming out, but if you keep believing in what you do people will eventually find you, I am not worried about that. Five years ago, Beatport had 10000 releases a day; it still has to this day. So yeah, people that are sincerely interested in your music and want to go deeper will find your music, that is something I truly believe (Patrick Marsman)."

"Yes, quality will always get picked out eventually. If I look at the artists that have released on my record label Mord for example, it is like searching for gold between all the muds. The mud will fall apart and only gold remains. That is how I see it regarding the artists I am working with. So in that sense it does not matter how much mud is out there, the gold is somewhere out there as well and if you look good enough you will find it (Bas Mooy)."

Even though the music entrepreneurs do not feel threatened by new online platforms and could easily adapt and cope with the new changes, they did have the need to start initiatives that would give them more freedom and make them less dependent on online platforms. Three entrepreneurs indicated that they are working on projects that will give them more independence. They want to create their own online platform, which more concretely can be described as a website, a web shop or a central hub. One of the entrepreneurs on his future plans:

"I want to extend the record labels. After the summer I want to add a web shop. I am doing everything via Bandcamp at the moment, but I want to reduce it a bit. Both Pinkman and Charlois do not have websites, so I am always dependent on third parties; SoundCloud, Facebook, Bandcamp and the like. I want to have something that is my own. It will take some time, it has been put on hold because of my other projects, but it will take flight after the summer. It will have to become a gathering point. I want to use it as a way to sell my music, but I also want it to be a place in which the user is able to find everything. Sets of artists that are affiliated to my record labels, and I am also thinking of selling records of other Rotterdam record labels that are related to my record labels' sound. It will make it some kind of central hub, at least that is the plan behind it (Patrick Marsman)."

A shared feeling is that digitisation and technological innovations have made people less patient. One of the music entrepreneurs argues this has made it more difficult to stand out from a growing number of artists and events, which has made the industry more competitive:

"I think things are a lot more difficult because everybody has the idea to make it in the scene as fast as possible. Formerly, things went smoother and more natural, because you had to work really hard for it. Because you had to invest a lot of time, money and energy in it, a lot of people eventually gave up, while those same types of people now try to take the easy road and immediately start to send demos, for example. In the early days you had to buy hardware first. Nowadays, not everyone will spend between 5000 and 10000 euros on equipment. Only people who truly love the music will do so. While the filter used to be at the beginning of the process, it is currently at the end of the process. That is why a lot of garbage squeezes through (Bas Mooy)".

Reduced search costs and easy access to music, information and equipment have made people less willing to spend more time on their projects, they want to see fast results. Impatience is at the cost of quality and creativity, whether it is a deejay that is not willing to take risks, a musician working less time on a track, or a promoter not thinking through a party's line-up. By taking your time for quality, you will be able to swim against the stream and stand out even more, argues one of the music entrepreneurs:

I have noticed that waiting is becoming much more difficult in an increasingly faster world. (…) Everything is just going a lot faster, so maybe it is important to fight that process by slowing down and taking time for something qualitative. This approach might be something for a new business (Annika Wetzel)".

It damages the DIY mentality, as people are less willing to take risks.

<u>*Using DIY mentality for creativity and collaboration*</u> – Firstly, all of the interviewed music entrepreneurs can be considered great examples of DIY mentality and proof that this spirit is still alive in Rotterdam's independent electronic music community. All of them started multiple projects, next to being artists, which helped to build up their respective scenes in Rotterdam. When asked about their different projects and why they take on these different intermediary and gatekeeper roles, one of them responded:

"That is just how I am, a megalomaniac (laughs). I just want to stay active and do a lot of different stuff. You have to though, or else you will not get enough (money) out of it. So you get ten euros from here, ten euros from there, enough to get you trough the month. So that is one of the main reasons as well. Another important reason is: if it is not there, you have to create it yourself (Marco Grijssen)."

All of the other entrepreneurs had at least one of these reasons as well, while adding that they do it for the love of music and being passionate about it, and also because of their environment; all of their friends are also involved in a multitude of different projects, it has become the industry's standard and the current zeitgeist in general:

"As a person I cannot do the same thing all the time. Other than that, it is something practical, because I cannot make a living by just running a record label. I am also a deejay because I like to do that as well. And well, I think it is something that is related to my generation. Most of my friends are involved in multiple projects. I am an entrepreneur so I like the diversity and excitement to start new projects (Patrick Marsman)."

