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# The Distribution Channels Of Music

The distribution channel of music has changed its form completely over the past decade and Online platforms like youtube, saavn, and gaana.com, i-music have become the most popular and most important channels. Undoubtedly, this change brought a tremendous amount of prestige and exposure for the music producers and ease of access to the customers, it has also given birth to pirated music on the internet, which is still the biggest threat for the licensed digital music services. The music industry in India incurs a loss of Billions of Dollars every year because of piracy. Because of the traditional Indian mentality of unwilling to pay and the piracy, being cancer for this industry, the music platforms are now looking forward to some practical solutions aiming to fight the above problems and develop a feasible revenue model. This research aims at exploring various research and developments happening in and around the industry with applicable features. It will also highlight on the evaluation process used by the music producers against digital piracy management in digital space.

## Academic Background and methodology

At first, the internet was used to build the prime research framework to analyze business models of music companies for this study. The research was divided mainly into two parts- evaluating the business models of companies to understand the ongoing R&D, scope of further development and studying the Indian market to analyze the validity of the former. We did SWOT analysis of Indian music industry and the consumer behavior. The business model evaluation was then compared with other music platforms across the globe to analyze the lack of R&D and the strategies used by other companies to reduce the impact of piracy and improve the revenue model.

Completing this report in almost a week was a challenge. Since it is finally completed now, We have many people whom we want to thank to. First of all, We would like to express our sincere gratitude to our Supervisor- Prof Niva Bhandari, who patiently cleared all our confusions and inspired us with many ideas with her profound knowledge, especially in choosing the right model to analyse. We would also like to thank all our friends and other students of Great lakes for all the enriching discussions, helping us figuring out problem's solutions by recommending us various sources to research upon. With help and support from all of you, we were able to complete our thesis smoothly.

## Background of the problem

The entertainment industry is one of the largest, most diversified industries in not only India but in the whole world providing a living to millions of people. Specifically talking about the Music Industry, The largest threat to this industry is piracy and the negative effects of it has always been a major concern for the stock holders. Though there are stringent measures taken by many countries to curb it, it still remains unchecked up to a great extent in country like India. Piracy refers to the unauthorised use or reproduction of another's work. Piracy is in the roots of the system from as early as fifteenth century because it was the time when people started reciprocating work without giving credit and compensation to the creator(Ouma,2012). Many new forms of music piracy have taken birth after the advancements in technology. The boom in

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piracy specially in the music industry came in 1999 after the release of Napster-A music sharing network. The internet has made the world shrunk into a global village where any content can be shared with anyone at just a click of the button. The ease at which it can be done has accelerated the circulation of pirated content including music, softwares, games, and other assets. Since pirated music is available at such an ease and without any cost, it makes the individual go for pirated music but not buy any genuine products. Since the consequences are not very harsh in India, the user spreads this idea among his peers and this results in increasing levels of piracy to unimaginable heights. It might appear harmless at a broad scale, Piracy costed Indian music industry a hefty loss of \$325 Million last year(E&Y Report,2018). As a proportion of total potential revenues, music experienced the greatest loss with piracy estimated to have stripped away 64% of total revenues, leaving \$183 million in the pot for corporations, down from a potential \$508 million.

Furthermore, the report estimates that 820,000 jobs are lost each year to the media and entertainment industry: 571,896 of which come from the film segment and 133,434 from music—as piracy squeezes both retailers and producers and results in a reduction of total output. Some Musicians in India like Abhijeet Sawant, Harshit Saxena, who got fame from Indian Music reality shows, depend on the music they sing to earn a living. Music Industry is the one and only source of income for such artists. Piracy makes such artist and many potential stockholders lose. The heavy losses incurred from piracy affects the Indian Entertainment sector and has a negative effect on the GDP. This study will help to analyze the effectiveness of various research protects and strategies which can be used to deal with music piracy in India. We really need to understand the intentions of people behind favoring pirated music and it will give us an insight to help develop ways to control it.