

Ouachita Baptist University

Scholarly Commons @ Ouachita

Honors Theses

Carl Goodson Honors Program

4-20-2022

Grasping the Intangible: The Perseverance of Physical Music Media in a Digital World

Sam Youmans

Ouachita Baptist University

Follow this and additional works at: https://scholarlycommons.obu.edu/honors_theses



Part of the [Business Analytics Commons](#), [Mental and Social Health Commons](#), [Music Commons](#), and the [Music Business Commons](#)

Recommended Citation

Youmans, Sam, "Grasping the Intangible: The Perseverance of Physical Music Media in a Digital World" (2022). *Honors Theses*. 836.

https://scholarlycommons.obu.edu/honors_theses/836

This Thesis is brought to you for free and open access by the Carl Goodson Honors Program at Scholarly Commons @ Ouachita. It has been accepted for inclusion in Honors Theses by an authorized administrator of Scholarly Commons @ Ouachita. For more information, please contact mortensona@obu.edu.

SENIOR THESIS APPROVAL

This Honors thesis entitled

**“Grasping the Intangible: The Perseverance of Physical
Music Media in a Digital World”**

written by

Samuel Youmans

and submitted in partial fulfillment of the requirements for completion of the Carl Goodson Honors Program meets the criteria for acceptance and has been approved by the undersigned readers.

Dr. Patrick Houlihan, thesis director

Dr. Chris Brune, second reader

Dr. Matt Douglass, third reader

Dr. Barbara Pemberton, Honors Program director

4/20/2022



Grasping the Intangible:
The Perseverance of Physical Music Media in a Digital World

An Undergraduate Senior Thesis
Submitted to the Carl Goodson Honors Program
at Ouachita Baptist University

by
Samuel Youmans

Arkadelphia, Arkansas

April 2022

Abstract

Music is a unique economic good with several interesting characteristics: as an art form, its value is immensely subjective and changes with the culture; it is most widely consumed via online streaming platforms but still embedded onto physical formats and sold through retailers; and the United States music business had to pivot through substantial economic disruption at the turn of the century with the advent of peer-to-peer file sharing. Given the digital world in which we live, this thesis explains why people still purchase music on physical formats. This is accomplished by discussing revenue data from the past few years, the economic issues with digital streaming, the value of a “stream,” the negative effects of technology on our ability to control our attention, how consumers can influence their own value perceptions, and the practical advantages of physical media. When the goal is convenient, cheap, and passive entertainment, the digital world is always a click away. When music fans crave authentic, intentional engagement with art and its creators, physical media offers a more valuable product and superior experience.

Preface

What started as a simple question about vinyl sales data gradually evolved into a philosophical inquiry into the relationship between music and economic value. When I considered my own motivations for buying media on physical formats, it led me to wonder why it was still around at all. As a music industry major, I wanted to explore a topic pertinent to the music business in which I found myself. Prior to the pandemic, however, most articles on the subject painted a very dismal picture, declaring that physical mediums are dead and irrelevant. I was not convinced.

My topic was motivated by the RIAA 2020 revenue data and the endless headlines that followed. Vinyl sales rose during lockdowns! How could that be? If people are stuck in their homes and cannot go to live concerts, why is physical media the solution? My initial reaction was based on my conviction that the world created for us by God will always be more fulfilling than any man-made digital space. Real-life is simply better than a virtual one. So, I decided to explore the problems with digital music and see what motivated people to make the extra effort to purchase physical media.

The result is this interdisciplinary analysis of how music is valued in its various forms by consumers. Through my research I learned so much about how music operates as a commodity and, more importantly, how consumers perceive its value. The message I am trying to convey is certainly not limited to music; it applies to our everyday lives as we constantly choose how we interact with the world around us. I hope that, in reading this thesis, I can give you something meaningful to think about.

Acknowledgments

I would like to express appreciation for my thesis director, Dr. Patrick Houlihan, and readers, Dr. Chris Brune and Dr. Matt Douglass. They volunteered their time and insights to make this project possible. I have had Dr. Houlihan in many classes since my first semester at Ouachita. He is an outstanding educator, composer, and advisor. Thank you for investing in me.

The Carl Goodson Honors Program would not exist if not for the work and dedication of Dr. Barbara Pemberton. Her love for students and academic excellence is contagious as she makes every effort to support students and celebrate their achievements.

The faculty and staff of the Ouachita School of Fine Arts and the Hickingbotham School of Business have provided me with a quality education, heavily invested in me as a student, and shaped me as a young professional, musician, and follower of Christ these past four years. I thank God for bringing me to Ouachita so I could learn from these incredible people.

Victoria, my wonderful wife, has been nothing but supportive and encouraging throughout my undergraduate years. I love her very much and am excited to see what God has in store for us in this next season of life.

I would like to express my love and gratitude to my first teacher: my mother. From making me take piano lessons to driving me all over the country for debate tournaments, she is responsible for molding me into the scholar I am today.

Praise be to God the Father and our Lord Jesus Christ. To Him be the glory as we pursue His truth through the intellect, reason, and knowledge that He graciously gives to us.

Table of Contents

ABSTRACTII

PREFACE.....III

ACKNOWLEDGMENTS IV

TABLE OF CONTENTS..... V

INTRODUCTION: SETTING THE NEEDLE1

PART ONE: THE NEW MUSIC BUSINESS.....3

 THE DIGITAL REVOLUTION 5

 THE VINYL ANOMALY 8

PART TWO: THE DIGITAL WORLD 11

 A SATURATED MARKET 13

 PAYMENT CONTROVERSY 15

 VALUE AND ATTENTION 17

PART THREE: MORE THAN JUST A SONG24

 INTELLECTUAL PROPERTY IN A TANGIBLE FORM..... 24

 INFLUENCING PERCEIVED VALUE 27

 PHYSICAL ADVANTAGES..... 31

CONCLUSION: ENGAGING WITH MUSIC38

BIBLIOGRAPHY39

Introduction: Setting the Needle

Growing up, my family had an old Toyota Camry that each child would get to use during high school. It was your standard kid car: the paint was peeling, the engine had been replaced, and the inside door handles were missing. Several dash lights were constantly illuminated, futilely informing the driver of numerous issues that apparently did not prevent the four wheels from going round and round, so nothing was done to address them. By the time I was driving the Camry in high school, the stereo no longer had radio or AUX capabilities (it was too old for Bluetooth), which meant that the only way to play music was with the CD player. After a few dreadfully silent trips to and from school, I quickly purchased my first CD: *Love Riot* by the Newsboys. I would blare that album on repeat with the windows down until I knew it by heart. Of course, I got other CDs too, eventually compiling a little CD collection.

It was this experience that first exposed me to the pleasure of owning and using physical music media. I would not purchase my first vinyl record until several years later, but the excitement was the same. Whether it is taking the saran wrap off a new CD, setting the needle onto a classic Christmas album, pouring over the liner notes of your favorite band's newest release, or making a mixtape on a cassette deck, there are special tactile attributes of physical mediums that add value to the product beyond the recorded music.

But these nostalgic anecdotes are the exception to the norm. Digital streaming on platforms such as Spotify, Apple Music, and YouTube are how we listen to music nowadays. Is it all the same? Does it matter how people listen to music? In fact, it does. Whatever the format, the consumer's goal remains the same – to listen to a recording – but the product received is different. Positioning a needle above a spinning turntable is quite unlike pressing play on an app, and I would argue that the former is a much more enjoyable experience.

Music is a part of everyone's life, but not everyone sees music as a commodity that is invented, licensed, produced, distributed, and sold like other goods and services. In the 21st century, music fans have many choices for listening to music, each one offering a unique sensory experience. How does this affect the music's value? Is digital streaming the best way to listen to music since it is the most popular format? Are LPs, CDs, and cassettes still relevant in our modern world of virtual reality, social media, and digital streaming?

The tangible value and practical advantages of physical music media are what has kept physical formats thriving as digital platforms gradually dominate the world of recorded music. This thesis will be presented in three sections. Part One will establish historical context by surveying the music industry's tumultuous journey through the dawn of the digital age. Part Two covers the nature of digital streaming. Even though it is the primary method of music delivery and consumption today, it has a flawed market structure and encourages our culture's digital dependence, which greatly interferes with authentic artistic engagement. Part Three shows physical media to be superior to digital because it fosters greater value and engagement from those willing to enjoy these beloved formats.

Part One: The New Music Business

The importance of art in any culture is unmistakable. Whether the intent is to express, criticize, celebrate, worship, honor, or preserve, art reflects the heart and mind of both its creator and consumer. While there are other factors that can influence a culture such as religion, literature, politics, law, technology, and education, art reaches the masses in subtle and powerful ways by impacting our youth and acting as emotionally-charged commentary for our world. Where other radical and controversial content is blocked and discouraged, art sneaks through.

“Art is the bedrock of culture itself. It is the foundation of the process by which we unite ourselves psychologically, and come to establish productive peace with others. As it is said, ‘Man shall not live by bread alone’ (Matthew 4:4). That is exactly right. We live by beauty. We live by literature. We live by art. We cannot live without some connection to the divine – and beauty is divine – because in its absence life is too short, too dismal, too tragic.”¹
– Jordan Peterson, clinical psychologist, author, and professor

Music is everywhere – streaming platforms, radio, stores, schools, concert halls, restaurants, gyms, elevators, homes, movies, video games, and television. While the consumer sees and hears only the performance-side of music, only what comes out of the speakers, he does not see the economic engine hiding backstage. The music business is built on a foundation of legal bricks that maintain revenue streams and copyright protection for songwriters, artists, and other creators. If musicians are to continue using their talent and skill to create meaningful music, then there must be a strong legal and economic environment in which to do so. Fortunately, such an environment does exist:

¹ Jordan Peterson, *Beyond Order: 12 More Rules for Life* (New York, NY: Penguin Random House, 2021), 203.

