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From vinyl to one/zero and back to scratch:
Independent Belgian micro labels in search of an ever more elusive fan-base

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ABSTRACT

In this article, the consequences for independently run micro-labels of new patterns of music consumption and –use, as well as the changes in the value being attributed to music by audiences are assessed. First, the emergence and diversity of independent labels is historically contextualised to then address the impact of technological change on the music industries, with a particular focus on independent labels. Second, the audience perspective is introduced by differentiating between the identities of the fan, the consumer and the (copyright) user. Regarding the identity of the user, the gift economy is juxtaposed with the intellectual property regime and debates regarding the benefits as well as destructive nature of file-sharing and the use of internet platforms for the promotion as well as distribution of music. Interviews with three Belgian micro labels, active respectively in the industrial/experimental and alternative dance scenes, feeds into this analysis and will also provide the basis for assessing ways in which Belgian micro-labels are coping with these changing audience behaviours. A mixed picture emerges. Some independent artists, even from obscure genres, align themselves with the discourse of the mainstream music industry when it comes to file-sharing. Small-scale micro-labels in Belgium are also clearly struggling to invest in new productions, to break even, leading some to cease their activities reducing the diversity of music publishing, certainly in more obscure genres. Dance-oriented labels are more flexible and able to take advantage of the benefits the internet and digitalisation offers. Overall, the identity of the fan and building a dedicated fan-base, accumulating social and cultural capital, emerges as ever more important for small labels’ survival.
"A good composer does not imitate; he steals."
- Igor Stravinsky (1882 –1971)

INTRODUCTION

Early March 2004 and after 22 years in business, the German music distributor ‘Energie Für Alle’ or EFA filed for bankruptcy due to persistent cash-flow problems. In November 2007, Intergroove UK, specializing in the distribution of dance music, closed its books. In May 2008, the Belgian independent distribution firm and record-label Lowlands went into administration. Furthermore, in the aftermath of the recent banking crisis, Amato, the second largest UK distributor of vinyl and overseeing well over 100 labels, was forced to stop its operations in November of 2008. This was quickly followed in the same month by the downfall of Neuton, the most important distributor of electronic dance music in Germany and arguably worldwide through their links with other distributors. Finally, in early December 2008 the demise of UKs biggest independent distributor Pinnacle, handling the distribution for more then 400 indie labels, was announced.

Bankruptcies in the music industries¹ are of course not a new phenomenon, but it is striking that in such a short period of time so many alternative and independent distributors and labels have had to cease their activities. It is often being claimed that online peer-to-peer downloading is largely to blame for this. However, the scale and the transnational nature of the current crisis in the (alternative) music industries is of such magnitude that it cannot just be attributed to one reason alone, but is rather the result of a combination of factors that are long-term in nature. In this regard, it does not suffice to focus exclusively on the detrimental effects of the internet and digitalization on production and distribution of music, but to also include changing patterns of consumption and different perceptions of the value of music and of art into the equation. As Leyshon et al. (2006: 181) argue:

‘[T]he problems facing the music industry have not suddenly been manifested overnight, or even in response to on-line digital file exchange, but rather have accumulated over time in response to a set of broader cultural forces that have changed the role of music within society, and relegated its immediacy and importance among many of its consumers.’

¹ By speaking of music industries some authors argue for the need to acknowledge ‘the diversity of interests and scale of activities’ between music recording, music publishing, music distribution, music retailers and live performance (Williamson and Cloonan, 2007: 319).
Without wanting to sound too nostalgic, in a not so distant past a typical teenager would save-up money to be able to buy that one 7 or 12 inch vinyl record that he or she always wanted to have, supplementing a modestly growing record collection. Today most music, be it popular or more obscure, is often just a few clicks away and has as a result become increasingly immaterial, but at the same time also of a lesser sound quality because of MP3 compression techniques. While before, getting to know new music was foremost restricted to the musical tastes of your strong peers and older family-members, to what (local) radio stations were playing and/or to what was available at your local record shop, now music is ubiquitous, fragmented into a panoply of sub-genres and we get to know about new music much more through social-networking sites, other Web 2.0 applications and (transnational) communities of interest – through weak peers. Furthermore, in the current post-modern music culture characterized by sampling, mashing, hashing, turn-tabling, and even karaoke-singing, the boundaries between production, use and consumption of music are blurring. As a result of all this, the current capitalist intellectual property regime is struggling to survive. The question then becomes, is this necessarily a bad thing? Or does this also provide new and innovative opportunities for artists? As Attali (1987: 11) pointed out some time ago, the ‘styles and economic organization [of the music industry] are ahead of the rest of society because it explores, much faster than material reality can, the entire range of possibilities in a given code’.

