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Writing 5

February 2016

Is Tidal a legitimate player in the fight against music piracy and unfair artist compensation?

Music piracy, or the illicit sharing of digital music files, has hurt the music industry economically; however, streaming sites now offer a way for music lovers to enjoy listening to their favorite artists while avoiding harming the music industry. While music piracy still exists, and will inevitably continue to exist, these sites have begun to reverse the negative effects of piracy (Belanin, Hruska). However, advocates of artists' rights believe that most sites, specifically Spotify, are not doing enough to ensure fair artist compensation (Swanson, Sparshott). Tidal, a new music streaming site owned mainly by artists, was created by the famous rapper Jay-Z in order to ensure fair artist compensation (Sisario). The owners of Tidal intend to see that further actions regarding artist compensation are taken to ensure a positive impact on the music industry in the future. However, whether or not Tidal will play a big part in this battle for the end of piracy and increased artists' rights is still in question. With its current model, Tidal encourages artists to post exclusive content on their site alone, but if this leads to artists removing their content from other sites, it will result in a return to higher piracy rates.

In order to discuss Tidal's impact on the music industry, it is important to understand the history of music piracy and music streaming sites. Streaming sites are a response to the economic damage done by music piracy (Swanson, Belanin, Faughnder). Napster, created in 1999, was the first large-scale music piracy site. At its peak, it claimed over fifty-seven million users. The service was shut down in 2001 because of copyright infringements, but the legacy of Napster

continues. The Recording Industry Association of America (RIAA) estimated that since the age of Napster, music sales have dropped forty-seven percent in the United States (Swanson). Music piracy is a problem that affects not just the American economy but also the global economy. According to the International Federation of the Phonographic Industry (IFPI), “global music industry revenues decreased by thirty-one percent between 2004 and 2010” (Benlian). The IFPI also estimates that about a fifth of Internet users around the world continue to use illegal downloading sites (Faughnder).

While piracy sites are still in existence, supporters of music streaming sites argue that these sites are beginning to combat piracy by providing a legal and convenient way for Internet users to enjoy music and support their favorite artists (Belanin, Swanson, Sparshott). Music streaming has increased over seven hundred percent in the last year (Swanson). Rhapsody was the first streaming site, created in 2002, while Pandora followed in 2005. Perhaps the most popular site today is Spotify, founded in Sweden in 2008. Americans gained access to Spotify in 2011. It is the fastest growing music streaming website, claiming over forty million active users worldwide and nearly ten million paying subscribers. The company gains about eight thousand subscriptions per day and is currently valued at three billion dollars (Swanson). Streaming services offer a variety of features at different prices. Most streaming sites offer both free, ad-supported streaming, as well as a flat-rate monthly subscription option which includes offline streaming and a wider selection of songs. A study done by Alexander Benlian, Jonathan Dörr, Thomas Hess, and Thomas Wagner shows that the majority of music pirates have a positive view of streaming and are likely to make the transition from illegal to legal listening. The researchers surveyed one hundred and thirty-two music pirates who were students at a German university with an average age of twenty-four. They found that streaming services, which they collectively

call “Music as a Service,” or “MaaS,” offer several benefits that piracy does not, and the pirates’ responses to the survey indicate that they would enjoy these benefits. These include increased sound quality, reduced risk of viruses, peer influence and the freedom to sample songs and artists without paying for them individually. Although the free, ad-supported consumption model of music streaming received higher approval, the researchers concluded that “MaaS is a viable alternative to illegal music consumption” (Benlian).

Although streaming services offer an alternative to piracy, it is debated whether or not they make a significant difference in the number of people that illegally download music. A study conducted at the University of South Florida by Karla Borja, Jesse Daw, and Suzanne Dieringer showed that “college students who are frequent users of music streaming are also more likely to download music illegally” (Borja). In the study, one hundred ninety-seven college students were asked about the frequency at which they bought, streamed, and pirated music online. The researchers hypothesized that “those engaged in music streaming are also heavy users of computer technology, software downloading, and digital sharing...” therefore making them more comfortable with pirating music (Borja). Another study conducted by Kate Swanson, a student of arts management at Indiana State University, involved two hundred thirty-seven subjects, sixty-one percent of whom were between the ages of eighteen and twenty-four. Of these people, fifty-five percent used Spotify “on a weekly basis,” while forty-four percent used Pandora. The remaining percent used other various sites. The subjects who claimed to use Spotify were then asked, “If you use Spotify, do you think it has altered your music-buying habits?” Seventy-two percent of this group said streaming altered their habits “minimally or somewhat” (Swanson). Based on these two studies, one may conclude that streaming does not change consumer preferences drastically, and has a relatively neutral effect on the industry, even