- The 2018 music industry contributed \$170 billion to total U.S. GDP and supported 2.7 million jobs.²
- Global revenue from recorded music was \$21.6 billion in 2020, an increase of 7.4% from 2019. The greatest contribution of that revenue came from the U.S., making it the number one music market that year.³
- On average, fans spent 18.4 hours per week listening to music in 2021.⁴
- Global on-demand streaming increased 26.3% in 2021.⁵
- U.S. recorded music generated \$15 billion in 2021, a 23% increase.⁶

Clearly, the music industry is economically viable, globally vibrant, and consistently growing. That was not always the case. The reason many refer to the post-2000 music business as the *new* music business is because the turn of the century was when everything changed. “For most of the 20th century the modern music industry was forged by two then-new technologies – the phonograph record and broadcasting. As the 21st century approached, a third force – digital technology – emerged to shake the industry’s foundations.”⁷ Everything, from how music was produced and recorded to how it was manufactured and sold, was affected by the digital revolution.

² Robert Stoner and Jessica Dutra. “The U.S. Music Industries: Jobs & Benefits: Executive Summary,” Recording Industry Association of America, December 2020.

³ “Global Music Report 2021,” International Federation of the Phonographic Industry, March 23, 2021.

⁴ “Engaging with Music 2021,” International Federation of the Phonographic Industry, accessed March 28, 2022.

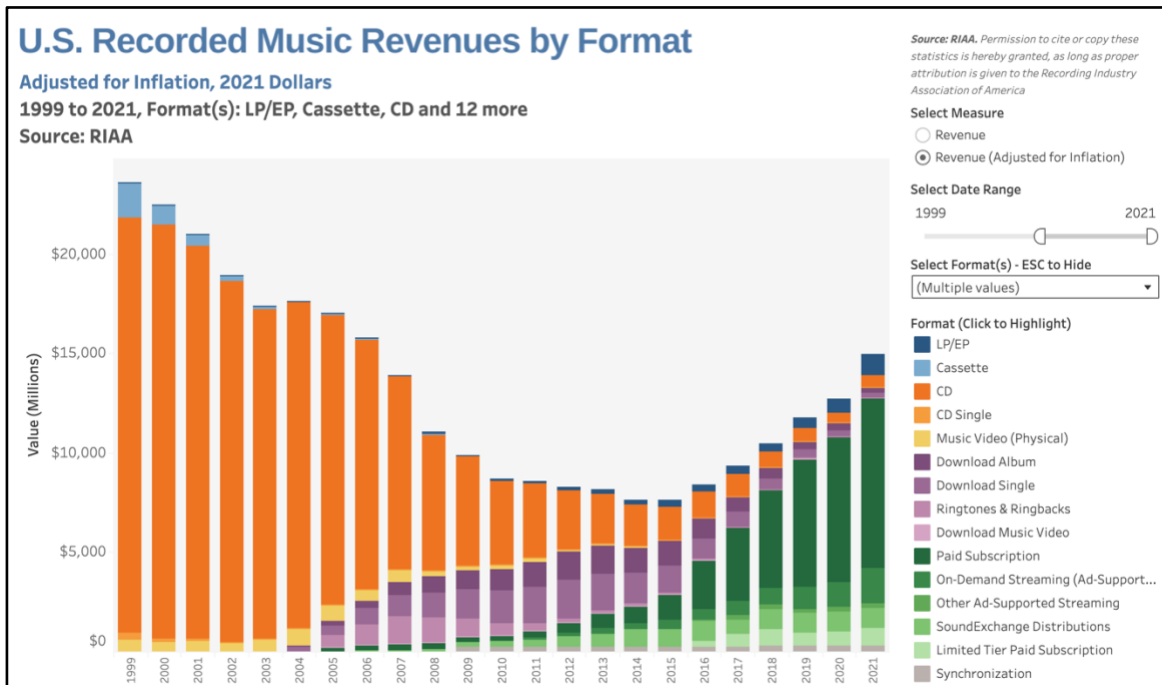
⁵ “Year-End Report U.S. 2021,” MRC Data and Billboard, accessed March 28, 2022.

⁶ Joshua Friedlander, “Year-End 2021 RIAA Revenue Statistics,” Recording Industry Association of America, March 2021.

⁷ David Baskerville and Tim Baskerville, *Music Business Handbook and Career Guide*, 12th ed. (Thousand Oaks, CA: SAGE Publications, 2019), 9.

The Digital Revolution

Two significant mediums were born during this time: the compact disc and the MP3 file. Record labels were able to receive royalties from CD sales and actually profit from the new digital medium, which was widely adopted by the public. However, once high-speed Internet became common in universities and homes, exact duplicates of MP3 files could be easily reproduced on a personal computer. Thanks to numerous peer-to-peer (P2P) file sharing sites like Napster, Grokster, and The Pirate Bay, the dawn of the digital era is marred by disaster as people stopped paying for music. “Music piracy mushroomed, engendering annual financial losses in the hundreds of millions of dollars for labels, music publishers, and the artists, producers, instrumentalists, and songwriters who depended on music sales for their livelihood.”⁸ The business’ foundation of legal bricks deteriorated, unable to respond to this technological novelty.



Data Source: Recording Industry Association of America

⁸ Baskerville, *Music Business Handbook*, 11.

In 2003, Apple partnered with record labels and launched the iTunes Store, a legitimate way for labels to monetize digital files on the Internet. Acting less like a lifeboat and more like a band-aid for the music business, revenue from digital downloads helped offset the rapidly declining CD format for about a decade. During this time, the Recording Industry Association of America (RIAA) and record labels tried to sue the problem away. Will Page, former chief economist at Spotify, described this complicated period:

Ten years after Napster launched, the industry was in despair, with estimates suggesting that there were forty illegal downloads for every legal download. Efforts to deter piracy were evidently doing more harm than good. The industry had spent a decade thinking it could force this problem to go away, but instead it just got bigger. Something had to give.⁹

The problem at hand was economic: what kind of good were the P2P platforms offering and what kind of good were the record labels offering? Economic goods are characterized using two variables: is there a limited amount of the good (scarcity) and can the good be restricted so that only some people have access (exclusivity)? A private good is one that is both scarce and exclusive, like a physical CD or concert ticket. A common resource is limited in quantity or capacity but open to anyone, as in a free concert with limited space. Prior to the digital revolution, music was only produced and sold in these two forms. Private goods are easily controlled by sellers and common goods can be licensed by a governing body.

	Exclusive	Freely Available
Scarce	Private Good	Common Good
Unlimited	Toll Good	Public Good

⁹ Will Page, *Tarzan Economics: Eight Principles for Pivoting Through Disruption* (New York, NY: Little, Brown and Company, 2021), 33.

The digital era created recorded music that was no longer scarce. MP3 files do not “run out” or deteriorate but can be copied perfectly and indefinitely. A toll good is unlimited in quantity but only available to some. This was the good offered by legitimate music downloading platforms like iTunes. These files could be downloaded repeatedly, but only through the \$0.99 barrier. The P2P file sharing sites did not have such barriers. They offered a public good, unlimited in quantity and available to anyone that wanted it, like sunshine.

“For consumers, illegal P2P offered everything for free, as a non-excludable, non-rivalrous asset. Meanwhile the legal route required paying for limited access to files with limited transferable value – a tough sales pitch for any marketing department!”¹⁰ – Will Page, Chief Economist at Spotify

How can a market survive in the public goods status when no consumers have to pay for anything? The true lifeboat of the music industry was streaming services that boasted massive music catalogs, legitimately licensed and reasonably priced. For a small monthly fee, fans could have access to Spotify’s entire library without the legal risk or the need to actually download any files onto a personal computer. Over the last decade, streaming services have been gradually adopted, supporting the industry’s overall revenue growth since 2014. In quite a miraculous comeback, the music business was able to package digital music as a toll good, make it more attractive than its free and illegal opponents, and reclaim its listeners and revenue.

It came as a surprise to everyone when data showed continued revenue increases for 2020, during the height of the COVID-19 pandemic. While income from physical sales, digital downloads, performance royalties, and synchronization royalties decreased dramatically, streaming grew by 19.9%. On a global scale, streaming was responsible for 62.1% of all

¹⁰ Page, *Tarzan Economics*, 38.

recorded music revenue in 2020. Africa (+36.4%), Australia (+12.8%), Latin America (+37.1%), and Europe (+15.4%) all experienced streaming growth that carried them through declines in every other sector.¹¹ The pandemic inspired governments to create artificial barriers to most methods of music consumption, forcing nearly everyone to embrace digital streaming if they had not already. Listening to music with a subscription service increased by 51% in 2021, with the top three motivations being no advertisements interrupting playback, the on-demand feature, and access to millions of songs.¹²

Streaming kept the music industry out of the negative not once, but twice. If the trends of the past few years continue, the digital landscape will only become more and more dominant. Through a dangerous trial by fire, the scarce commercial music market has evolved into an unlimited digital one and will likely continue in that direction towards the next frontier, whatever that may be.

The Vinyl Anomaly

2020 had another surprise in store. In that year's revenue report, Joshua Friedlander notes, "For the first time since 1986, revenues from vinyl records were larger than from CDs. Despite the challenges to retail sales from Covid-19 restrictions, vinyl grew 28.7% by value year-over-year to \$626 million."¹³ Due to fewer retail restrictions, vinyl did even better in 2021 increasing 61% and accounting for nearly two-thirds of all physical music revenue.¹⁴ This

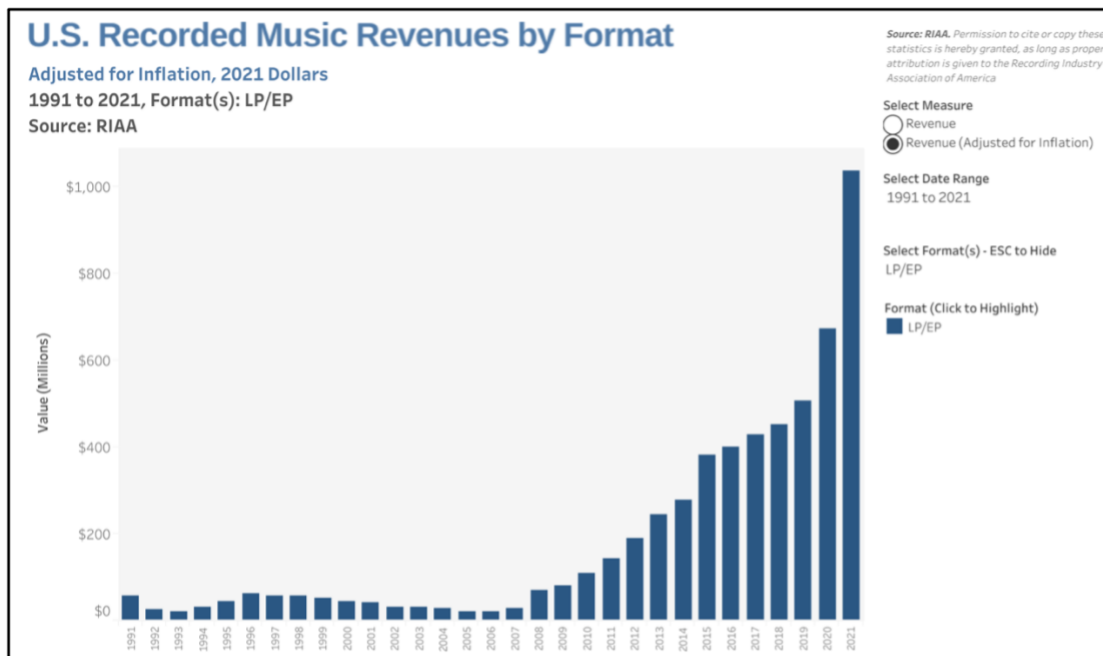
¹¹ "Global Music Report 2021," International Federation of the Phonographic Industry.