In this article, recent trends in the production, distribution, consumption, value and appreciation of music will be theorized and contextualized, with a focus on independent/alternative music production through so-called DIY micro labels. E-mail based interactive interviews with a number of Belgian artists and independent label managers (see appendix 1) will provide the empirical basis. Validity was improved through allowing interviewees to read and comment upon the analysis, providing a feedback-loop. In addition, secondary data and recent literature was relied upon as well. The three labels under review are respectively:

- **Bats and Cats**: a personal label run by Herman Klapholz
- **Spectre**: a micro-label active in the industrial/experimental music scene and run by Tom Kloeck
- **Stekker**: a micro label active in the alternative electronic dance music scene and run by Johan Faes and Nikolai Pascual
Herman, Tom and Johan were asked question as to what independent really means to them, about their channels of distribution, their take on changes at the level of music consumption and attitudes towards music, as well as their strategies to cope with this new context.

First, the emergence of independents will be contextualised. It will be argued that within the independent sector, a further distinction needs to be made between minors and micro-labels. The impact of the introduction of new (digital) technologies on the music industry will also be addressed. Besides this, the changes at the level of the consumption/user-side will be highlighted. Particular attention will be given to the relationship between audiences and fans and the shift from audiences to users, as well as the consequences of this for independent producers. Finally, the strategies micro-labels enact to adapt to these changing patterns of consuming and using music will be discussed.

A VARIETY OF INDEPENDENT MUSIC PRODUCTION

With the emergence in the 1980s of the so-called ‘Big 6’ - Electric & Musical Industries (EMI), Sony, Bertelsmann Music Group (BMG), PolyGram, Warner-Electra-Atlantic (WEA) and Music Corporation America (MCA) the oligopolistic structure of music industries was established fully. In recent years this was further consolidated after the merge of Polygram with MCA in 1999 to form Universal Music Group and Sony buying-out BMG in 2004. As a result, 4 major players – EMI, Sony BMG, Warner Music Group and Universal Music Group – now dominate the global music industries. In essence each of these majors control music publishing, recording, distribution and marketing through a myriad of subsidiaries.

Unavoidably the dominant grip of these giants on artists, on music recording and on distribution engendered resistance. As a result, a vibrant independent sector emerged, catering to niche musical tastes and underground sub-cultures (Hebdige, 1979; Thornton, 1995). The independent music association (Impala), representing over 4000 European indie labels, calculated that in 2007 independent labels were responsible for 80% of new releases in Europe. At the same time, in an already shrinking market, the share of independent labels in terms of sales of recorded music fell from 40% to about 20% in 2007. When only hits and

2 Given the wide variety of genres and sub-genres, the focus in this paper will be foremost on electronic and experimental music.

3 In 2000 the attempts to merge EMI and Time Warner were blocked by the EU Commission anti-trust authority, as there were ‘serious doubts as to the compatibility of the proposed operation with the [EU] common market due to the significant horizontal overlaps in the relevant markets.’ (Pereira, 2003: 10).
radio play are considered, the major labels hold a staggering 95% market-share in Europe\(^4\). The situation in the US is even direr then in Europe as in 2008 independent labels accounted for a mere 12% to 15% of US music sales, respectively for albums and digital sales (Nielsen Soundscan, 2008).

While these figures clearly expose the increasing dominance of the majors to the detriment of independent music production, they equally show the importance of a vibrant independent sector in terms of the overall music output and providing new talent with opportunities to release their music. Independent labels can be seen as platforms for emerging artists and musical styles, guaranteeing a high degree of diversity and pluralism in musical content.

*What signifies being independent?*

When approached from a relationist perspective, independents can be deconstructed both as being alternative to mainstream content and/or as fully autonomous from the majors, implying independent means of distribution in addition to production. However, it is a misconception to think of independent as necessarily artist-led, non-commercial or outside of the market, which would negate the complex myriad of relationships within the music industries. Besides this, most independents rely on majors for their distribution.

Negus (1992: 17) argues that most labels calling themselves independent are generally speaking not more concerned with the interests of artists then the majors are. Many independent labels function as minor versions of the majors and are primarily interested in selling their products to a global audience in as many formats as possible, increasing sales and revenues. This is, however, difficult and costly to achieve without a little or a lot of help from the majors, hence the long-standing co-option strategies by the majors of so-called minors. As Negus (1999: 35) points out:

the absorption of independent labels has been a feature of the music business throughout the twentieth century and has increasingly become institutionalized through a series of joint-ventures, production, licensing, marketing and distribution deals, which have led to the blurring of ‘indie’/’major’ organizational distinctions and belief systems.