Mixed responses were given when asked about whether the entrepreneurs find the DIY mentality to still be present in Rotterdam. Some praised Rotterdam for having a vibrant scene with many new initiatives popping up all the time. There will always be people that want to start something, but might hear a 'no' from the established institutions, from the clubs and record labels for example. Some of these people are passionate enough to start something themselves instead. The clubs BIRD and BAR are named as great examples of Rotterdam's strong DIY tradition. The people behind these established clubs started with throwing parties and events before eventually growing towards being considered a well-known club. Others found the Do It Yourself spirit to be lacking in Rotterdam. This was also one of the conclusions of the report conducted by the Rotterdam Council of Arts and Culture (RRKC), saying that Rotterdam's clubbing and dance sector needs to take more initiative and be more creative:

"The Rotterdam Council of Arts and Culture finds that that the dance and club sector of Rotterdam has the potential to overcome its troubles if the sector changes to a more active, entrepreneurial and creative stance, and becomes more persistent when it comes to working on achieving more quality all around (2010, p. 2)."

Another conclusion of the Council's report suggests that the dance and clubbing sector should emphasise on offering an innovative and distinctive program to Rotterdam's nightlife audience:

"The Rotterdam Council of Arts and Culture calls out the entire dance and club sector to create an innovative and distinctive program and make it their focus point. An example would be to look beyond its own sector and explore and collaborate with other genres, styles and cultural institutions. It is clear that subsidised institutions will take part in any collaboration. Other private companies could also contribute with artistic and distinctive initiatives and possibly receive funds from the municipality by applying for a project subsidy, for example (2010, p. 2-3)."

This lack of diversity is also felt by some of the music entrepreneurs, with one saying:

"I think that the scene in Rotterdam should be more diverse. I would personally like to see more of a balance, to see the small niches get a bit bigger and the bigger ones a bit smaller." … "There is too much of the same. The same deejays are being booked, always the same local deejays as well (Guido van Dieren)."

Music entrepreneurs argue that there should be more collaboration between the scenes in the independent electronic music industry, as well as with other scenes and spheres outside of this industry, with the technological sphere as an important partner. Working together will spark creativity and boost innovation in the scenes.

<u>*The scene's infrastructure*</u> – All the interviewed entrepreneurs acknowledge that Rotterdam is starting to recover from a negative period in which all of the important and innovative clubs and music venues were forced to close. This is confirmed by RKKC's cultural sector analysis of 2007, which refers to electronic music and club culture as pop music. Especially the closure of Nighttown in 2006 left a big gap:

"Never has there been that many discussion about pop music in Rotterdam around the time that Nighttown had to close its doors. The closure did not only created an acute shortage of pop concerts, it also was seen as a symbol of the downfall of what used to be the hip and cultural city of Rotterdam. The problems at other clubs and venues like WaterFront, M-Plex, Maassilo and WORM were looked at completely different because of the closure of Nighttown (2007, p. 150)."

There was not much to do in that period (from 2006 until approximately 2011) for independent electronic music lovers in Rotterdam. This was also one of the main reasons why the municipality of Rotterdam started the report on the dance and clubbing sector in 2010 as it damages one of the goals of the municipality:

"According to a number of organisers and other parties involved in the dance and club sector, it are worrying times for this segment of Rotterdam's nightlife scene, some even speak about a crisis. The municipality of Rotterdam is motivated to give its citizens a lively and diverse nightlife scene, especially for the groups it wants to attract and maintain: young adults and the higher educated. This ambition can be found in the municipality's long-term visions to make the city, especially the city centre, attractive for its inhabitants and visitors. These visions will be further elaborated in the municipality's policies. The previous alderman of Culture, Participation and Environment has delegated the request for inventory, analysis and advice to the Rotterdam Council for Arts and Culture. Worrying messages from within the dance and club sector were another convincing reason to do so (2010, p. 2)."

This confirms the importance of clubs in an independent electronic music community; they can be considered the backbone of these scenes. The rise of new initiatives and the opening of new clubs like Perron, BAR, BIRD and Toffler have made Rotterdam’s nightlife more vibrant. At present, every weekend in Rotterdam is filled with dance music events. Still, there is some room for improvement. To keep evolving, some of the entrepreneurs argue that the scene needs at least one more club to open. Depending on the scene, one of the entrepreneurs argues for a smaller club with a capacity of around 200-300, with room for more experimental and innovative programming:

“Rotterdam could have some more clubs. I really miss a smaller club, BAR used to be like that but it is already too big now actually. So a small club with the opportunity to host experimental initiatives. Perron used to provide us with such a place, but I heard that they would reopen after the summer. Such a space is missed here, a real techno dungeon (Patrick Marsman).”