¹² "Engaging with Music 2021," International Federation of the Phonographic Industry.

¹³ Joshua Friedlander, "Year-End 2020 RIAA Revenue Statistics," Recording Industry Association of America, February 2021.

¹⁴ Friedlander, "Year-End 2021 RIAA."

resurgence is quite shocking, especially since it began during the pandemic. In a deep-dive article on Billboard, Ed Christman says, “Music fans in COVID-19 lockdown spent their disposable income on turntables and vinyl instead of concert tickets, which makes the pandemic responsible for both the skyrocketing demand and the disruption of the supply chain and other factors that have caused the production bottleneck.”¹⁵ To use the term “disruption” is not an exaggeration. The rapid surge in vinyl orders was both unexpected and unfulfillable.



Data Source: Recording Industry Association of America

Undoubtedly supported by the holiday season, the weekly U.S. vinyl album sales record was broken right at the end of 2021. In the week leading up to Christmas day, 2.11 million vinyl albums were sold.¹⁶ This is a great problem to have, but still a problem, nonetheless. The combination of a shocking lack of pressing plants, the mountain of orders, and the already damaged supply chain caused material shortages and lengthy delays.

¹⁵ Ed Christman, “The Pandemic Caused an Explosion in Vinyl Demand – Here’s Why the Music Industry Can’t Meet It,” Billboard, June 8, 2021.

¹⁶ Keith Caulfield, “Weekly U.S. Vinyl Album Sales Break Modern-Era Record, Fueled by Holiday Shopping,” Billboard, December 28, 2021.

Prior to the 2020 vinyl explosion, the niche secondary market – the reselling of used records – kept vinyl alive. Discogs, an online marketplace that sells new and used records in all kinds of formats, reports that 75% of its orders are for vinyl. In 2020, vinyl sales on Discogs increased 40% to 110.96 million records and CD purchases rose 37%.¹⁷ Secondary markets filled with old albums will only get more popular. For the first time in decades, streaming of new music (less than 18 months old) declined by 3.7% while streaming of catalog music (older than 18 months) rose 19.3%.¹⁸ Steve Knopper from Billboard explains that owners of these classic hits recognize the demand and often create new versions of old tracks on physical formats:

For catalog titles, labels lean heavily on anniversaries and other cultural events to put out new vinyl versions. Jane Gowen, executive vp product development and marketing for Universal Music Enterprises, says Katy Perry’s 10-year-old *Teenage Dream* and Nelly’s 20-year-old *Country Grammar* received the deluxe-vinyl treatment for this reason in 2020, as did an elaborate Bob Marley 75th-anniversary box set this year. And at Universal Music Group’s Verve/Impulse Records, label executives take care to keep classic albums like Billie Holiday’s *Body and Soul* perpetually in print.¹⁹

It is clear that the new music business is a digital one. If physical music media is a thing of a bygone era, why do people still buy LPs when the same music can be heard more easily and less expensively online? The answer does not lie in a single graph or article, but in understanding the relationship between two things: humans and value. Before we can discuss the value to be found in physical media, we must examine what faults of our virtual lifestyles drive us to seek out alternatives in the first place. It is likely that where digital media falls short, physical media shines brightly.

¹⁷ Frank Digiacomo, “Here’s How Much Americans Spend on Vinyl, Per This Online Marketplace,” Billboard, June 8, 2021.

¹⁸ “Year-End Report U.S. 2021,” MRC Data.

¹⁹ Steve Knopper, “What’s On Vinyl, And Why,” Billboard, June 8, 2021.

Part Two: The Digital World

We are fortunate to be living in what is known as the Information Age. Every person has a supercomputer in their pocket. We can communicate with anyone in the world, quickly learn about any subject, purchase anything we need from anywhere on the planet, and immediately access a variety of entertainment. Humans, particularly in Western civilization, are more wealthy, comfortable, and safe than ever before.

But we cannot forget where all this progress started. The modern era did not start when CDs were invented, but after World War I, with the advent of wonders such as automobiles and air conditioning. So much changed between 1914 and 1929, especially for music, that it is considered the beginning of modern American life. The United States became a world power, the 19th Amendment was passed, assembly-line production was born, the first commercial radio station began broadcasting, and electronic recording was invented. In his book, *Popular Music in America*, Michael Campbell highlights an important change in media:

At no time – not even our own – has the way in which popular music reached its audience changed so fundamentally. In 1919, the majority of the audience learned pop songs by looking at them – that is, by playing through the sheet-music versions. In 1929, more people learned songs by ear: on the radio, on record, at the movies, and in live performance. The advances in our own time – MP3s, streaming audio, worldwide access, and the like – don't change the way we learn the music. We listen to it through the media, just like our parents and grandparents did. The shift from eye to ear happened in the 1920s.¹

This burst of technological, political, and cultural progress was cut off by the Great Depression, but it was too late. America had tasted modern life and there was no going back. Music had escaped the confines of paper and began filling the airwaves wherever people congregated. So, what about today? The 21st century shift is in how people *acquire* music. It is

¹ Michael Campbell, *Popular Music in America: The Beat Goes On* (Boston, MA: Cengage, 2019), 59.

much easier now. Unlike a century ago, music fans can hear whatever they want, whenever they want at the touch of a screen. Most music can be found for free on ad-supported platforms like YouTube and Pandora or for a small monthly fee on Spotify and Apple Music. For life in general, technology has made our real-lives easier while also connecting us to everything and everyone through digital avenues.

Now for the tough question: is this progress all good? Should we happily continue digitizing our lives or should we fear that we may end up like the humans in the Pixar film *WALL-E*? I would argue the latter. Ease makes us lazy. Comfort makes us dependent. Automation replaces good labor. How we use technology is a far cry from its greatest potential. Ancient kings and empires would have waged war for the power and information that is accessible to us every day, yet we use our phones to play mindless games, remind us of routine appointments, and post pictures of our pets on social media. Glass screens are not only a window into unimaginable knowledge, connectivity, and processing power, but also into human nature.

This, of course, has ripple effects on music. The new music business is indebted to digital streaming services like Spotify. Who knows what music would be like today if streaming had not made music economically viable again? However, digital streaming is still young. First, we will look at how these DSPs (digital service providers) are inadequate markets for music sellers, focusing on Spotify since it is the platform with the greatest share of the streaming market. Then, we will discuss how the digital world has affected people's emotional well-being, attention-spans, and overall ability to engage with art.

A Saturated Market

Most musicians do not enjoy massive audiences full of adoring fans that will actively seek out their music. They must constantly release content in hopes of being featured on playlists and charts to gain and retain attention, which costs considerable time and money. A paradox of digital streaming is that although it gives everyone a platform to be heard, *it gives everyone a platform to be heard*. Imagine a massive amphitheater full of musicians all trying to play over each other for your attention. Over 60,000 tracks are uploaded to Spotify every day, with over fifty million tracks total and rising.² When everybody can take advantage of a platform, it quickly becomes saturated with content.

The concept does sound noble: a free and open platform for everyone to upload their art, an equal chance for everyone to be a star. In reality a massive gap is created between the pop stars and everyone else. What else could possibly happen besides a stark divide? Should we demand that everybody listen to all kinds of music equally? Popular music is popular for a reason. A divide naturally develops because everyone is using the same few platforms for all their music needs. Once certain artists and genres are identified as popular and profitable, their music is emphasized by platforms in hopes of attracting more subscribers. YouTube might allow anyone to upload videos, but that does not mean every video gets to be on the trending playlist.

This would not be much of an issue if digital streaming had not become the principal way people listen to music. In 2021, 78% of people used streaming services to listen to music³ and 83% of recorded music revenue was generated by online streaming,⁴ with 400 million monthly

² Tim Ingham, “Over 60,000 Tracks are Now Uploaded to Spotify Every Day. That’s Nearly One per Second,” Music Business Worldwide, February 24, 2021.

³ “Engaging with Music 2021,” International Federation of the Phonographic Industry.

⁴ Friedlander, “Year-End 2021 RIAA.”

active users on Spotify alone.⁵ It could have been just one way among many, but Spotify offered more music than one could ever want for an incredibly low cost during a time when the next-best option for legal on-demand music was iTunes. By accepting this, the music industry surrendered massive control to the DSPs, which funneled everyone into a few online markets.

Markets are defined by several factors, one of which is geography. Looking exclusively at a single region, one might find a few monopolies: there may be only one energy provider, a single lumber company, or one university. But if the scope is expanded to include multiple regions, suddenly those monopolies disappear as more sellers are included. Due to geographic distance, we do not consider a Walgreen's in Los Angeles to be in competition with a CVS in Atlanta, but the Kroger's in Kansas City is in competition with the Whole Foods that is also in Kansas City – multiple sellers competing for the same customers.