The intricate relationships between mainstream and independent, as well as within the independent sector, expose above all the never-ending and inevitable ‘double movement of containment and resistance’ (Hall, 1981: 228), inherent to popular culture. It could be argued that these co-option strategies are often a win-win situation for both actors – minors and majors – whereby the independent labels get more exposure and reach and in return serve as a sort of research and development divisions for the majors, identifying emerging (sub-)genres and upcoming talent (Negus, 1992: 17; Hesmondhalgh, 2006: 222). Furthermore, majors and minors often operate on a similar model; ‘both depend on the success of a very small group of artists who alone carry the entire franchise on their backs compensating for the losses or modest profits emanating from other less popular artists’ (Kotarba and Vannini, 2009: 57).

While this critical analysis of the independent sector is correct in some ways, it does ignore an important, but more hidden segment of the independent sector. Labels that operate outside the ‘major-minor axis’ (Webb, 2007: 133) are not adequately recognised in a dichotomous major/minor model. The main philosophy of such labels could be summarised as follows: a more equal sharing of profit among the whole work force involved in the creative process, a shared ideological culture between artists and record label, the participation of artists in the running and functioning of the record label, the development of alternative and genuinely independent distribution channels and the adoption of a distinct aesthetic mirroring this different attitude and ideology to music production and distribution (Hesmondhalgh, 1997/1999; Webb, 2007: 134-5).

Examples of labels that were at the forefront of this struggle for ‘genuine’ independence end of the 1970s to the beginning of 1990s, were the radical Anarcho-punk label Crass Records (see figure 1) and the new wave/post-punk independents World Serpent, Beggars Banquet, Factory Records, Rough Trade and One Little Indian.
After the demise or buy-out of most of these labels, with the notable exception of One Little Indian, new emerging independents have found it much more difficult to resist aligning themselves to or at least cooperating with the minor-major axis. Hesmondhalgh (1999) for instance, describes the rise to fame of Creation Records thanks to the success of their bands Oasis and Primal Scream and the subsequent acquisition of Creation Records by Sony in 1992. Recent evidence seems to suggest though that due to lower production costs and the opportunities of online distribution models DIY micro-labels are making a considerable comeback, especially in electronic and less accessible music scenes (Cvetkovski, 2007). Nevertheless, in a detailed analysis of 3 independent dance labels in the UK, Webb (2007: 137) observes that these micro-labels exhibit a very ’entrepreneurial style’ of independent label production’, which contrasts with the ideological radicalism and pure tradition of a part of the (post-)punk generation. Webb (2007: 197) therefore concludes that ‘as the [dance] scene grew, it began to fit ever closer to the industry standards that were there for all the other genres of music’.

This is to some extent echoed by the interviewees, but not entirely. Being independent is articulated in different ways. While Johan from Morse Records concurs somewhat with the
more entrepreneurial style of label management in the dance-oriented scenes as identified by Webb, Herman from Bats and Cats and Tom from Spectre take a much more principled position in the tradition of the punk DIY tradition of Crass. Herman and Tom emphasise their independence from all and everybody and define independent as fully autonomous, ‘without anyone else having a say or be able to interfere’ (Herman, 18/06/09). Tom goes even a step further and differentiates between independent and underground; ‘Spectre is not an independent label. It is underground. All profits flow back into other productions.’ (Tom, 20/06/2009). Tom not only emphasises the non-commercial character of his independent label, but also the need for it to be counter-hegemonic, doing the not so obvious. An independent label should be ‘an organisation that consciously goes against the grain and looks first to quality, identity and originality of a product rather then to the potential commercial benefits.’ (Tom, 20/06/2009).

Johan, while probably agreeing with much of what Herman and Tom put forward, emphasises other aspects when it comes to defining what an independent is or should be. For him an independent label needs to function as a facilitator enabling creativity to flourish and providing access and guidance for new talent. An independent label is ‘an environment that stimulates artists to maximise their talent in order to be heard outside of the studio’ (Johan, 23/06/09). It is also clear that the identification with a pure independent underground identity is less strong, as Johan sees an independent label as a potentially positive force to mediate ‘between creation and commerce […] a springboard, a place where young artists can gain confidence to make their own way in the music scene and maybe even move towards a major’ (Johan, 23/06/09).