Another entrepreneur finds Rotterdam to lack a bigger club with a capacity of around 600-800, which could function as a real independent electronic music institution and draw people form outside of Rotterdam:

“To be very specific, what lacks in Rotterdam is a club for around 600-800 people, such a place just does not exist here. On one hand, the scene in Rotterdam is thriving because there is a lot of stuff going on, but on the other hand a need in the marketplace is not being served. I know that there are a lot of guys with plans to start such an initiative, but Rotterdam is difficult, not that viable, so who will step up? Looking at Factory010, or Maassilo in general, it is a shame that it is such a money-driven rental place because it has Berghain (a well-known club in Berlin) potential. You just need someone to take control of their weekly programming. But somebody has to step up and invest as it has the potential to attract people from all over Europe, I am 100% sure of that (Bas Mooy).”

Another key hotspot for a local scene or community is the record store. It is the place where both deejays and fans can find and buy electronic music. Instead of an online retail store or platform, the record store provides music entrepreneurs with a great network opportunity and the ability to meet likeminded people. It is in these kinds of places that ideas spark and new initiatives are being planned. This was especially the case during the time that Rotterdam’s nightlife was in a free fall, recalls one of the entrepreneurs:

"Clone (the most well-known record store in Rotterdam that provides independent electronic music) was an important place to meet people, a record store in general is a good place for that. We met people in no time that were also planning to do stuff, which was really good (Annika Wetzel)."

5. Conclusion

This thesis aims to contribute to our understanding of the impact of digitisation on the independent music industry, especially by focusing on online platforms, which can be considered the most recent humdrum innovations in the music industry. The study wants to expand our knowledge on the affects of the introduction of new online platforms in the independent music industry's structure. To narrow it down, the case highlights the role of the intermediary in the independent music industry, which with its gatekeeper function can be considered having a vital role in this cultural industry. The gatekeeper role of the intermediary has been the study's main focus Even though a case study has its limitations as it does not allow for broad generalisation and its explanatory value is restricted by the nature of the case (Yin, 2012), the in-depth nature of this study proved to provide useful findings that might not be generalizable for the creative industries, or even the music industry as a whole, but it certainly has the potential to contribute to answers and pathways for further research on the independent music industry and the industry's intermediary and gatekeeper roles.

The case, which situated in Rotterdam's independent electronic music industry, suggests that the gatekeeper role of the intermediary is not changing dramatically due to the emergence of new online platforms. However, online platforms due start to filter out music themselves as well, even though this gatekeeper function is still done by the intermediaries themselves. The case suggests that online platforms will grow and become important intermediaries and gatekeepers in the future. The intermediary and gatekeeper roles of the industry's 'classical' intermediaries, the actual reviewers, radio hosts, deejays, record labels and other music entrepreneurs, will never go away though. The independent electronic music industry has proven to adapt easily due to its lean DIY structure (Tessler and Flynn, 2016). Some future problems for the industry might be that online platforms can be increasingly influenced by power structures. It could lead to a filtering process that does not focus on quality, but on who is willing to pay the most to gain visibility. Tessler and Flynn (2016) share the same thoughts about online platforms and argue that DIY ideals have been supplanted by ideologies that serve the content agendas of the platforms. That is why this study argues that while digitisation, the rise of online platforms and technological innovations in general lowered entry barriers and caused for the emergence of the D2F business model in the independent music industry, the prospect of increasingly powerful and influential digital platforms could indicate that market access will be made difficult, even via these once liberating D2F platforms.

This study's findings state that online platforms have made the music entrepreneurs in the independent electronic music industry more visible, which resulted in an increased importance of brand image and personal branding. Online platforms help with personal branding because these platforms also function as promotion tools. Creating content and sharing it via social media and other online platforms has become independent music industry's most important promoting strategy, due to the platforms' network externalities. The focus on online content created a new type of valuing system that grades the music entrepreneurs online content by looking at the amount of likes, views, plays and the like, which affects the decision-making process of both consumers and music entrepreneurs. The music entrepreneurs do question the value of these ratings as it says little about the actual relationship between the fans and the artist, which corresponds with the vanity metrics concept of Ries (2011). This new type of valuing system does have initiated a different type of superstar phenomenon (Rosen, 1981; Schulze, 2011) in the independent electronic music industry, with an increasingly important role in taste formation for artists and organisations with a big amount of followers on online platforms.