The Internet expanded the scope indefinitely. The digital environment is one big market full of countless sellers and buyers. Everyone is in the same market when they are online, bombarded by advertisements and companies that have no geographic orientation. And yet, just like in recorded music, there are obvious super stars. Amazon, Walmart, Etsy, eBay, Wayfair, and Target are popular websites for shopping. Since they are popular, DSPs and search engines promote these sites, further increasing their web traffic. The nearest Target might be hours away, but online you are a part of their market. Your particular community, culture, and values are irrelevant. As long as you have Wi-Fi and a mailing address, they want your business.

When selling music online, your potential audience is the whole world and you are competing with the whole world. Streaming services are not markets of value and engagement, but mass production and passive entertainment. In response to this, most music business

⁵ Glenn Peoples, "Spotify Closed 2021 With 180M Subscribers, \$3B Revenue in Q4," Billboard, February 2, 2022.

consultants, label services, and record labels will diversify their distribution. Having an online presence is important, but you have to start by generating a following locally through other means, like concerts and physical albums. Billboard writer Glenn Peoples references a conference panel with Lloyd Hummel, senior vice president of Global Sales Strategy at Ingrooves Music Group, and Label Logic co-founders Jay Gilbert and Jeff Moskow:

Just a playlist is not a marketing plan, streaming numbers aren't the only metric worth watching. Lloyd told a story of a "folk-rock" band whose top track had nearly 40 million streams at Spotify in 14 months. In a silo, 40 million streams count as a success. But in spite of its streaming performance, the band's Facebook, Instagram, and YouTube followings were "minimal." "They're not engaging with their fan base," he explained. The source of streams was another indication of the artist's relationship with fans: "93 or 94 percent" of streams came from passive sources like radio stations or genre playlists.⁶

Payment Controversy

Prior to the digital era, music rightsholders (record labels, publishers, artists, songwriters, etc.) were paid whenever an album or some sheet music was sold in a store. The sale would trigger a royalty that would make its way through a chain of licenses from the retailer to the owner of the recording to the owner of the song. Now monetization of recorded music is more involved and there is still fierce controversy over how much streams are worth.

The general consensus is that rightsholders are not paid enough because the great divide mentioned above has consequences on revenue. Streaming payments are based on a "pro rata" system: all the subscription fees are pooled together and distributed to rightsholders based on each artists' share of total streams in a given period. In 2020, Rolling Stone reported that "streaming hasn't just upheld the gap between music's haves and have-nots; it's widened it. If you were to take the more than 1.6 million artists who released music to streaming services in the

⁶ Glenn Peoples, "The four ingredients of a great music business conference panel," Medium, June 23, 2019.

past year and a half and ranked them by their total streams, you'd find that the top 16,000 of those artists pulled in 90 percent of the streams.”⁷ Take any market and flood it with countless sellers and a small group of the best will rise above the rest, taking most of the wealth with them.

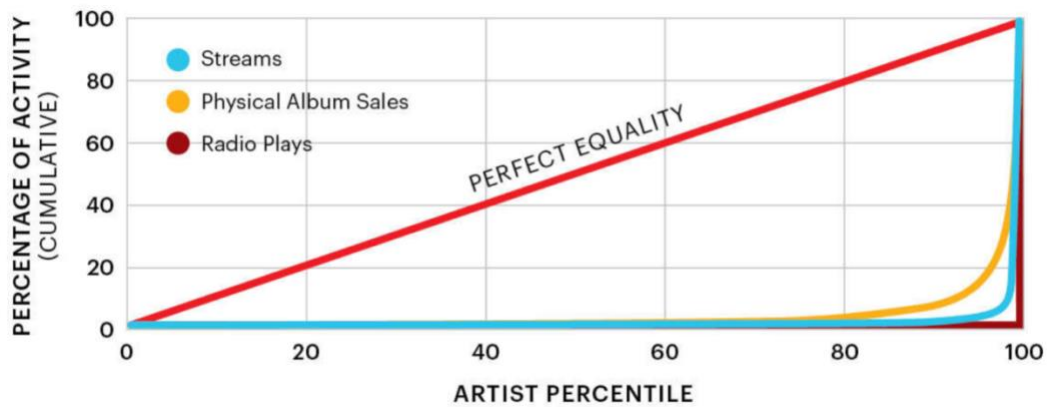


Image Source: Alpha Data, Rolling Stone Charts

Tim Ingham, founder of Music Business Worldwide, noticed some interesting numbers in statistics released by Spotify about artist earnings in 2021. Of the 8 million artists on the platform, only 2.6 million have released at least ten total tracks. Only 165,000 of those artists have more than 10,000 monthly listeners. Therefore, Spotify estimates that only 200,000 of its 8 million artists are “professional or professionally aspiring,” which is only 0.25%. Of that small group, how many are making over \$50,000 a year from streaming? Ingham remarked, “It’s just over 8%. Eight percent – or around one in 12 – artists deemed ‘professional or professionally aspiring’ by Spotify are now generating more than \$50,000 a year on Spotify.”⁸

Not everyone thinks that the DSPs are to blame for abysmal stats like these. David Macias, head of indie label Thirty Tigers, told Rolling Stone that artists need to stop blaming

⁷ Emily Blake, “Data Shows 90 Percent of Streams Go to the Top 1 Percent of Artists,” Rolling Stone, September 9, 2020. Rolling Stone.

⁸ Tim Ingham, “Spotify Just Dropped a Stat That Changes Everything About How You Should Judge the Streaming Economy,” Music Business Worldwide, March 24, 2022.

Spotify for their troubles. Although he agrees that Spotify is not perfect and has become too bloated with content for most people to make a living wage, he recommended a change of perspective. “Is it an artist’s right to earn a living from their art in a capitalist market? In a country where the business-failure rate is 65 percent over ten years, should artists be immune from their business failing? As much as my heart goes out to anyone who is not able to make their dream come true, I would say that that answer is no.”⁹ John Mays, vice president of A&R at Centricity Music, has a similar view. Rather than vilify streaming services for not paying enough, he emphasizes that record labels are just happy to be making money at all.

When that began to become the norm – what was then iTunes and being able to receive some payment for someone downloading a track – it became the hope that something could begin to bring revenue back in for all that we lost. It was 2016. I mean that’s a long time – sixteen years – before the slide of revenue began to bottom out and then turn back up. [Labels] can’t complain that at least revenue is coming in again. And it’s decent revenue. So, it’s all perspective.¹⁰

Value and Attention

What do we know so far? The online market is all encompassing and sets up a faulty playing-field with virtually infinite supply and competition, but limited demand. It is bloated with tracks that will never be heard. The best tracks and artists are promoted by the platform which further increases their popularity. This creates a stark divide between the top players and everyone else. Aspiring artists focus all their efforts on getting streams only to be disappointed with their tiny share of overall revenue. What does all this have to do with physical music media? How does this apply to the consumers of music? Digital streaming is now the status quo, which is plagued by one fundamental issue at the heart of all this controversy and confusion.

⁹ Jonathan Bernstein, “‘Vilification Is Easy’: Spotify Isn’t the Culprit, Says Head of Indie Label Thirty Tigers,” *Rolling Stone*, February 10, 2022.

¹⁰ John Mays, interview by author.

This issue severely affects how artists and record labels sell music, and how consumers perceive music as a commodity. The problem is the value of a “stream.”

Currently, it takes about a million streams for a rightsholder to generate \$4,000 in revenue from Spotify. Is this too low? Are streams worth more than \$0.0034 each? For songwriters, a stream is only worth about \$0.0001. What is the correct value? Like any good or service, it is best determined by letting it operate in a free market; if there is high demand, the price will increase; if there is low supply, the price will decrease, and so on. The market will fluctuate and naturally settle into an appropriate price. This works with concert tickets, compact discs, and digital downloads. However, individual songs are not for sale on Spotify. How much is access to fifty million tracks worth? \$9.99 a month? Most people would happily pay triple that, which means there is a lot of unclaimed value that cannot be measured.

The truth is that we do not know how much a stream is worth. Therefore, consumers have no point-of-reference for how much music is worth to them economically. The price one pays for a product directly influences how much that person cares about the product. Consider two different transactions: purchasing a physical album of music from a store for \$20 dollars and purchasing one month of access to Spotify’s catalog for \$10. How much is each individual track worth in both cases? If it is a physical album with ten tracks, then each track is worth \$2. If you listen to one hundred tracks in a month, then each track is worth only \$0.10. Therefore, the music on the physical album is more valuable because they cost more. Even if they were the same price per track, the buyer of a physical album knows exactly what music he is buying and where his money is going, unlike the Spotify subscriber.

This is why a detailed comparison between the digital world and its physical counterpart is necessary. While each offer the very same product, one is considered more valuable than the

other, such that I believe digital and physical music have distinct priorities: digital mediums are for entertainment, whereas physical mediums are for engagement. This concept is supported not only by value theory, but also by technology's role in shortening our attention spans.

Music's first time-limit was mechanically imposed in the 1920s by 10" discs that could only contain about three minutes of audio. While some genres like classical music would simply bundle several discs into an album, popular music at the start of the modern era adapted to the technological constraint. Since 10" singles were what people were buying, musicians wrote their songs accordingly. The chorus was emphasized; the verses were either abbreviated or eliminated.¹¹ Interestingly, the popular musicians curtailed their art in order to fit the technology rather than the other way around.

A century later, a new time-limit has encouraged musicians to quickly highlight the catchy parts and shorten their recordings. "Popular music is shrinking. From 2013 to 2018, the average song on the Billboard Hot 100 fell from 3 minutes and 50 seconds to about 3 minutes and 30 seconds. Six percent of hit songs were 2 minutes 30 seconds or shorter in 2018."¹² The most likely cause is that Spotify's definition of a "play" does not discriminate between a 2-minute track or a 5-minute track; they both pay the same as long as the listener sticks around for at least 30 seconds. Will Page reasons, "If rights holders only get paid after a song has been played for 30 seconds, then you need to hook a listener and keep them listening past the 30-second mark. What's more, if songs don't pay out any more for lasting any longer, it's entirely rational to write shorter songs."¹³ For a hundred years, analog and digital technology have been influencing not only the creation of commercial art but also those of us that purchase it.