When speaking about defining quality and selecting what gets released on their labels, it becomes evident that the two somewhat different positions taken above – as pure underground or as mediator between commerce and creativity – are not that contradictory. Herman acknowledges that ‘[m]arketing is also important for small labels’. He also exposes the importance of lay-knowledge when he states that ‘in the mean time most people [behind small labels] know how big labels operate’ (Herman, 18/06/09) and thus they also understand that there is a ‘business’-side to things. It is, however, important to point out that the main difference then lies in the end goal. While mainstream labels ‘strive for the

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5 Punk as a genre was also co-opted (reluctantly) by the music industries, with the most notable example the signing of the Sex Pistols by EMI on 8 October 1976 to be fired a few months later on 6 January 1977 after a few highly mediatised incidents.
maximisation of profit’ and ‘are specifically looking for people who fit into their marketing strategy’, labels such as Bats and Cats, Spectre and Morse Records aim to be underground or a platform for quality and creativity and as such they ‘develop a strategy that starts from the artist’ (Johan, 23/06/09).

Digitalisation and the internet: a new medium and a new means of distribution

With the introduction of the CD by Sony and Philips, an alternative means to store and reproduce music became available. It is fair to say that the CD, in combination with CD-recorders, software to ‘rip’ CDs, algorithms to compress digitised music and the internet as a new means to distribute digital content on a global scale, has radically shaken the music industries to their core, bringing them additional benefits, as well as posing quite fundamental challenges.

On the benefit side, digitalisation has allowed labels, majors as well as independents, to re-issue their back-catalogs and profit from a process of substitution from vinyl to CD (Oberholzer and Strumpf, 2007: 39). Digitalisation has also brought many benefits to small-scale labels. These can be situated at three different levels: production of music, production of recordings and the distribution of music. The costs involved in making a so-called master tape have greatly reduced. Most musicians releasing on micro-labels have their own studio or use the studio of the label. In addition to this, whereas before it would have been necessary to book time in a professional studio for mastering the tracks, ‘with new software you can make a thorough (and expensive) mastering almost superfluous’ (Johan, 23/06/09).

The production of CDs or the reproduction of the actual music recording has sharply decreased: ‘Today, 1 Euro (or less) for a full CD – all in – is realistic’ (Herman, email interview, 18/06/09). At the same time, the digitisation of music has also enabled the infinite copying without or with limited loss of quality and ‘without injection of additional labour’ (Söderberg, 2007: 63), in effect leading to what Mandel (1975) called ‘total automation’ – the process by which no human labour is needed anymore to accumulate capital. Again, total automation in this context can be approached as both providing new opportunities for music industries, as well as being (relatively) unsettling and deterritorialising (Deleuze and Guatari, 1987).
With the advent of the internet, a new potent distribution channel to carry, sell and promote (compressed) digitised music opened-up. This allowed the music industries to expand their economies of scale while simultaneously reducing the costs of production. An important factor here is the emergence of the ‘Moving Picture Experts Group-1 Audio Layer 3’ as a standard-format of data compression for digitised music. The radical reduction in amount of data that MP3s offer, make that music can be much easier uploaded to an iPod, distributed and shared among peers.

The internet serves as a potent marketing tool for underground music and artists: ‘the exposure you can get on the internet is never seen before’ (Tom, 20/06/2009) and ‘Internet = virtual promo = feedback forum’ (Johan, 23/06/09). On the other hand the internet also acts as a distribution tool to build a fans-base, to attract consumers and at times to use users. The main feature here is that the internet enables a more direct connection between the artist and the label and their audience, at different levels. The internet allows micro-labels to cut out many costs and to some extent also bypass intermediary actors that previously facilitated that connection. ‘If you go purely digital and virtual, a new track can go from the studio to the computer or mp3-player or a customer really fast and cheap.’ (Johan, 23/06/09).

As shown in figure 2, digital revenues for music companies grew to 3.7 Billion US$ in 2008, accounting for almost 20% of total recorded music sales (IFPI, 2009: 6). Over the last 4 years, digital revenues and the share of digital music in the total of sales have risen almost tenfold.

**Figure 2. Digital Music Revenues 2004-2008 (Worldwide)**

![Digital Music Revenues 2004-2008](image)

**Source:** IFPI, 2009 – includes online, mobile and subscription trade revenues
However, interviewees also raised serious concerns regarding the sound quality of MP3 – ‘[y]oungsters growing up with mp3 are surprised if they hear the superior sound quality of a full production with mastering on a wav-file’ (Johan, 23/06/09) and about the preference of quantity above quality – ‘most young people apparently do not have any sense of quality, their philosophy is: quantity’ (Herman, 18/06/2009). Tom also points to new forms of musical experience: ‘for many people (youngsters?) music seems to have become something ephemeral and banal […] the charm of not having something, and having to search for it, has quasi disappeared’ (emphasis in original). From the perspective of music audiences, music is increasingly something immaterial or ‘ephemeral, its duration becomes compressed, and it becomes more of a process than a finished product’ (Terranova, 2000: 48).