when talking about two of the most widely-used streaming services. However, the current argument holds that many people who are now legally streaming music probably weren't legally downloading it before, so streaming is ultimately seen as a positive in this case. A study by the National Bureau of Economic Research found that "streaming services displace permanent downloads... But they also get people who would otherwise steal songs to pay a little or at least listen to ads on Spotify and similar services" (Sparshott).

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Tidal is a unique streaming service because it is a subscription-only service that is co-owned by artists (Sparshott). Rapper Jay-Z initially launched Tidal in October of 2014, but due to poor public opinion, he bought Aspiro for fifty-six million dollars, a Swedish streaming service which already had five hundred and twelve thousand paying users, and re-launched Tidal in March of 2015. Despite its slow start, Tidal now has over a million subscribers. Tidal's main selling points are its high-fidelity audio, high royalty rates, and exclusive content from artists. Tidal currently has over forty million tracks and ninety thousand music videos, and it is currently available in thirty-one countries. Artists only receive an average of half a cent per stream on Spotify, while artists on Tidal receive three cents per stream. The site truly is for artists, by artists. A majority of the company is owned by several "mainstream" artists, including Beyoncé, Rihanna, Kanye West, Madonna, Nicki Minaj, Jack White, Alicia Keys, Jason Aldean, Daft Punk, and Arcade Fire. Participating artists are granted shares in exchange for supplying exclusive content solely to Tidal (Sisario). Most importantly, Tidal is a powerful symbol in a business where musicians seldom have direct control over how their work is consumed and how they are compensated for it. When asked about the service's potential to compete with other sites, Jay-Z said, "I just want to be an alternative. They don't have to lose for me to win" (Sisario).

The owners of Tidal seek to fix the problems that come with other streaming sties, mainly the fact that other sites do not put enough focus on the artists themselves. Shortly after the re-launch of Tidal, Jay-Z tweeted several “#tidalfacts” so that fans could better understand what Tidal is all about. One of them reads, “Indie artists who want to work directly w/ us keep 100% of their music.” This is a description of Tidal Discovery, a feature that will allow independent artists to upload their music directly to Tidal. On other sites like Spotify, independent artists have to go through a third party to stream their music. Tidal is also planning to allow individual artists to access data and demographic information about their fans that stream their music on Tidal (Sisario). If artists are more easily discovered, they will have an easier time making more money. According to a study done on Spotify by Midia Research, “One percent of all stars swallow a total seventy-seven percent of the revenue.” Artists who are not “mainstream” have a hard time making more money through current streaming models, especially through sites like Spotify that provide music by the user’s search (Hruska). For example, Bob Nanna, the lead singer of Braid, says that his band has received “less than five dollars” from streams on Spotify. Braid is a lesser-known band with about thirteen thousand Facebook fans. It is impossible for artists like these to maintain a livelihood solely on Spotify streams (Swanson). Tidal seeks to fix that by giving more artists of all different genres a chance to be represented.

While this business model would benefit lesser-known artists, Tidal’s mission also has the support of several “mainstream” artists. Taylor Swift agreed to have her catalog streamed on Tidal, shortly after she made a big statement about the current state of the music industry when she pulled her entire catalog from Spotify. Before she did this, one of her top singles, “Shake It Off,” had over forty-six million streams, making it the most frequently streamed song on Spotify in October 2014. She made an estimated three hundred ninety thousand dollars in one month just

for one song. It seemed to many of her fans as though she made an illogical decision to remove her music from Spotify. When asked why she took away her music, Swift stated that “Music is an art, and art is important and rare.... It’s my opinion that music should not be free....” (Linshi).

Whether or not Tidal can play a part in the switch to artist-based streaming is dependent on the consumers’ willingness to make the switch from their old streaming sites. Since I am personally used to using other, more established services like Spotify, Google Play, and Pandora, I decided to try Tidal free for thirty days and to compare Tidal with other streaming sites, mainly Spotify, since it’s the major player in the streaming game right now. The goal was to see if it would be worth it for someone like me, an average music consumer, to pay extra for Tidal.