¹¹ Campbell, "Popular Music in America," 66.

¹² Dan Kopf, "The Economics of Streaming is Making Songs Shorter," Quartz, January 24, 2019.

“An oft-quoted (and heavily disputed) Microsoft study in 2015 suggested that, due to digital lifestyles, the human attention span had fallen to 8 seconds – less than that of a goldfish. That infamous study is now older than the lifespan of most goldfish, and attention spans have probably got shorter since.”¹⁴

– Will Page, Chief Economist at Spotify

The most recent concession of our lives to technology is the smartphone. 85% of Americans owned a smartphone in 2021, up from 35% in 2011.¹⁵ We are so dependent on the small black box that we feel uncomfortable and anxious when we unplug for even a little while. Boredom is now the enemy. We cannot handle boredom; we must always be entertained. Our attention must constantly be directed at something because we have forgotten how to fill it on our own. With a smartphone always within reach, we unceasingly give every spare moment to it rather than engage with our own thoughts and reality.

If we think about attention as an economic good that can be exchanged for information or entertainment, we have to decide what kind of good it is. Our attention is certainly not unlimited; it is scarce. One might think that it is a private good, because we pick and choose what gets our attention. But that is simply not true. Businesses use specific marketing techniques to hijack our attention and influence our decision-making, especially online. Loud sounds, nearby conversations, bright lights, and odd smells can also steal our attention.

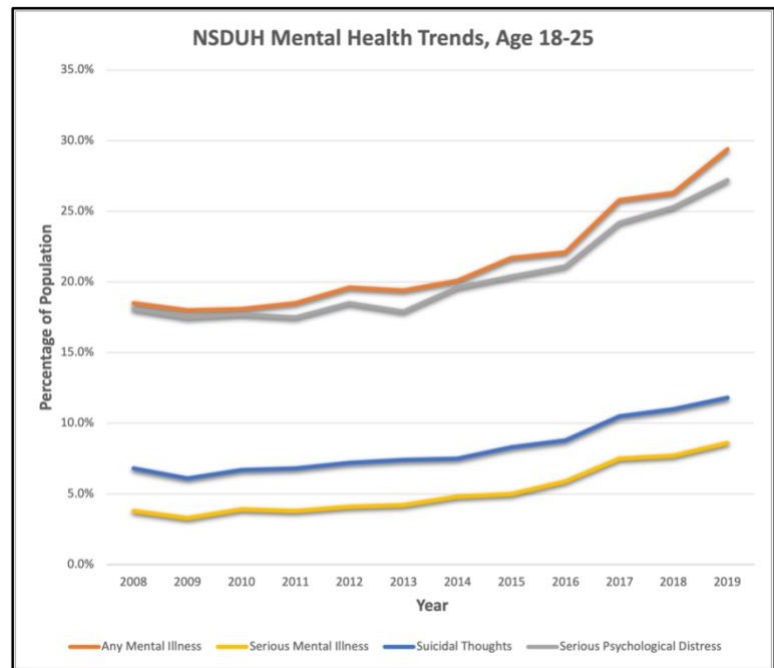
This means that attention is a common good: scarce and available to all. Like any common resource, it can be (and often is) exhausted. Every student understands the struggle of

¹³ Page, *Tarzan Economics*, 59.

¹⁴ *Ibid*, 61.

¹⁵ “Mobile Fact Sheet,” Pew Research Center, April 7, 2021, <https://www.pewresearch.org/internet/fact-sheet/mobile/>.

trying to study these days. The devices you must use to write a paper or complete an assignment are also distracting you and vying for your immediate attention. Focusing on a single task is a difficulty unique to the most recent generations. Page explains, “If the attention economy is a kind of commons, then the huge number of competitors for our attention creates a tragedy of the commons – more content and competition will ultimately exhaust, and potentially over-exploit, our attention.”¹⁶ Your attention is limited and the more you needlessly divide it, the less there is for you to spend on the things that truly matter.



Data Source: National Survey of Drug Use and Health, data arranged by author

Larry D. Rosen, professor emeritus at California State University, remarks that recent research findings are sobering. Typical college students unlock their phones fifty times a day and use them for around four and a half hours every day. Teenagers become visibly agitated and anxious without their phones. The average young adult cannot study for 15 minutes without being distracted. According to a national survey of teachers referenced by Rosen, 71% of teachers say students’ attention spans are hurt by media use, that students have little desire to put in effort and commitment without quick reward or instant gratification.¹⁷

¹⁶ Page, *Tarzan Economics*, 63.

¹⁷ Larry Rosen, “The Distracted Student Mind – Enhancing Its Focus and Attention,” *The Phi Delta Kappan* 99, no. 2 (2017): 8-14.

In 2013, Rosen and his colleagues conducted a study observing 279 students studying something for fifteen minutes. “We found that students (regardless of their level in school) spent, on average, just 9.65 of the 15 minutes actually studying, and their behavior tended to follow a distinct pattern: study for a few minutes and then get distracted, over and over again.”¹⁸ He even found a relationship between checking Facebook and a lower GPA. In 2016, they replicated the study and found the same results with a greater prevalence of texting and social media use. All of this has resulted in a society rooted in instant gratification. We have trained ourselves to turn to social media, video games, and television as our default behavior whenever we are faced with potential boredom or discomfort. Is being acclimated to instant gratification and constant stimulation bad? Does technology not make our jobs easier, our lives happier, and our communities closer?

The National Institute of Mental Health reports that the prevalence of mental illness in the United States was as high as 21% of all adults in 2020, with 18-25 as the number one category by age.¹⁹ The pandemic and lockdowns exacerbated these issues by instilling fear and denying healthy social interaction²⁰; the digital space was not an adequate substitute for real-life. Of course, there are a multitude of factors that influence one’s mental health, but technology’s impact is fundamental and widespread. Its slow integration into every facet of life would be fantastic if it was a well-spring of mental health, productivity, and quality social community, but it clearly is not.

¹⁸ Rosen, “The Distracted Student Mind,” 10.

¹⁹ “Mental Illness,” National Institute of Mental Health, accessed March 28, 2022. <https://www.nimh.nih.gov/health/statistics/mental-illness>.

²⁰ Jillian McKoy, “Depression Rates in US Tripled When the Pandemic First Hit – Now, They’re Even Worse,” The Brink, October 7, 2021. <https://www.bu.edu/articles/2021/depression-rates-tripled-when-pandemic-first-hit/>.

What does all this have to do with music? It matters because we consume most of our music through technological devices. Music, and art in general, is no longer something we intentionally engage with and experience in-person. Through our screens, it exists at our pleasure with the sole purpose of catching our attention and entertaining us whenever we feel the desire – only for us to be distracted within five minutes. People do not want to listen to an entire album anymore, they want continuous bite-sized content so they can skip from song to song without actually engaging with any of the music or artists.

How many riders remain in just a single time and place? GPS might locate each of us in the same car. Yet the stream of digital information can put each of us in a different space than the others, even as we hurtle together through a tunnel on fixed tracks. Crowded in the subway, any of us might be as close or closer to somewhere or someone not on the train at all.

*That is, we occupy the space simultaneously but not together.*²¹

– Damon Kurkowski, journalist, author, and musician

We are twenty years into the digital revolution. The music business' primary music platforms are bloated with content, payment systems are the topic of debate and litigation, attention-spans are dwindling, the population is technologically dependent, our youth are mentally deteriorating, and we all dwell in an isolating digital space where our attention is constantly demanded as we grow further apart from one another. But reality fights back. Creative people are releasing quality music for us to explore. There are ways that we as consumers can reclaim our attention and truly engage with art, to the benefit of ourselves, the industry, and our society.

²¹ Damon Kurkowski, *The New Analog* (New York: The New Press, 2017), 48-49.

Part Three: More Than Just a Song

When ease and convenience are not the chief concern, physical media becomes an attractive format. The manual, tactile feeling of setting the needle on an old record, the wave of nostalgia when you peruse your car's CD collection, and the delicate care one must exercise when rewinding cassettes all add to the experience. The analog nature of it demands your attention and captures more senses than just hearing. You never pull out a vinyl record because it is easy or you just want to hear a specific song; there is digital streaming for all that. Physical media is there when you want to slow down, focus in, and set the mood for a complete musical experience that invites you to explore and engage with the art and its creator. This is the attention that artists hope you give to their work.

The vinyl anomaly posed some questions. Now that we understand the context of the new music business and the inadequacies of the digital world, the perseverance of physical music media will be explained. First, physical media as a tangible product will be contrasted with its intangible counterpart. Second, an understanding of how humans perceive value will explain why physical media provides a superior experience than digital streaming. Finally, a pair of studies will organize and highlight the practical advantages that are identified by owners of CDs and cassettes.

Intellectual Property in a Tangible Form

A song in and of itself is intangible. A song cannot be touched, seen, or felt. In fact, a song cannot be heard. When a song is created, it is merely in the mind of the writer. A performance or recording of the song can be heard, but the song itself is fundamentally imperceptible. That is what makes intellectual property so powerful and mysterious. While the

actual property is intangible, it can only be perceived when fixed in tangible forms, like paper, magnetic tape, or digital code.

Physical property is easier to understand. Someone cannot just copy and paste your car into their driveway. There is only one of your car. If someone steals your car, you will notice because your car will be missing and you will not be able to drive it until it is recovered. The mental challenge is seeing intellectual property in the same way. “The idea behind the law of copyright is that products created by a person’s mind (such as songs, books, and films) are just as much the creator’s property as products created by a person’s hands.”¹ From a legal perspective, recording a song as an MP3 counts as a tangible form. But from a consumer’s point of view, there is a real difference between an MP3 and a vinyl record. A digital file remains solely intangible – existing as invisible code on a computer – whereas a vinyl record is intangible music embedded onto a physical record that you can see and touch. Therefore, the reason why people buy physical media has to be related to the tangible aspect that is absent in digital media.

The significance of this distinction is that physical music is scarce. There is that word again. Before P2P piracy turned music into a public good, the music industry generated nearly all its revenue from scarce physical formats like LP, cassette, 8-track, and CD. Music operated as a private good in a free market economy just like any other product. Prices varied, labels and retailers directly competed with each other for business, and consumers took a risk every time they bought music from the store.