Another recent phenomenon not entirely unconnected to the emergence of mp3, is the remarkable revival of vinyl (Brown, 2008; Dell, 2008). After a steady decline in the last decades, worldwide sales of LPs doubled from 3 to 6 million units in 2007 and this excludes the second hand vinyl market6. The immateriality of music consumption today, a lack of ‘aura’ and an overall acceptance on the part of consumers of a lower sound quality, has led to the resurgence of vinyl, bringing to light a hang for authenticity and for aesthetics amongst fans. In the light of the ephemeral nature of music, the material product itself is being fetishised again (Adorno, 2002 [1938]). Currently the long-term survival of the CD may be more in danger of disappearing in favour of other carriers of digital data, then the vinyl record, which many predict is here to stay. The downside of this is that ‘[t]he costs of vinyl has risen considerably in recent years. Also the opportunities to press in small amounts have decreased and became more expensive.’ (Tom, 20/06/2009).

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6 See: [http://www.impalamusic.org/02-3indfact.html](http://www.impalamusic.org/02-3indfact.html)
**FANS, CONSUMERS AND COPYRIGHT USERS**

In the critical theory tradition much of the scholarly literature relating to the fields of cultural production have tended to side with the likes of Adorno and Horchheimer, who were mainly concerned with the negative consequences of the transformation of culture into tradable commodities. While useful in many ways, this tradition in critical theory suffers from what Fejes (1984) has called the ‘problem of the disappearing audience’. At several instances in the analysis above, a fan, consumer, and/or user perspective emerged out of the metaphorical black box. However, by solely focusing on the macro trends, on the production-side, and on the big oligopolistic players, the cultural changes at the (micro- and meso-) level of individuals or sub-groups in society and the resistance practices being enacted by them tend to be ignored.

The music audience can be deconstructed into three distinct core-identities that most of us accommodate – the music fan, the consumer of music and the copyright user. The identity of the fan is embedded in concepts such as community and symbolic capital. The identity of the consumer of music notifies the commodification of cultural production and positions the audience within an exchange culture. The identity of the copyright user is based on a culture of sharing and manipulating, reminiscent of a gift economy. Each of these identities conflicts and interacts in varying ways with the different actors in the music industries. While for example the majors have a fraught relationship with copyright users, criminalising them even, micro labels are often more relaxed about sharing and tend to highlight more the benefits of that relationship. Likewise, generally speaking independent labels build stronger relationships with fans than majors do. Despite this, the main problem of all labels - major, minor or micro, remains that fans ‘love their artists more than [they love] buying their records’ (Sandall, 2003: 30, quoted in Leyshon, et al. 2005: 199).
**Figure 3.** Model of the music industries-audiences interaction

![Model of the music industries-audiences interaction](image)

**Active audiences, fans and users**

The privatisation and commodification of culture in the 19\textsuperscript{th} and 20\textsuperscript{th} Century through patent and copyright law and the ensuing hegemonic grasp of a limited number of conglomerates on cultural production and distribution, has resulted, according to Jenkins (2003: 288), in ‘the general population see[ing] themselves primarily as consumers of – rather than participants within – their culture’. However, while orthodox Marxism focused on the passive alienated audience construed as docile consumers and thus easy prey for the propagandistic marketing techniques of corporations, the cultural studies tradition brought to the fore a much more dynamic and nuanced understanding of the audience and of consumption for that matter.

Cultural studies was ‘most interested in how groups with least power practically develop their own readings of, and uses for, cultural products – in fun, in resistance, or to articulate their own culture’ (During, 1993: 7). Culture and cultural production cannot be seen in isolation from other aspects of the social, but is neither exclusively determined by the economic ‘base’ or structure. On the contrary, it is being argued that consumption in itself can also constitute
an act of resistance. Rather then accepting the determinism of structure and reducing power
to dominance, notions such as the ‘active audience’, the ‘resistant reader’ and a ‘critical
distance’ emphasise the importance of everyday life contexts and recognise the agency of
individuals and groups as well as the diffused nature of power.

