

Vienna Music Business Research Days

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Regulatory uncertainty and business model innovation

The (un)used potential of music industry events

Elke Schüßler & Leonhard Dobusch

Freie Universität Berlin

Regulation on Monetizing Music



Digitization has resulted in regulatory struggles around copyright reforms.

- 1996 – WIPO copyright treaty
- 2001 – EU Copyright Directive, followed by national implementation
- Current - Evaluation

Outcome of national reforms is the bases for developing new business models.

Regulatory Uncertainty



A central feature of regulation is the reduction of uncertainty by making the actions of others more predictable.

Uncertainty resulting from the absence, complexity, or ambiguity of regulation is considered as problematic for corporate decisions.

But: uncertainty also leaves room for innovation.

Music Industry Events



Industry events as discursive spaces in which “regulatory conversations” (Black) can take place.

Regulation as a communicative process “involving the sustained and focused attempt to alter the behavior of others according to identified purposes [..., i.e.] the intentional, goal-directed, problem-solving attempts at ordering undertaken by both state and non-state actors.”

Research Question

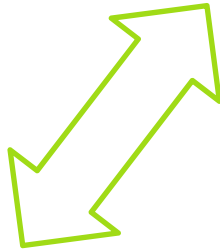


How do different actors in a transforming industry address regulatory uncertainty in processes of business model innovation?

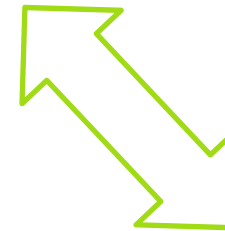
- Music industry as a core copyright industry, experiencing threats to main business model
- Focus on national regulatory struggles, implementing international copyright treaties

Units of Analysis

Copyright-based
business models



**Regulatory
discourse**



Industry events



Groups of actors

Method



Case selection: German music industry

Time period: 2001 and 2010, i.e. the decade after the EU Copyright Directive.

Two analysis steps:

- Event landscape - *How did discursive spaces for regulatory conversations change over time?*
- Argumentative discourse analysis – *Which actors made which claims over time?*

Event Landscape: Method



Analysis of event calendars published in two leading industry journals

- Additional cross-check in non-mainstream online news portals

Selection criteria:

- A public event hosting a conference format where industry-related issues were discussed
- Only events and event series hosted in Germany