The first thing I saw after I logged in to my new account was Rihanna’s new album, *Anti*, that is currently only being streamed on Tidal. Below that was featured content, including playlists, albums, videos, and exclusive interviews. The featured section had both “mainstream” artists like The Beatles, J Cole, and Genesis, as well as some I had never heard of before, like Santigold and Danielle Bradbery. Some other noteworthy features of Tidal are the Tidal Discover and Tidal Rising pages. Tidal Discover offers a way for new artists to be discovered by subscribers in order to gain a bigger fan base, and Tidal Rising features global artists who have a presence abroad but want to expand their influence to the United States. These features further exemplify that Tidal is a service by artists, for artists.

Another one of Tidal’s distinguishing features is better sound quality, and I could tell the difference between Tidal and Spotify’s sound. Tidal streams at one and a half megabits per second, which is considered CD quality, while Spotify streams at three hundred and twenty kilobits per second (Ziegler). Streaming from Tidal gives the songs a fuller sound and a nicer bass quality than streaming from Spotify. I listened to several songs on both streaming sites, and

Tidal's sound quality was better for all of them. However, not all average listeners may be able to hear such a distinction. Chris Ziegler, founding editor of The Verge, states that "hardcore music lovers will absolutely pay a little more for something that sounds noticeably better" (Ziegler).

▼ The layout and features of the sites are very similar, with a few exceptions. Also, the song catalogs are comparable in size. However, I enjoyed being able to listen to some artists on Tidal, like Taylor Swift and Neil Young, who are not on Spotify. Seeing how Tidal is catered towards the artists themselves made me think: Will artists who are partial owners of Tidal begin to pull their music from other streaming sites? What will this do to the streaming industry as a whole?

In order for Tidal to gain any traction, especially since there are only paid options, artists must exclusively release their new content on Tidal. However, this may not be the best option for some artists. David Bakula, Senior Vice President of Analytics at Nielsen, an American global information and measurement company, proposed a question: "If I put a record out, does it make sense to be exclusive on Tidal? Only if they're paying significantly higher rates and they have all of the traffic... If a consumer goes to a place and content isn't available, a lot of times they'll just move on." (Steele). Most artists cannot afford to only offer their catalogs on one site because they will run the risk of losing a potential fan base. This will especially affect lesser-known artists who don't have as many fans to follow them to a single streaming site. Therefore, if artists give Tidal their content so that Tidal can succeed, it may not benefit the artists, and then Tidal loses its original purpose: to help artists. Also, if artists exclusively stream on one site, and consumers don't prefer this site, for monetary or other reasons, they may begin to increase their piracy behaviors again out of convenience. After all, illegal music downloaders who said they

would switch to streaming preferred the free, ad-supported model, something that Tidal does not offer (Belanin).

■ In order to finalize my decision to either stick with my current sites or try something new, I had to think about the most important thing to me, or any consumer: what was the best decision for me and my needs? Although, as a musician and vocalist, I am a firm believer in fair compensation for artists, I don't think that by paying ten dollars a month I am helping the industry that much. The problem is between the record companies, artists, and the streaming sites, not the consumers. Perhaps if Tidal were willing to offer a cheaper plan, say five dollars a month, I would be more willing to consider, but I'll be sticking with my free subscriptions for now.

Streaming sites are a step in the right direction for the music industry in terms of combatting piracy (Belanin, Hruska). That being said, other arguments demonstrate that within the shift to streaming there also needs to be a shift towards streaming sites that are more centered around the artists, sites that offer them more pay for their music and more publicity, especially for newer artists (Swanson, Linshi, Sparshott). With its current business plan, Tidal can't make a significant difference in piracy rates and artist compensation, because consumers will always choose the model that is more convenient for them, and in this case, paying ten dollars a month is not as convenient as Spotify's or Pandora's free subscriptions. That being said, music is an art, and we need to protect it by fairly compensating the artists themselves, not just the record labels and sites that stream their music. After all, the artists are the reason that people visit these sites. However, fair compensation shouldn't be consumers' burden; it should be a dispute between the artists and the labels that handle licensing deals (Steele). If artists begin to pull their music from free streaming sites because of Tidal's "us versus them" stance, Tidal will ultimately do more

harm than good to the industry by only allowing their music on a paid-only site, and consumers will resort back to piracy.

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