It is important to point out here that audiences deemed to be active ‘cannot simply be
equated with the rather triumphant, liberal pluralist conclusion [...] that media consumers
are ‘free’ or even ‘powerful’” (Ang, 1996: 42), a tendency that can be observed in much of
the recent techno-optimistic literature on the democratic potential of blogging (cf. Gilmor,
2006). By distinguishing between dominant or preferred reading, negotiated and oppositional
or counter-hegemonic readings, Hall (1980) diversified the notion of the audience, albeit
through the lens of the media-text and its many possible interpretations. Despite many valid
criticisms being voiced against it\(^7\), cultural studies did renew attention for audiences and
attributed them a degree of agency – the potential to resist domination.

There is another identity that should be introduced at this point, namely that of the fan.
Fandom or ‘fan cultures’ illustrate that music is about so much more then mere consumption
of a (cultural) product. As Hills (2002) suggests, fan cultures negotiate complex positions in-
between consumerism and resistance, and between hierarchy and community. Furthermore,
Livingstone (2004: 81) points out that in the web2.0 culture of today fans look for their
‘favourite bands, soap operas or football teams, wherever they are to be found, in whatever
medium or platform. Fandom is increasingly important as audiences fragment and diversify’.
Fans also provide the artist and the independent label with a healthy dose of symbolic capital
and they also operate as an ‘interpretative community’ (Ebare, 2004) – sharing reviews and
producing positive publicity for the artist and the label.

With the emergence of new technologies, such as the VCR, the games console, the personal
computer, mobile technology and the internet, the notion of ‘the user’ became prominent
(Silverstone and Mansell, 1996). The user is by definition an active actor, attributed with
agency whilst operating a ‘machine’. This contrasts with the image of the passive and easily
manipulated receiver that was the audience in early critical theory. However, as Livingstone
(2003: 353) points out, the emergence of the concept of the user is not entirely
unproblematic as it ‘tends to be overly individualistic and instrumental, losing the sense of a

\(^7\) See Ferguson and Golding, 1997 and Livingstone, 2003
collectivity which is central to ‘the audience’. Despite this or rather because of this, the identity of ‘the user’ remains useful in relation to music and changing patterns of consumption.

Studies applying social constructivism to processes of innovation and the adoption of technology attribute a varying, but nevertheless substantial, degree of agency to users in resisting, appropriating and/or domesticating technology (Kubicek, et al., 1997; Silverstone, 1999: 252). This process of taming a technology, ‘often involves innovation by the consumer – using technology in ways not anticipated by the designer’ (Williams, 1997: 328). This points to the high potential for creativity by users and for the emergence of unintended usage-patterns. Examples of such user-led processes of innovation relating to music are sampling and the Roland bass-generator TB303, which unintentionally produced a new genre, namely acid-music (Kendall, 2004).

In the case of sampling, the usage of music could also be construed as using music ‘in ways not anticipated’ by the composer and/or performers through (sampling) technology. Sampling ‘allows the contemporary composer to appropriate sounds from a range of musical and other sound sources and to subsequently re-use the latter in creating an entirely new piece of music’ (Bennett, 1999: 609). Through a process of bricolage, which Hartley (2002: 22ff) defines as ‘the creation of objects with materials to hand, re-using existing artefacts and incorporating bits and pieces’, creativity is spurred and new musical genres emerge.

The use of samples in music – first in hip hop, then electronic music and ultimately also in pop, as well as the amazing offer of royalty-free samples online – illustrate that today the step from being a user, an active audience or a resisting consumer to becoming a creative producer is more easily made. Hence, the emergence of a concept such as the produser (Bruns, 2005). However, while this might be the case, this should not be over-emphasised either. In the end, most people are not particularly eager to produce, nor do they have the need, the time, the (technical) skills or the opportunities to do so; they rather share. From that perspective, the identity of a copyright user is probably as appropriate then that of produsers. This brings into play the highly conflictual phenomenon of the peer2peer sharing of music.
Copyright users: the peer-to-peer gift-culture

Whilst online ‘file-sharing’ – or what Liebowitz (2006: 4) calls ‘anonymous file copying’ – is a relatively new phenomenon, sharing music as such is not. Reel-to-reel tapes and music cassettes for example enabled the copying of music onto another format for many years, but especially music cassettes were of a lesser quality then vinyl. Despite this, after the introduction of music cassettes to the consumer market, ‘making a tape’ became commonplace and was for many conducive to discovering new music and making new (girl)friends. This could be described as strong-tie sharing of music where kinships, friends, school, the local youth-club, the (local) radio station and/or the local record store were highly influential as to which music teenagers and young adults were exposed to and shared amongst friends. However, sharing today is of an entirely different magnitude and nature. Music is only a few clicks away and one might argue that we have entered an era of weak-tie sharing of music.