Music Industry Event Landscape 2001-2010

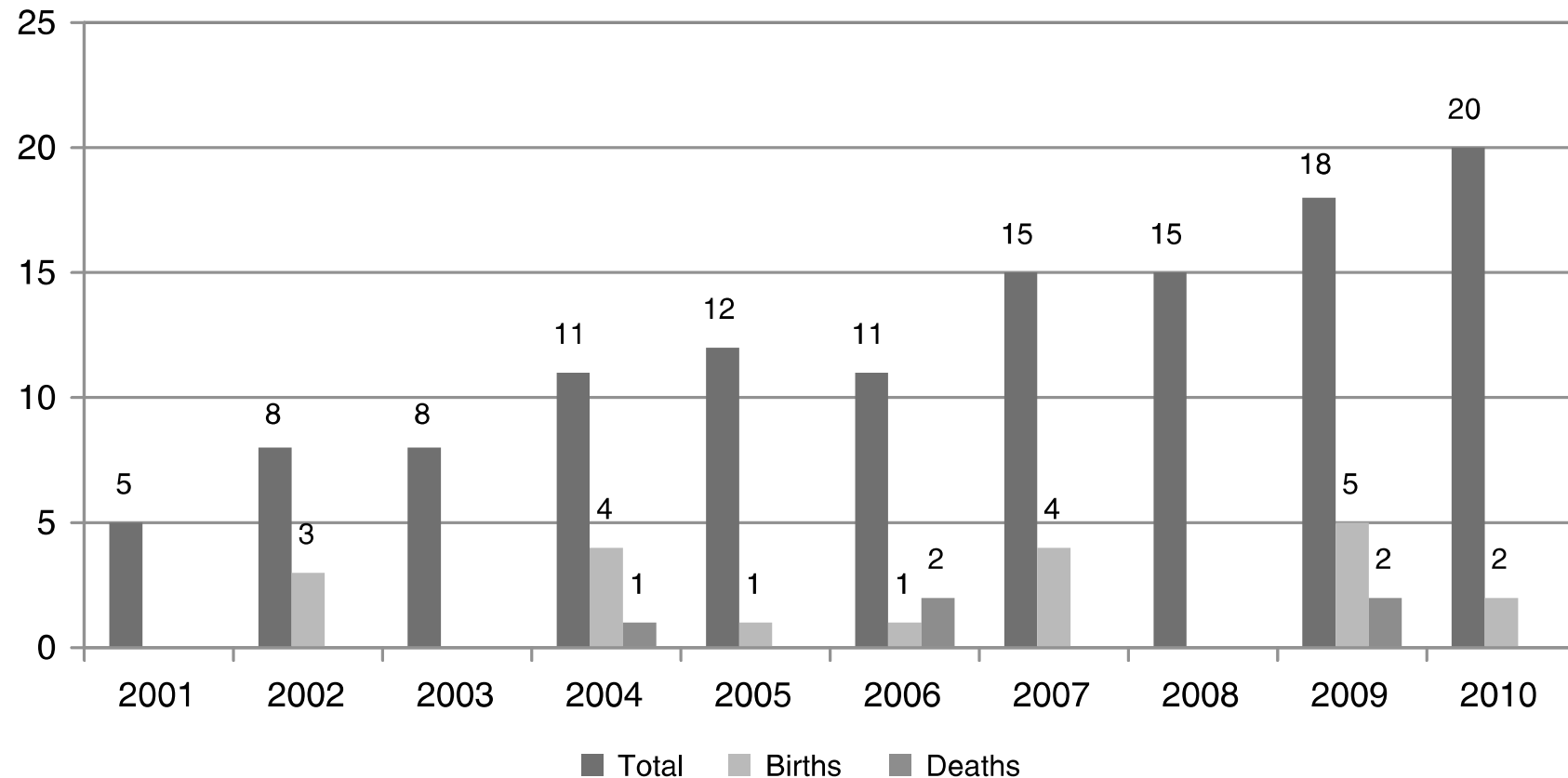


Fig. 1. Evolution of the event landscape in the German music industry from 2001 to 2010.

Discourse Analysis Database

Table 1
Database.

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Database.

	<i>c/o pop/C</i>		<i>c/o pop/C'n'B</i>
Interviews	I 1: Found I 2: Head I 3: Head I 4: Head	Interviews	I 1: Founder/CEO I 2: Head I 3: Head I 4: Head
Observations	2009, 2010 100 Formal interviews	Observations	2009, 2010 100 Formal interviews
Documents Press (between 2001 and 2010)	Programs Industry Press Daily Press National Press Regional Press	Documents Press (between 2001 and 2010)	Programs 2005 ^{**} –2010 Industry press: Musikwoche Daily Press: National Newspapers: Süddeutsche Regional Newspapers: Berliner

* These formal interviews were conducted to explore how participants perceived the new business model. They are listed here under observations.

** c/o pop conference was established in 2009.

*** Reeperbahn Campus Conference

■ 434 passages that referred to copyright

■ 34 different claims

Argumentative Discourse Analysis (Hajer)