Increased visibility for everyone has not made it more difficult to differentiate you from the rest; it is mainly different, with an increased importance for knowledge and networking, some of the core entrepreneurial skills that have always been important in the music industry but have gained importance because of the emergence of online platforms. Therefore, it can be stated that the facilitated market access, provided by online platforms, have not made any changes to *nobody knows*; this principle holds ground as the uncertainty and symmetrical ignorance that comes with operating in the music industry (Caves, 2003; Towse, 2011) remains the same.

Even though the increased significance of creating online content and the corresponding consumer relationship for the music entrepreneur, the creativity and innovativeness put into the music or end product itself will always remain the most important, the core business, for the independent music entrepreneur and has always been, and will remain to be so, the best way to differentiate oneself from the rest. This indicates that the independent music industry's art for art's sake principle is still key to its existence and further development, which corresponds with the conclusions made by Hesmondhalgh (1998) and Tessler and Flynn (2016).

DIY is still considered the foundation of independent electronic music and has not lost any importance because of recent D2F developments caused by digitisation and online platforms. It is the industry's standard to start organisations and events of your own. Next to both ones own entrepreneurial spirit and the environments' DIY climate, necessity is also a main factor to start something of your own. It is unlikely to make ends meet financially by only being a musician, owning a record label or deejay; the independent electronic music's entrepreneur has to do all three to gather enough funds from each project or initiative. This corresponds with the findings of Dumbreck and McPherson (2016) and is considered a common phenomenon in the current climate of the independent music industry, in which everybody working in the industry has to be a music entrepreneur. Furthermore, there is also a necessity for music entrepreneurs to have a diverse skillset to keep up with the demands of an always-changing environment, which correlates with the rise of the D2F phenomenon for the entire independent music industry. Tessler and Flynn (2016) argue that it is important for independent artists in the D2F era to not only be a musician, but also technicians and business people in equal measures. Another factor is a lack of infrastructure. If you want to have a radio show for your certain niche, but it is not there, start a radio station of your own. If your local record store does not offers the type of record you want to buy, start your own record store and make it available. These are all common practices that indicate that the DIY spirit is very much alive in the independent electronic music industry. Whether the scene in Rotterdam lacks a DIY mentality is highly debatable. To some music entrepreneurs it is more prominent than ever; to others the city lacks creative risk takers that are able to push the local scene forward.

The intermediaries were able to adapt easily and do not feel threatened by new online platforms. The enterprises that are active in the independent music industry have a lean structure that has proven to cope well with changes and innovations in the industry (Tessler and Flynn, 2016). What made the transition from DIY to D2F a fluent process for the independent electronic music industry specifically is that its entrepreneurial innovations foreshadowed independent music industry's shift to D2F. By emphasising on single tracks and playlists, building brands, consumer choice, social authorship and the power of loosely aligned communities (Toynbee, 2000), the independent electronic music industry implemented the same D2F ideas years before D2F would take the entire independent music industry by storm. Even though the industry's music entrepreneurs do not feel threatened by online platforms, some music entrepreneurs are taking measures to make them less dependable on third party online platforms, by creating platforms of their own. It indicates that the scene's entrepreneurs are not willing to completely give away their freedom, which correlates with the independent music industry's DIY mentality of taking matters in to ones own hands (Tessler and Flynn, 2016).

This study's findings underline the importance of community for the music entrepreneurs in the independent music industries, which suggest that even though there have been major social, cultural and technological changes, music entrepreneurship remains inevitably attached with perceptions of community (Tessler and Flynn 2016). The rise of social media, online platforms and eventually the D2F model, have made these communities also exist virtually and online. Even though this development has enhanced entrepreneurial possibilities and increased the opportunity for independent artists to operate outside of their local markets (Tessler and Flynn, 2016), independent music entrepreneurs expressed their concern about how D2F practices are eroding DIY's community ethos, while arguing that online communities do not serve as a worthy alternative for actual local communities that are the foundation of the independent music industry. Music entrepreneurs have started initiatives that are aiming to fortify their local community.