¹ David Moser and Cheryl Slay, *Music Copyright Law* (Boston, MA: Course Technology, 2012), 2.

“In many ways, it’s the generation raised on an everything-digital diet that’s heralding the revival of the tangible. And it’s not just music, either. Some recent studies have shown that 20-somethings prefer reading books on paper instead of on tablets, a trend that’s helping keep many small booksellers alive.”²

– Michael Farrell, staff writer at Christian Science Monitor

That kind of music market did not suffer from the same ambiguities and issues that currently plague digital music. People paid directly for the music they wanted to hear, not for massive catalogs. Music was a private good on shelves, not a toll good on our screens. Retailers, distributors, rightsholders, and musicians made good money with every sale, not controversial fractions of a penny. There were no significant barriers to entry and young artists could make a living in their community, as opposed to only 0.2% having professional potential on Spotify. Physical media represents the endurance of the “old ways,” real markets that generated notable revenue and showed true fan engagement, because people sought out what they valued.

Before we go any further, we must understand what value is. In his book *The Wealth of Nations*, economist Adam Smith explains that value can mean two things: “The word value, it is to be observed, has two different meanings, and sometimes expresses the utility of some particular object, and sometimes the power of purchasing other goods which the possession of that object conveys. The one may be called ‘value in use;’ the other, ‘value in exchange.’”³ We use currency and precious metals to buy things because they have value in exchange. Money is not intrinsically valuable but is valuable because of what you can get with it. The things we buy

² Michael Farrell, “Cassette comeback: For fans, ‘a yearning for something you can hold,’ Christian Science Monitor, May 19, 2017.

³ Adam Smith, *The Wealth of Nations* (United States: Vintage Books, 2020), 24.

with money, on the other hand, have intrinsic value. We buy houses, computers, food, cars, books, clothes, and music in order to use them.

Both value in use and value in exchange are inherently subjective. What you believe a product is worth is heavily influenced by your perception. This does not only apply to your wallet. If you truly value a good or service, it will provide more usefulness, satisfaction, and enjoyment than it would to someone that did not care about it. In economics, this personal benefit is referred to as utility: the effectiveness of a product to both fulfill its function and increase the happiness and quality of life of the buyer. When perceived value increases, so does the utility received from the product.

Influencing Perceived Value

How much you value something can change on a whim due to mood, circumstances, stress, social pressure, and discretionary income. Some factors are within your control. If you know you are going to buy something, is it not in your best interest to value and enjoy the product as much as possible, to get the most out of your money? There are a few criteria that influence our perception of value. When we make the extra effort to use these factors – acquisition, control, and cost – to our advantage, our property will be more valuable to us.

Acquisition is how a consumer obtains a good; it is the how, when and where of an exchange. Think of all the ways you can get groceries. You can personally go to the store, walk around with a cart, checkout, and drive home. Walmart offers an alternative where you place your order online, drive to the supercenter, and have your items loaded into the car for you. Some retailers like Kroger will deliver groceries to your front door: same products, different way of acquiring them. Likewise, there are many ways to listen to the same song. It is often the case

that multiple ways are available to you at any given time. How does one decide what to do? Convenience will almost always dictate that kind of decision. Yet there are still CDs on shelves, online radio services, and live concerts. If convenience *always* wins, then why have less convenient methods not gone extinct? And not just in the music marketplace, but in all aspects of life where technology has gradually made life easier and more efficient for consumers?

The answer lies in a simple life lesson that many of us learned as children: difficulty builds character. Labor is good for you. Trials make us stronger. Real-world problems require real-world solutions. Hands-on tasks demand your attention, test your patience, and might even require learning a new skill. The satisfaction and accomplishment of doing a task yourself cannot be replaced by technology. Shortcuts, ease, laziness and convenience produce the opposite effect. They evoke feelings of worthlessness, dependence, discontent, and victimhood. By taking the initiative to do something yourself and to do it right, you are exacting your will on the world, making a bit of order out of the chaos. Psychologist and Harvard professor Jordan Peterson takes this idea deeper in his book *Beyond Order*: “Your life becomes meaningful in precise proportion to the depths of the responsibility you are willing to shoulder. That is because you are now genuinely involved in making things better. You are minimizing the unnecessary suffering. You are encouraging those around you, by example and word.”⁴ He concludes that responsibility, duty, and virtue are the source of meaning and purpose in our lives.

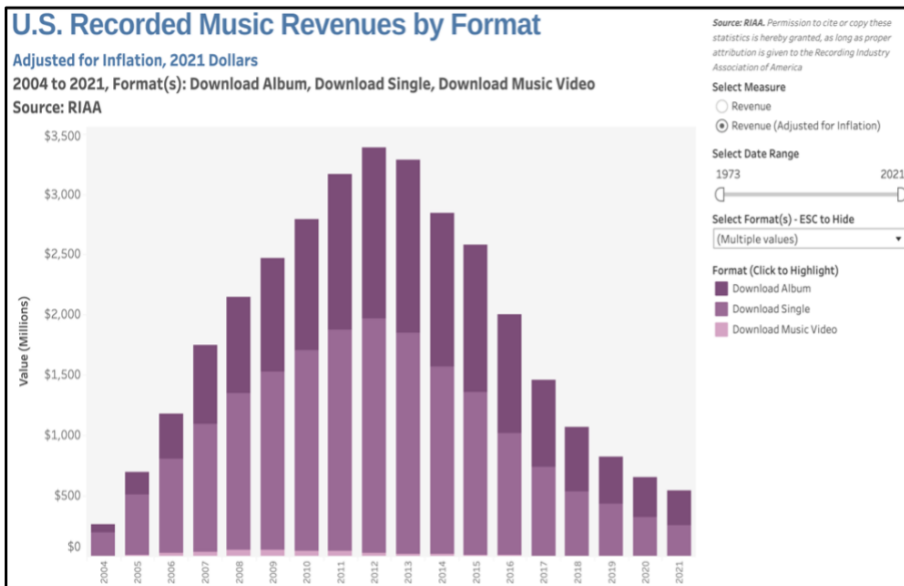
When it comes to entertainment and hobbies, intentionality matters. By choosing to drive to a record store, to get a DVD off the shelf, to put a vinyl record on the turntable, or to go to a live concert, we voluntarily pick a method that is less convenient and, therefore, more memorable and purposeful. This intentionality exemplifies value and results in the subsequent

⁴ Peterson, *Beyond Order*, 134.

experience being more enjoyable, which means that you are getting more pleasure and utility out of your property.

Another factor that affects perceived value is how much control you have over something. Concerning most property, you either own it or you don't. You first realize that you have a need that is currently unfulfilled, so you set out to purchase a product that will solve your problem. Once purchased, you now own that property. We are all personally familiar with the purchase-decision process.

Some property that we use does not belong to us. Land, buildings, and vehicles are financed, allowing the buyer to enjoy the property while simultaneously paying for it. We pay for and use public services like libraries, roads, and emergency responders without owning them. No consumer owns entertainment platforms like Disney+, Spotify, or the New York Times, but pays a recurring fee in exchange for access to their content. What is more valuable: a rented movie on Amazon Prime or that same movie on a Blu-ray disc? The price of the latter is definitely higher, but which does the consumer have more control over? The disc, of course, because you are paying for your own personal copy (scarcity) that you can watch on your terms (exclusivity). It is a private good. The online rental is merely a temporary toll good that you must watch on Amazon Prime. The consumer is dependent on the service that provides the rental, whereas the disc can be used in perpetuity if treated with reasonable care. As long as both methods are viable, the consumer will perceive the disc as more valuable than the rental. We care more about stuff that belongs to us.



Data Source: Recording Industry Association of America

In 2021, the RIAA reported that recorded music revenue increased in every sector except one: digital downloads. Since the early 2010s, on-demand streaming has swallowed what

little market share they had. “Revenues from digitally downloaded music were the only major category that declined in 2021, down 12% to \$587 million. Downloads accounted for just 4% of U.S. recorded music revenues in 2021, down from a peak of 43% of revenues in 2012.”⁵

Whereas streaming is clearly a subscription-based rental and physical media obviously entails complete ownership through purchase, digital downloads occupy an awkward middle-ground. The consumer is paying for an individual track or album with no tangible component, only a digital file with limited capabilities. Why not just listen to the song for free on YouTube or with a streaming service for which he is already paying? When it comes to ownership, digital downloads offer all the weakness of streaming and physical media with none of the strengths, which is why its annual revenue continues to fall while physical media, especially vinyl, has made a comeback.

Finally, cost affects how valuable something is to the buyer. Cost is more than just price. Everything that you spend, including time and energy, are a part of the cost you pay to obtain

⁵ Friedlander, “Year-End 2021 RIAA.”

something. The act of saving up for something expensive and then exchanging all those savings for a product, forsaking all other opportunities to use those resources, greatly influences perceived value. This is why some parents choose not to fund their child's higher education, electing instead to make the child earn it. While the opposite strategy involves the same expensive price tag, the perceived value from the perspective of the child is much lower since he did not sacrifice anything to obtain it. Students that do not personally pay for their college tuition may take their academics less seriously.

The music industry executives and talent particularly dislike advertising-supported streaming – the free option – believing it generates inadequate compensation and devalues music in the eyes of the consumers when they pay nothing.”⁶
– David and Tim Baskerville, authors of Music Business Handbook

The more resources you must sacrifice in order to get a product means the product must be valuable to you, because you are implying that the product is worth more than all costs incurred. Plus, once you have the product, you will remember how much it cost you to obtain it and you will cherish it accordingly. All three factors are applicable to any need that can be fulfilled in multiple ways. In the case physical music media, you not only perceive the intellectual property to be more valuable, but you get real tangible value too.