Business models as *story lines*

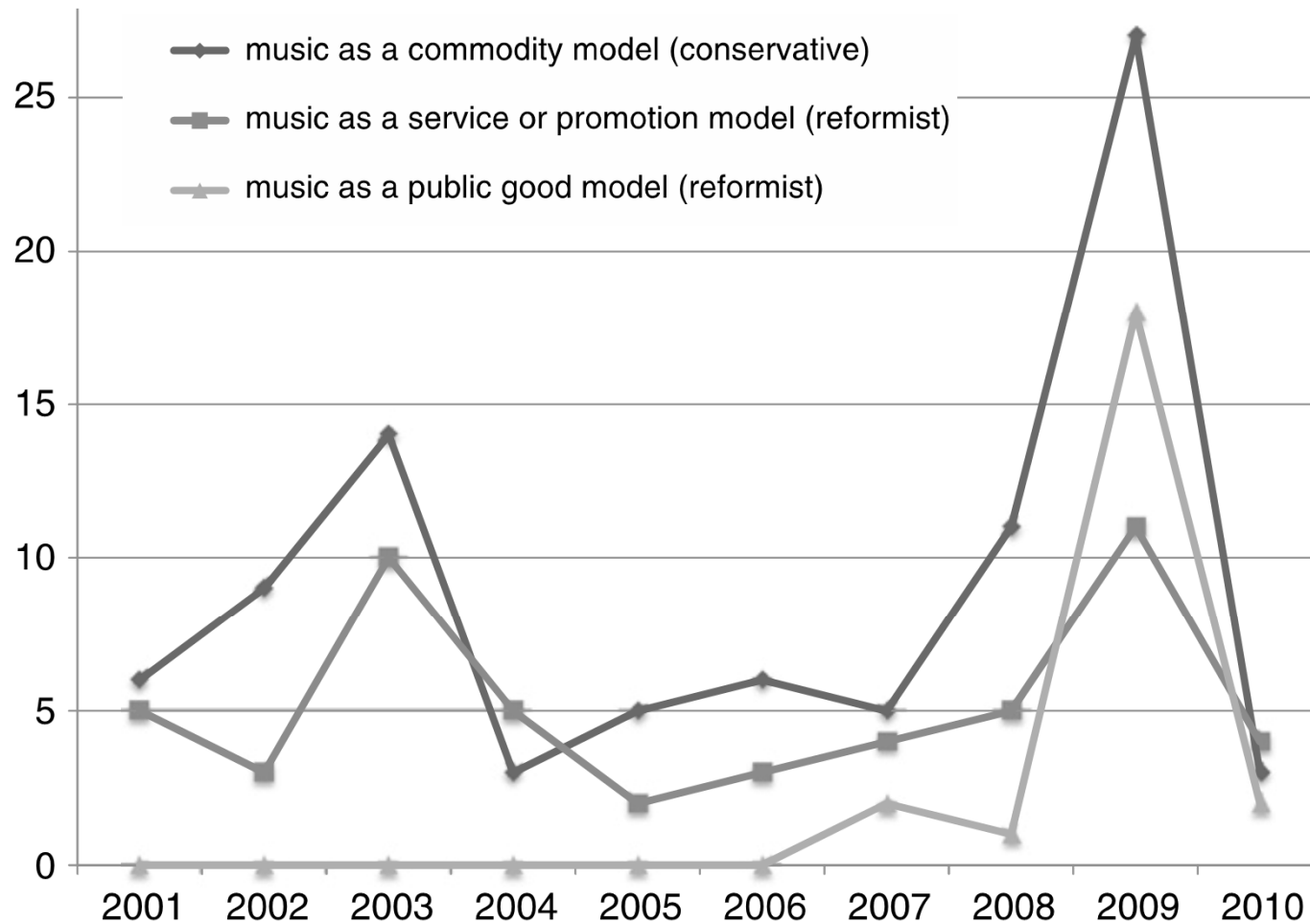
- Story lines comprise of different claims
- Claims: voiced by *actors* and reported in *event-related* media coverage

Inductive three-step approach:

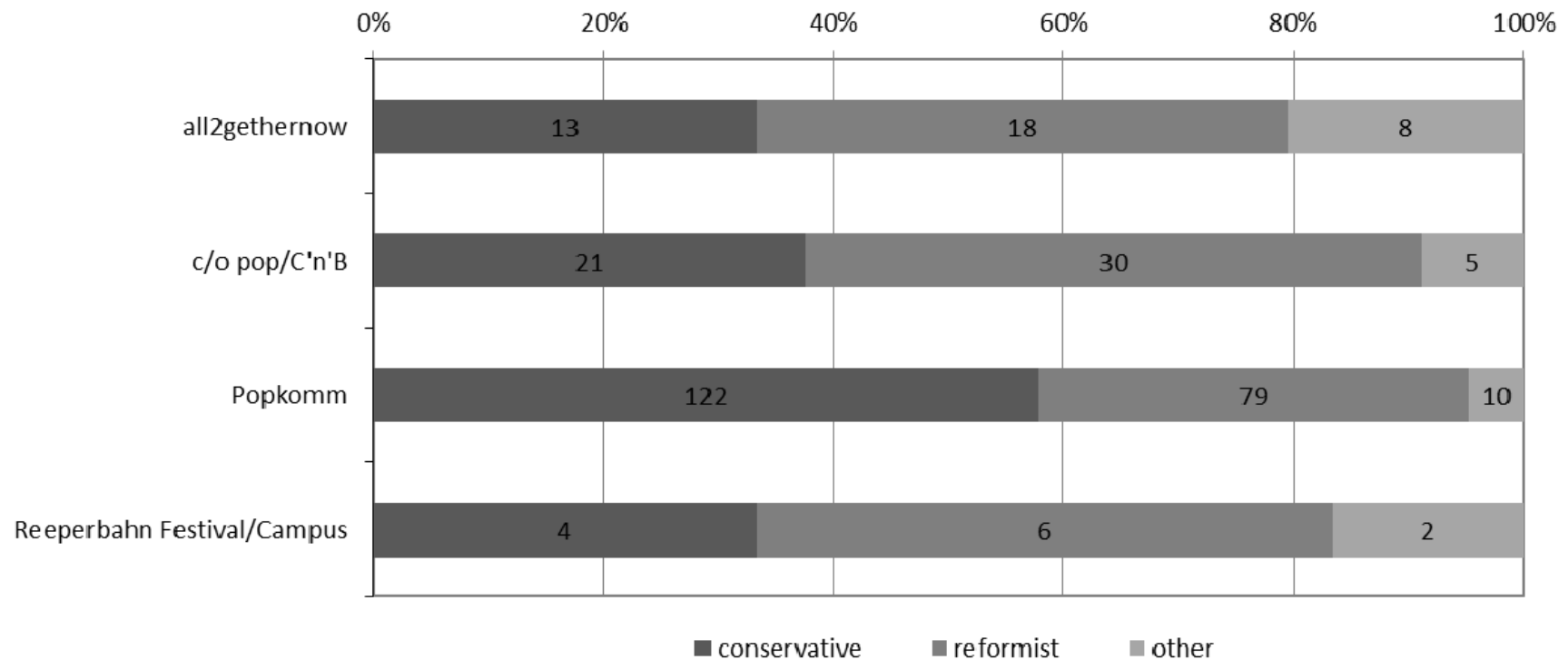
- (1) identify and code claims
- (2) group claims into story lines;
- (3) categorize story lines as either conservative or reformist

Discourse coalitions as emerging actor-claim-configurations.