6. Limitations

A single case study has a limited level of generalizability. This can be nullified by undertake multiple case studies, which will further verify the findings. Even though the case study existed out of multiple sources of data that were triangulated, more and different sources are necessary to be able to generalise the findings. The relatively small amount of interviewed entrepreneurs could have personal issues that cannot occur for other music entrepreneurs in the same industry. It is also debatable if creating the overarching term of the independent electronic music industry is applicable for academic research, as it covers a lot of different scenes and niche markets. Further research has to make clear whether different findings are comparable or should be studied separately.

The sources from the municipality that where used for the literature review, mostly covered a sector analysis of music in general, while independent electronic music clearly has distinct characteristics that make it hard to use these types of sources. One of the sector analyses focused on the dance and club sector, which covers independent electronic music but also mainstream commercial electronic music, often cited as EDM. It was hard to find academic sources of data that focused only on independent electronic music in Rotterdam.

Even though this case study used multiple sources of qualitative data and used the triangulation method, the process of triangulation showed the weakness of this study as one of the data sources, the semi-structured and in-depth interviews with the music entrepreneurs, proved to be the most useful, while the other two sources of data turned out to not be as equally important as the interviews, which weakens the validity of this study's findings.

7. Implications

For the municipality of Rotterdam – The dance and club sector analysis of 2010 proved to be a helpful document for literature review. Furthermore, a 2011 report on the effects of this document pointed out that the analysis has been used thoroughly in the dance and club sector as an advisory guideline. However, the 2011 report on the effects of this document does not mention if there have been any changes made related to the findings and advises that came out of the RRKC's 2010 investigation of the dance and club sector in Rotterdam, nor has there been undertaken any research up to this day that measures if any changes have occurred for Rotterdam's dance and club sector. This study suggests starting a new research and analysing the current state of the club and dance sector of Rotterdam. The findings point out that there are still some flaws in Rotterdam's club infrastructure. RRKC's 2007 and 2010 sector analyses argue that the closing of some of the key clubs and venues have immensely damaged Rotterdam's nightlife and created an unstable club climate. This was also recognised by the interviewed music entrepreneurs. Even though the experienced local entrepreneurs argue that the scene is starting to grow and flourish again, they also find the amount of clubs to be lacking, which indicates that there are still some needs to be met to truly make Rotterdam's club sector thriving again. The music entrepreneurs argue that clubs are vital institutions in a local independent electronic music scene. This has been proven by the initiatives that have been undertaken by the music entrepreneurs behind Rotterdam's current popular clubs. These clubs have made the scene flourish again and created a healthy and stable climate. The municipality wants to attract creative and highly educated young adults and make them settle and stay in Rotterdam. Having a vibrant cultural scene and nightlife is essential for their decision-making, as the sector analyses have shown that a healthy nightlife is important to these young adults. The RRKC reports also find that the market for dance music clubbing mostly exists out of creative and highly educated young adults, which emphasises the importance of a vibrant nightlife for the municipality and the city of Rotterdam. The findings suggest that the municipality has not been cooperative and has complex regulations and strict licensing policies that discourage new initiatives to break trough. This study advices the municipality to have a cooperative attitude towards the sector's initiatives. The municipality can support a vital dance and club scene by acting hospitable and generous. The local authorities ant its services have to brainstorm with independent dance music entrepreneurs and organisations about their plans. Specifically they have to do meet about housing and licensing policies. Even though the municipality does not have unlimited possibilities when it comes to housing and licensing, it would help to have a constructive approach to improve the relationship between the sector and the municipality of Rotterdam.

For future research – Even though research on the introduction of online platforms in the market has gained popularity in recent years, its implications for the music industry are not yet investigated thoroughly, especially not for the independent side of the music industry. More research and findings are needed to substantiate the long tail hypothesis, and its predictions on the effects of digitisation. A study by Bourreau et al (2014) suggests that the increased visibility caused by online platforms has not democratised access to visibility; the most visible artists offline, the superstars, are also the most visible artists online. However, audiences of underdog artists are more strongly engaged to support promotion efforts. Another study by Benner and Waldfogel (2016) argues that recent technological changes have made major commercial record companies gain even more commercial success. This study's findings show mixed results as well when it comes to the long tail hypothesis; so more research will be needed to further expand the recent effects of digitisation and technological innovations on the independent music industry.

Recent academic research on independent electronic music, at least from a cultural economics point of view, has been lacking. This study shed some light on what have been the effects of digitisation and the rise of online platforms for a local scene or industry. Further exploration is suggested to find patterns or differences with other local communities and scenes to determine if this study's findings are generalizable for the independent electronic music industry as a whole.

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