Physical Advantages

Physical media is often more than just a bunch of tracks burned onto a disc or pressed onto a vinyl record. Extra features like bonus tracks, cover art, lyrics books, and credits are common characteristics that can accompany the music, which are not necessarily included on digital alternatives. Waleed Rashidi, professor of communications at California State University,

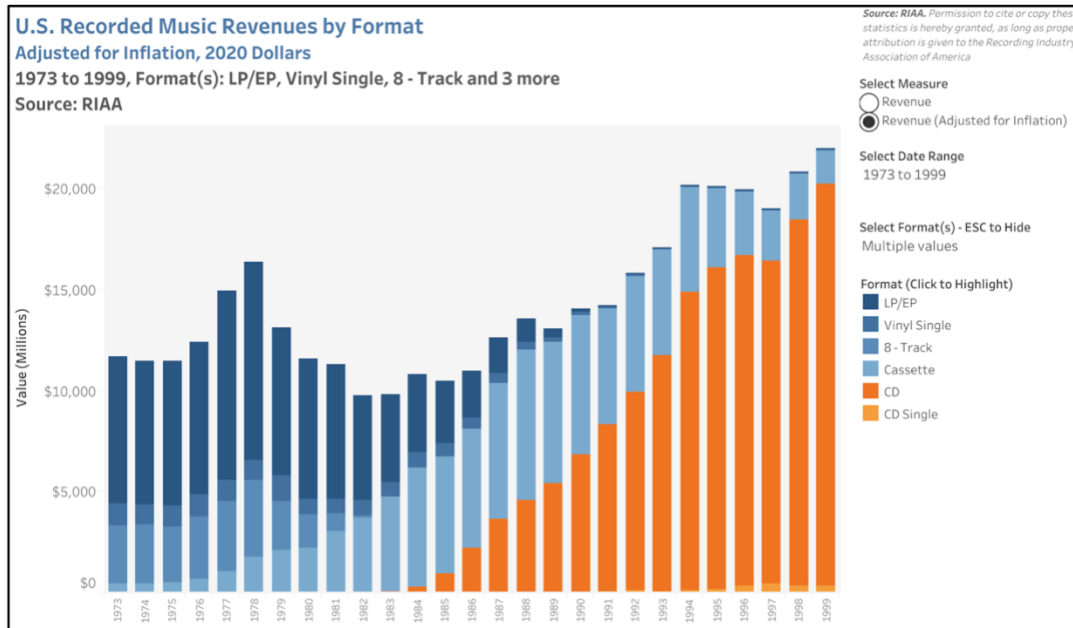
⁶ Baskerville, *Music Business Handbook*, 263.

conducted two studies through the *Music & Entertainment Industry Educators Association*. The first study, presented during the 2018 *MEIEA* summit, investigates Millennials' usage of cassette tapes. The second study, published in the 2020 *Journal of the Music & Entertainment Industry Educators Association*, aimed at young adults' experiences with compact discs. Why focus on the Millennial and Generation Z demographic in these studies? While one may think that older consumers that grew up with these formats use them the most now, the 25-34 age group purchases and engages with CDs the most.⁷ Plus, younger tech-savvy people are far more likely to be faced with a realistic choice between purchasing physical media or solely listening on streaming platforms. For older generations, the latter option is less plausible. And finally, younger people are going to be the primary music consumers in the future. What they listen to now in their youth will shape their music tastes and listening habits.

The CD was invented in 1979, rapidly adopted by the masses, quickly pushed LPs out of the spotlight, gradually displaced the cassette tape, and peaked in 1999. Unfortunately, the success of the CD faded as quickly as it came. Twenty years after its peak, only 5% of recorded music revenue was due to CD sales in 2019.⁸ Considered even more obsolete than the compact disc, cassettes are not completely extinct, albeit their economic output took a turn for the worse in the 1990s. "With support from prominent artists and labels, cassettes – a format considered as obsolete or archaic by some, given always-accessible digital music delivery – had exhibited an unforeseen ability to once again find relevancy in popular culture."⁹ Like the CD and LP, cassettes endured as popular music rushed towards the digital frontier.

⁷ "Music Listening 2019," International Federation of the Phonographic Industry, accessed March 28, 2022.

⁸ Joshua Friedlander, "Year-End 2019 RIAA Revenue Statistics," Recording Industry Association of America, February 2020.



Data Source: Recording Industry Association of America

Rashidi was intrigued by the unlikely combination of such an old technology and a young demographic. Odd relationships spark investigation. He set out to better understand why young people are attracted to, purchase, and use these antiquated formats. Looking at the results of the two studies together, several themes overlap. These can be collected into three general characteristics that attract music fans to cassette tapes and compact discs.

First and foremost, the nostalgia. If you talk to anybody about outdated technology that used to be widely popular, nostalgia is likely to come up in the conversation. Several participants referred to nostalgia, reminiscing, and being reminded of their childhood when listening to a cassette tape or CD. It is easy to empathize with them because nostalgia is a common emotional experience. Some cassette users report that they were initially exposed to the format by their parents. “Recollections were even shared in regard to which exact locations – specifically in

⁹ Waleed Rashidi, “Play, Rewind, Play Again: Experiences of Millennials’ Usage of the Cassette tape as Music Media,” *Proceedings of the 2018 International Summit of the Music & Entertainment Industry Educators Association* (March 2018): 68.

vehicles – they remember listening to cassettes as young children.”¹⁰ Along with the actual music and genres, the formats themselves are passed down generationally, instilling a sense of nostalgia into people that were born years after the formats were replaced.

A majority of the participants in the 2018 study hint at nostalgic feelings towards cassettes. One response in particular takes it a step further.

I think nostalgia definitely plays a big role . . . Also I think that the kinds of music that I know is popularly released on cassettes, the aesthetics of that music are really tied to that feeling of nostalgia. I guess maybe, I don’t know if I would necessarily call it value, but part of maybe the meaning that I derive from it is the connection to that nostalgic aesthetic . . . Just having a physical object I think is something that’s really powerful and obviously is gradually getting diminished in how we listen to music.¹¹

In this response, nostalgia is amplified by the existence of a tangible object, something to hold and remember holding. While you might listen to an old Christmas album that reminds you of your childhood, it makes sense that listening to the album on the very same CD would be more emotionally powerful. This connection with a physical component is also related to the next theme.

From purchase to packaging to playback, the experience of physical media was cited by participants in a variety of ways. Motivators for buying physical media include owning a vehicle with a compatible sound system, acquiring the appropriate player, getting the media in a bundle with other products like tickets or merchandise, and a desire to financially support a favorite artist. That last motivator is especially true for CDs. “Much like a concert T-shirt or poster, the compact disc provides another option for consumers in this study to enhance identification with their favorite artists. The CD helps to express approval of such artists by

¹⁰ Rashidi, “Play, Rewind, Play Again,” 71.

¹¹ Rashidi, “Play, Rewind, Play Again,” 76.

allowing participants to showcase their collection of products and memorabilia.”¹² Cassette users had similar responses when discussing purchase locations, such as record stores, thrift stores, and online outlets, saying that by buying cassettes at smaller local retailers they believed more money goes to the artist.

But beyond the actual purchase, a lot of focus revolved around the listening experience. “There were several mentions of the cassette as a medium that required a listen of the entire album – or at least some songs in their originally intended order – which seemed to be less common in the playback of other, more technologically advanced formats.”¹³ This is an attribute that was essentially abandoned by the music industry when digital downloads of individual tracks on iTunes became the solution to music piracy. The P2P file sharers uncovered a desire to hear only certain tracks, and the music business went along with it. But for some, the mere difficulty of changing from track to track on a cassette encourages listeners to enjoy the entire album from start to finish, to commit their attention to the music for a longer period of time.

“Vinyl seems to be split between two basic markets: the audiophile and people who think it’s cool to have a turntable and put vinyl on it and hear the pops when you put the needle down. That’s such a novelty experience now for people your age. The coolness of it keeps it alive, and not just alive but growing.”¹⁴
– John Mays, VP of A&R at Centricity Music

For cassette tapes, participants mentioned an affinity for tape maintenance and rewinding - the little things you have to do to get the tape ready to play. Even the simplistic design was cited by participants. One person was impressed by the sturdiness of cassettes:

¹² Waleed Rashidi, “Young Adults’ Compact Disc Usage Experiences in 2020,” *Journal of the Music & Entertainment Industry Educators Association* Vol. 20, No. 1 (2020): 139.

¹³ Rashidi, “Play, Rewind, Play Again,” 76.

¹⁴ John Mays, interview by author.

“I love tapes because they’re so durable. Even though they can shatter and fall apart, you can pretty much put them back together. As long as you keep them out of the sun, and you take care of them, they’ll last a lifetime. I have 40-year-old tapes, easy, in our collection.”¹⁵ Each format has subtle nuances that can either make it charming or repulsive depending on the user.

The fact that you have to listen to vinyl at home. It’s a listening experience. It’s much more intimate because you’re bringing it into your house. Once it’s in your house, you display it. You’re like, ‘here’s my TV and then here’s my record collection.’”¹⁶ – Dr. Matt Douglass, Ouachita Baptist University

Some of the minor differences in playback could also apply to the third theme: format perks. Each format has unique perks that accompany the main musical feature. In the 2020 study, Rashidi noted that nearly every participant used streaming services and owned less than thirty CDs on average. Obviously, the CD is not the primary source of music consumption for young adults, yet it still serves a purpose. “It fulfills and augments certain tangible functions that most streaming cannot accomplish, such as offering the ability to visually consume the complete artwork, photography, credits, and lyrics in a printed booklet. In some instances, the CD version contains tracks not available on other format.”¹⁷

While cassettes do not commonly come with extensive bonus material like CDs and vinyl, it does have a special relationship with certain playback devices. Many participants refer to their cars and other cassette players as motivations behind purchases. And people that still have a Sony Walkman or found one that belonged to their parents will need cassette tapes to use it. Mix tapes were a popular creative project that required tapes and a cassette recorder. CDs can

¹⁵ Rashidi, “Play, Rewind, Play Again,” 73.

¹⁶ Matt Douglass, interview by author.

¹⁷ Rashidi, “Young Adults’ Compact Disc Usage,” 138.

come with all kinds of extra features and be bundled together into large record collections with limited edition merchandise, photos, posters, and anything else the artist wants to sell with the music. The important thing is that other physical products can easily be paired with physical music media and sold together, something digital streaming cannot do. While the music is the primary goal in either case, the consumer may consider the physical media to be of greater value to himself and the artist he wants to support.