In view of a scarcity of down- and upload bandwidth, the MP3 compression technique played an important part in enabling the sharing of music online. Another important innovation of interest here is the emergence of decentralised peer-to-peer networks, enabling the direct exchange of data-files between individual anonymous users without the need to pass via a central server. As Lessig (2004: 17) points out, by ‘[u]sing distributed intelligence, p2p systems facilitate the easy spread of content in a way unimagined a generation ago’. Peer-to-peer file sharing is in a sense a potent illustration of the collective strength of very weak ties in densely networked environments (Granovetter, 1983). The network structure as well as the global nature of the internet makes it possible to share content among anonymous and invisible publics that are not connected in any other way besides sharing data online.

Some have compared the recent sharing culture online with older forms of gift-economies. In his classic anthropological study The Gift, Mauss (1950) sets forth a theory regarding the act of giving by embedding it in the notion of reciprocity. S/he who gives expects something in return and while this leads to a re-enforcement of social relations and cohesion, Mauss argues that this also ferments social dependencies and reproduces existing power relations. With the emergence of digital technologies and the internet, the element of reciprocity, strong social ties and asymmetrical power relations, while still relevant, have become less of

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8 While first generation file-sharing tools, such as Napster, used a central server, second generation file-sharing platforms, such as Limewire or BitTorrent, do not. This makes it impossible to shut them down.
an issue or can partially be overcome. Kollock (1999: 223) furthermore argues that the costs related to giving and receiving in online communities have decreased considerably. Whether we share with a few or with thousands, millions even does not really matter that much in terms of transaction costs.

The responses of the interviewees regarding their stance towards file-sharing and downloading unavoidably expose some of the tensions that are inherent to this debate. Herman, being an artist, feels very strong about this. While he acknowledges that legal downloading has become more commonplace, he is ‘quite principled’ when it comes to tackling illegal downloading; ‘If you want to eat bread, you also pay for it!! I do not quite understand the reasoning of some people! Music is also a specialism. A craft’ (Herman, 18/06/2009)

Tom on the other hand, takes a softer approach towards sharing and downloading of music in itself - ‘they are nice tools to discover new things’. At the same time he makes a clear distinction between piracy and downloading; ‘If [the industry] prosecutes big abusers and raising awareness among users, I do not have a problem.’ (Tom, 20/06/2009 – emphasis in original). Johan does not see sharing and downloading of music in itself as that problematic: ‘Sharing is ok! Wide distribution is fine – quality always comes to the surface even in the most diluted pool’.

However, again despite these differences in appreciation, there is also a common thread and that is that downloading and sharing is potentially also detrimental. The main problem here is that ‘artists need to be fairly paid for their work and creations.’ (Johan, 23/06/09). Herman concurs with this, when he states that ‘today, it is almost impossible to get an income from music as a small musician!’ (18/06/2009 – emphasis added). The bottom line, according to Tom, is that ‘you can be as independent or underground as you want, but you do want to get your investment back’. Johan also admits that it has become more difficult to create a surplus to invest in new projects: ‘Getting a direct income from the label is almost impossible to achieve nowadays. If the releases finance themselves, we’re already happy. If besides this, there is something left for special projects [...] the mission is more then accomplished’ (Tom, 20/06/2009).

It is thus clear that the internet, digitalisation and the potential of sharing music has both positive and enabling consequences as well as impeding and detrimental impacts on micro-
labels and alternative music. What emerges as well, is that these are not easy times for alternative artists and that new strategies have to be developed and experimented with in order to generate additional sources of income for artists and micro labels to survive.

**COUNTER-STRATEGIES OF MICRO-LABELS**

As pointed out already, the internet provides micro-labels with ample opportunities to by-pass the mainstream and develop direct connections with their fans, consumers and users. The most obvious way is through social networking sites, which have in a very short time become important tools to promote the label, its artists and to define its identity. It potentially allows the label to let users listen to the music, while also providing links to websites where consumers can buy music. Relevant sites in this regard are MySpace, LastFM, Virb, SoundCloud and several others. Marketing is for underground and independent labels also an important aspect of music production and releasing music. In a sense micro-labels often abuse the system in order to have the means to subvert it further:

‘In all areas a marketing strategy needs to be in place. People have to know that you’re constantly in the running!!! If the big record companies do it, why should the underground do it differently...?’ (Herman, 18/06/2009).

