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Title: Social construction of music markets: unveiling the role of copyright and technology in the digital age.

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Abstract:

Objectives of the research- Like the vinyl several years ago transformed local music markets into national markets, now digital technologies and Internet have ignited a new social construction of music markets. However the story repeats again. The legal framework established by incumbents does not make it easy the transformation of the market. Like in the past, entrants have had to construct a new legal framework in order to be able to offer new patterns of music consumption and new distributions channels. As suggested by Peterson's six constraints on the production of culture framework, music markets are being transformed along law and regulation, technology, industry structure, organizational structure, occupational careers and market. However, copyright law seems to be the key constraint that limits or foster music market construction that technological changes, given consumer preferences, make possible. This context provides an excellent opportunity to analyze the role of copyright law and technology on the social construction of music markets. Our aim is to evince the role of copyright law and technology in the transformation of music market in the digital age.

Brief description of the disciplinary/theoretical context/background- Technological and communications advances have provided new tools for recording and project music. In the past century the vinyl 45 rpm record, television and the development of the transistor radio receiver allowed a widely distribution of music (Chanan, 1995) and influenced the advent of new music styles (Peterson, 1990, 2004). At that time, unlike European legislation in the United States the copyright law not provided a mechanism to collect the royalties for public performance (Peterson, 1990). To answer this situation, in 1914 a number of the new music writer-publishers banded together and created a private membership company (ASCAP). Arrival 1930 that company, in fact, controlled the exposing of new music to the public (Peterson, 1990).

The advent of rock and country music are examples of how copyright law was used to delay the incorporation of these styles to the music industry. ASCAP denied membership to musicians that represent different rhythms and aesthetic as a form to avoid that music reach a wide audience (Peterson, 1990). Consequently, numerous publishers and songwriters did not have a mechanism to collect the revenue generated by their works (Peterson, 1990), so, in response to

these barriers, in 1939 a rival licensing agency (BMI) was created to record the creations excluded by ASCAP and manage their royalties.

The process of emergence of these new music markets has been explained by Peterson (1990) through the six-facet model of production. In that work, Peterson analyzed how changes in six forces -law, technology, industry structure, organization structure, occupational career and market- can explain the advent of rock music. Peterson (1975, 1997, 2004) analyzed how this forces shape the music industries in specific cases but, other studies focused in one or more of them in others fields, as DiMaggio (1982), Powell (1985) and Lee (2004).

The next digital technologies advances like CD and DVD, did not involve significant changes in the structure of the music industries. However, new information and communications technologies and the Internet have allowed and developed new forms of consumption and distribution of music. Internet music stores like iTunes or Amazon, represent a new distribution channel for traditional record (Waelbroeck, 2013). However, digital music platforms like Spotify or Deezer allow access to streaming music from at least two ways (free or paid). The current context, favors not only the emergence of new business models but also a much deeper transformation in the value chain of the music industries. Markets are typically more complex than even large complex firms Storr (2010, p.202) and copyright and related rights regulations are continuously changed in the digital age. Again, are being established legal structures to shape a new music market and as before, that threaten to transform the music industries.

Research questions and/or hypotheses- The advances in the technological means affecting both consumption and distribution of music (Waelbroeck, 2013). Consumers can access to music more widely and expect an offer according to current technologies. In the recent years a varied of digital music distribution platforms and others online intermediaries have emerged with new business models for supply growing demand of digital music. Tensions between recording industry, consumers, online music services and other actors show up in continuous changes to copyright and related rights frameworks. Considering this context, the study focus on two of the six forces of Peterson's model, copyright law and technology because these seem to have greater effect than the others. For that purpose, we will determine which role play copyright law and technology in the construction of music market in the digital age.

Methodology- This study data draws from a number of sources. First, using a literature search method, we reviewed prior research work, particularly Peterson (1975, 1985, 1990, 2004), in order to describe music market before Internet and Storr (2010) for a social construction of market perspective. Second, the most important copyright and related rights regulations in Europe were examined and interpreted with a view to describe the role of copyright in the contemporary construction of music market. Finally, we analyzed current reports and statistics from music industries.

Main or expected conclusions/contribution- This research contributes on the one hand by providing a description about the contemporary changes of music market following Peterson (1990). On the other, the study highlights the role of copyright law and technology in the transformation of music market in the digital age, considering a social construction of market perspective.

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