Even though there is a multitude of ways to hear the same song, each one provides a different experience. Physical music media offers a particularly special, intimate, and nostalgic experience that many people value. The price may be higher, but you get more out of it both materially and emotionally. It forces you to engage with the music to keep it playing and in good condition. This tactile component creates a bond and memory that purely intangible options cannot match. As long as young people are exposed to these classic ways of experiencing music, there will be a demand for copies of physical music media, old and new.

“For the growing number of fans, labels, and musicians who are driving a cassette boomlet – and the much larger vinyl revival – there seems to be a yearning for music that offers a much fuller and more tactile experience, something that goes beyond the digital bits that feed nonstop streams from services such as Spotify and Apple Music.”¹⁸

– Michael Farrell, staff writer at Christian Science Monitor

¹⁸ Farrell, “Cassette comeback,” 2

Conclusion: Engaging with Music

This thesis has covered many different topics, but they all point to the distinction between entertainment and engagement. First, we recognized that the music industry is healthy and growing, most people consume music on a digital streaming platform, and vinyl sales have increased exponentially since 2020. Then, we found that the digital music market, while immensely popular for its convenience and size, negatively affects music fans by failing to convey the value of its products, curtailing music to a 30-second goalpost, constantly exploiting our limited attention, and teaching us to see music as mere entertainment. Unfortunately, there is little reason to believe that culture and art will not continue along this path of greater digital supremacy over our lives. We all ought to be very conscious with our boundaries and privacy to maintain control of what technology we allow to influence us.

Do we truly believe that art is worth studying and enjoying? Do we want our own creative works to be given the attention they deserve? Is music meant to be more than background noise that is a hit song one day and forgotten the next? To combat the passivity and laziness of the digital world by which we are surrounded, we must seek out music in ways that will demand our attention, spark our intellect, and remain with us through thick and thin. When one takes hold of what is fundamentally intangible, a relationship is formed between fan and artist through a physical object that can be touched, owned, displayed, and cherished.

Should everyone cancel their streaming subscriptions and start a vinyl collection? No, but we should be aware of how the digital world affects our interactions with other people and music. When an artist or album really speaks to you, consider buying your own physical copy. When you purchase music in a tangible format, you may find that the artist or album connects with you better and that you can give the music the attention it deserves.

Bibliography

- Baskerville, David and Tim Baskerville. *Music Business Handbook and Career Guide*. 12th ed. Thousand Oaks, CA: SAGE Publications, 2019.
- Bernstein, Jonathan. “‘Vilification Is Easy’: Spotify Isn’t the Culprit, Says Head of Indie Label Thirty Tigers.” *Rolling Stone*. February 10, 2022. <https://www.rollingstone.com/music/music-news/spotify-streams-payouts-joe-rogan-1298101/>.
- Blake, Emily. “Data Shows 90 Percent of Streams Go to the Top 1 Percent of Artists.” *Rolling Stone*, September 9, 2020. <https://www.rollingstone.com/pro/news/top-1-percent-streaming-1055005/>.
- Campbell, Michael. *Popular Music in America: The Beat Goes On*. 5th ed. Boston, MA: Cengage, 2019.
- Caulfield, Keith. “Weekly U.S. Vinyl Album Sales Break Modern-Era Record, Fueled by Holiday Shopping.” *Billboard*. December 28, 2021. https://www.billboard.com/pro/weekly-u-s-vinyl-album-sales-break-modern-era-record-holiday-shopping/#recipient_hashed=bd88ddae46a45b7e0bc0ed46e1d2308ea623894dd5b5b7ce2dad0227b5ecef67&utm_medium=email&utm_source=exacttarget&utm_campaign=billboard_daily&utm_content=320899_12-29-2021&utm_term=8113850.
- Christman, Ed. “The Pandemic Caused an Explosion in Vinyl Demand – Here’s Why the Music Industry Can’t Meet It.” *Billboard*. June 8, 2021. <https://www.billboard.com/pro/vinyl-album-demand-pandemic-slowdown-industry-supply/>.
- Cridlin, Jay. “RIP to the CD.” *Tampa Bay Times*, April 15, 2018. <https://www.pressreader.com/usa/tampa-bay-times/20180415/283201558887273>.

Digiaco, Frank. "Here's How Much Americans Spend on Vinyl, Per This Online Marketplace." *Billboard*. June 8, 2021. <https://www.billboard.com/pro/american-vinyl-spending-habits-discogs-data-analysis/>.

"Engaging with Music 2021." International Federation of the Phonographic Industry. Accessed March 28, 2022. <https://www.ifpi.org/wp-content/uploads/2021/10/IFPI-Engaging-with-Music-report.pdf>.

Farber, Jim. "R.I.P., 'CD'." *New York Daily News*, January 26, 2014. <https://www.pressreader.com/usa/new-york-daily-news/20140126/284459981589377>.

Farrell, Michael. "Cassette comeback: For fans, 'a yearning for something you can hold.'" *Christian Science Monitor*. May 19, 2017. <https://www.csmonitor.com/USA/Society/2017/0519/Cassette-comeback-For-fans-a-yearning-for-something-you-can-hold>.

Friedlander, Joshua. "Year-End 2019 RIAA Revenue Statistics." Recording Industry Association of America. February 2020. <https://www.riaa.com/reports/riaa-releases-2019-year-end-music-industry-revenue-report/>.

Friedlander, Joshua. "Year-End 2020 RIAA Revenue Statistics." Recording Industry Association of America. February 2021. <https://www.riaa.com/reports/2020-year-end-music-industry-revenue-report/>.

Friedlander, Joshua. "Year-End 2021 RIAA Revenue Statistics." Recording Industry Association of America, March 2021. <https://www.riaa.com/reports/2021-year-end-music-industry-revenue-report-riaa/>.

"Global Music Report 2021." International Federation of the Phonographic Industry. March 23, 2021. <https://www.ifpi.org/ifpi-issues-annual-global-music-report-2021/>.

Ingham, Tim. “Over 60,000 Tracks are Now Uploaded to Spotify Every Day. That’s Nearly One per Second.” Music Business Worldwide. February 24, 2021.

<https://www.musicbusinessworldwide.com/over-60000-tracks-are-now-uploaded-to-spotify-daily-thats-nearly-one-per-second/>.

Ingham, Tim. “Spotify Just Dropped a Stat That Changes Everything About How You Should Judge the Streaming Economy.” Music Business Worldwide. March 24, 2022.

<https://www.musicbusinessworldwide.com/podcast/spotify-just-dropped-stat-changes-everything-about-how-we-should-judge-the-streaming-economy/>.

Knopper, Steve. “What’s On Vinyl, And Why.” Billboard. June 8, 2021.

<https://www.billboard.com/pro/vinyl-albums-releases-labels-picks-analysis/>.

Kopf, Dan. “The Economics of Streaming is Making Songs Shorter.” Quartz. January 24, 2019.

<https://qz.com/1519823/is-spotify-making-songs-shorter/>.

Kurkowski, Damon. *The New Analog*. New York: The New Press, 2017.

Levin, Garrett. “In Streaming-Centric Industry, All Stakeholders Must Come to Table for Lasting Change.” Billboard. March 17, 2022. <https://www.billboard.com/pro/streaming-music-industry-garrett-levin-guest-column/>.

Moser, David and Cheryl Slay. *Music Copyright Law*. Boston, MA: Course Technology, 2012.

“Music Listening 2019.” International Federation of the Phonographic Industry. Accessed March 28, 2022. <https://www.ifpi.org/wp-content/uploads/2020/07/Music-Listening-2019-1.pdf>.

Page, Will. *Tarzan Economics: Eight Principals for Pivoting Through Disruption*. New York, NY: Little, Brown and Company, 2021.

Peoples, Glenn. "Music Copyright Value Hit \$32.5 Billion in 2020, With Streaming Taking Its Biggest Slice Yet." *Billboard*. November 18, 2021. https://www.billboard.com/pro/music-copyright-value-2020-report/#recipient_hashed=bd88ddae46a45b7e0bc0ed46e1d2308ea623894dd5b5b7ce2dad0227b5ecef67&utm_medium=email&utm_source=exacttarget&utm_campaign=billboard_Bulletin&utm_content=313234_11-18-2021&utm_term=8113850.

Peoples, Glenn. "Spotify Closed 2021 With 180M Subscribers, \$3B Revenue in Q4." *Billboard*. February 2, 2022. <https://pmc-billboard-preprod.go-vip.net/pro/spotify-q4-2021-earnings-report-subscribers-revenue/>.

Peoples, Glenn. "The four ingredients of a great music business conference panel." *Medium*. June 23, 2019. <https://medium.com/@glennpeoples/the-four-ingredients-of-a-great-music-business-conference-panel-faa9902fa7a6>.

Peterson, Jordan. *Beyond Order: 12 More Rules for Life*. New York, NY: Penguin Random House, 2021.

Rashidi, Waleed. "Play, Rewind, Play Again: Experiences of Millennials' Usage of the Cassette Tape as Music Media." *Proceedings of the 2018 International Summit of the Music & Entertainment Industry Educators Association* (March 2018): 68-80
<https://doi.org/10.25101/18.23>.

Rashidi, Waleed. "Young Adults' Compact Disc Usage Experiences in 2020." *Journal of the music & Entertainment Industry Educators Association* Vol. 20, No. 1 (2020): 127-146,
<https://doi.org/10.25101/20.4>.

Rosen, Larry. "The Distracted Student Mind – Enhancing Its Focus and Attention." *The Phi Delta Kappan* 99, no. 2 (2017): 8-14. <http://www.jstor.org/stable/26388265>.

Smith, Adam. *The Wealth of Nations*. United States: Vintage Books, 2020.

Stoner, Robert and Jessica Dutra. "The U.S. Music Industries: Jobs & Benefits: Executive Summary." Recording Industry Association of America. December 2020.

<https://www.riaa.com/reports/the-u-s-music-industries-jobs-benefits-economists-incorporated/>.

"Year-End Report U.S. 2021." MRC Data and Billboard. Accessed March 28, 2022.

<https://mrcdatareports.com/mrc-data-2021-u-s-year-end-report>.