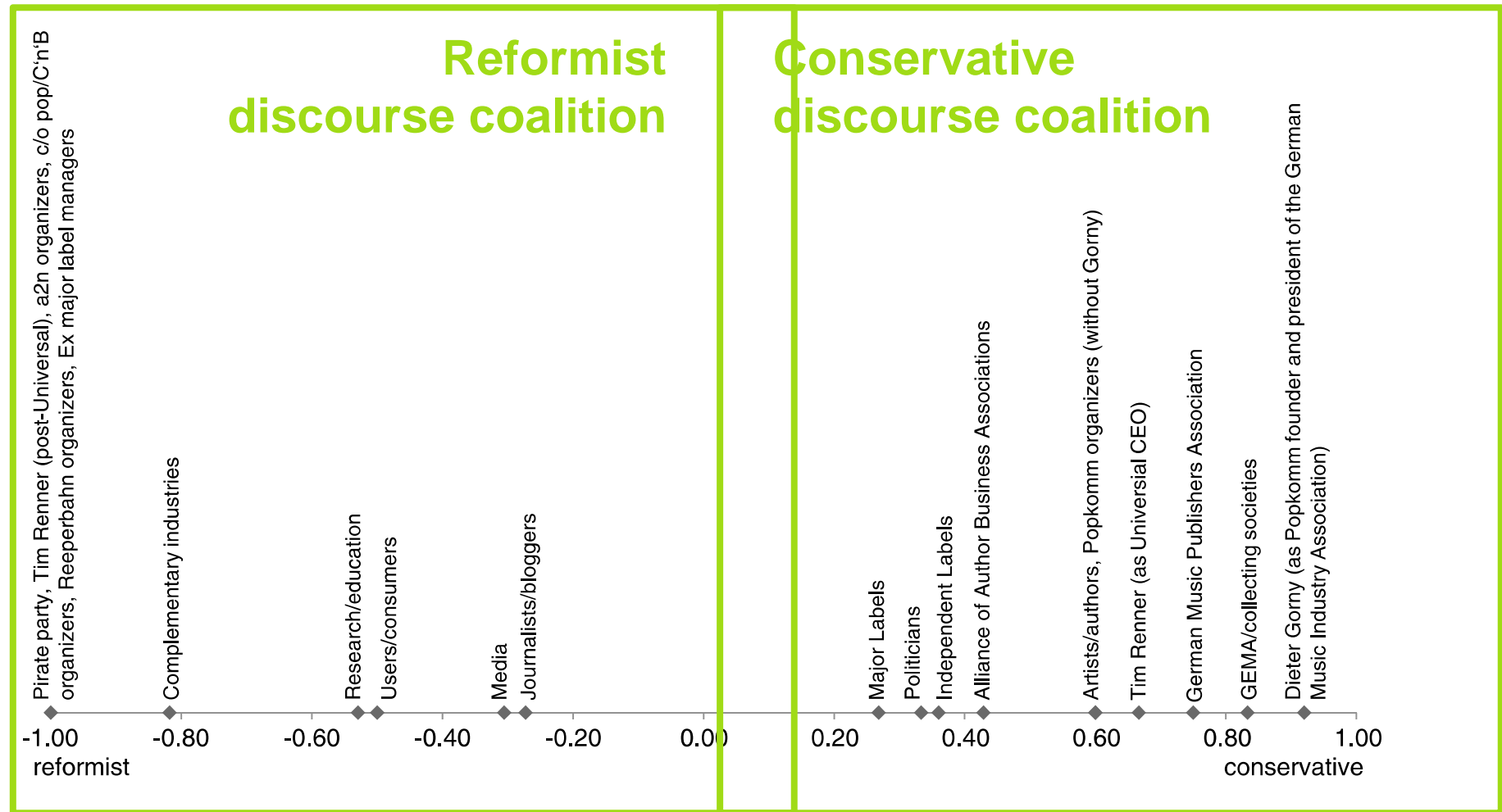
Business Model Claims 2001-2010



Types of Claims by Event 2001-2010



Discourse Coalitions



Insights



Actors engage in regulatory propaganda, not regulatory conversations.

Event organizers are participants in regulatory discourse and the founding/cancelling of events is a influential discursive strategy.

Cycles of regulatory propaganda evolve as actors fail to innovate in the realm of existing regulatory settings.

Implications & Limitations



Importance of longitudinal analysis

- Reveals changes intensity and content of regulatory discourse
- Stability of actor positions – new claims mostly voiced by new actors

Limitations:

- Study only covers event-related regulatory conversations
- No assessment of actor influence and thus discourse coalitions over time

Thank you.

Recent music industry publications:

Schüßler, E./Dobusch, L./Wessel, L. (2014): Backstage: Organizing field-configuring events as proto-institutional work in a transforming creative industry. Schmalenbach Business Review. October.

Dobusch, L./Schüßler, E. (2014): Copyright reform and business model innovation: Regulatory propaganda at German music industry conferences. Technological Forecasting and Social Change, 83, 24-39.

Mangematin, V./Sapsed, J./Schüßler, E. (2014): Disassembly and reassembly: An introduction to the Special Issue on digital technology and creative industries. Technological Forecasting and Social Change, 83: 1-9.

Schüßler, E./Sydow J. (2013): Organizing events for configuring and maintaining creative fields. In: Jones, C./Lorenzen, M./Sapsed, J. (eds.) Oxford Handbook of Creative Industries. Oxford, Oxford University Press.

Lange, B./Bürkner, H.-J./Schüßler, E. (2013) (eds.) Akustisches Kapital: Wertschöpfung in der Musikwirtschaft. Bielefeld, transcript: 9-41.



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