Another by-pass strategy is to use websites to sell music directly to fans through mail-order. All three labels have this feature on their website. This is also important in the long run in terms of gradually selling a back catalogue. Leaving ‘the material’ behind them, Morse Records also sells its music in digital format through a third party - Bonzai/Banshee - on sites such as iTunes, Beatport and Juno. Contrary to this, Tom resists selling music digitally through online platforms: ‘Spectre could join the current trend of digital releases and legal downloads, but then you become an accountants company, which was never my intention’.

A different strategy relates to addressing the fan and using the user to build social capital. That way you build a reputation as a label and bind the so-called ‘label-buyer’ (Tom, 20/06/2009) to your label. These can be seen as consuming fans that trust the label and the choices it makes in terms of releases. ‘A label can grow into a trusted brand: if they select something, it is certainly worth checking out.’ (Johan, 23/06/09). Re-creating scarcity is crucial in this strategy. To some extent it could be argued that a vinyl record in itself is an attempt to re-create scarcity in the artefact of the record, as it is usually pressed in limited quantities and more possibilities for artwork. It is, however, also clear that artwork, a
different colour of vinyl, special casing, even the weight and quality of the vinyl all contribute to higher production costs.

Another obvious strategy being employed is that of creating alternative sources of income besides selling music. Merchandising is identified as one of the main alternative means of generating income. T-shirts, for example, are available on each other the labels websites. Artists or DJs can also use their built-up social capital and attract bookings for live performances and/or DJ sets:

‘The live-talent of artists has become more important; records and downloads become like a greeting card to invite organisers to book you (as DJ or live-act)’ (Johan, 23/06/09).

Not surprisingly many alternative revenue models consist of labels attempting to get a piece of the revenues derived from concerts and other performances by their artists (Webb, 2007). This can happen through ‘organising events with your artists and generating income from that, [or] sending out artists/DJs and re-invest part of their fee into the label’ (Johan, 23/06/09). Increasingly micro labels, certainly in the electronic dance scene, tend to operate not only as label, but also as ‘organiser, promoter and manager’ (ibid). However, Herman also warns against over-optimism regarding the potential of live performances to compensate losses elsewhere for underground acts. He critiques the current attitude amongst many consumers who ‘take as much as they can’, with the excuse ‘bands earn enough through their concerts.’ He ends his rant by ironically asking: ‘Yes, why not? We are surely all U2s....!!!’ (Herman, 18/06/2009).

One final rather radical counter-strategy to cope with the changing context, is to simply (temporarily) cease activities as Tom has done recently: ‘Spectre is currently in a menopause. We wait. Everything has stopped’ (Tom, 20/06/2009). This decision unfortunately implies less choice for artists to release their very specialised music.
CONCLUSION

The relationships between on the one hand the different identities of the music audiences – fan, consumer and user – and on the other micro labels and alternative musicians are intricate and at times conflictual. From the artists’ perspective, Herman in this case, downloading and sharing comes down to theft, consistent with the industries’ position. However, it is also acknowledged that the sharing and downloading creates a buzz, provides exposure and enables them to build symbolic capital within a particular scene. It allows an artist to get discovered by someone serendipitously and subsequently win new fans. For many in the alternative music scene, it is very unclear whether the benefits of the internet and sharing outweigh the costs or vice versa. This is why the position towards downloading and sharing is so ambiguous among artists and micro labels, and ultimately very different from the stark position of the mainstream industries.

The electronic dance scene provides better opportunities to make use of the innovative ways of revenue creation than more ‘difficult’ genres of industrial and experimental music. Bats and Cats, as well as Spectre, are struggling to survive and generate enough income to re-finance new projects. Their underground positioning, both in content and in resisting the online distribution of digital files, in combination with a long-standing gift-tradition in underground scenes, makes it difficult for them. ‘Most probably the good times are over’, Herman concludes pessimistically. However, the party culture and the cult of the DJ-act on the contrary, aid Morse Records in making these events financially profitable, but this only works if the label and their artists are able to garner sufficient social capital locally and beyond to attract an audience for these events.

The importance of considering the identity of the fan in interaction with that of a consumer and of a user should be stressed here. For micro-labels, fans are of huge importance. Despite the availability of MP3s online, the fan will still buy the CD or the vinyl record and come to the underground festival or to the party being organised and the fan will also buy the T-shirt. At the same time fans are also increasingly copyright users, sharing and downloading the music they like, both with and from their weak peers. Some argue that the free circulation of music, albeit in a lesser sound quality, ultimately benefits artists because of positive exposure or sampling effects in the form of brand recognition, notoriety, and fame, drawing audiences to concerts and ultimately resulting in at least some of those
having downloaded their music to buy the CD or vinyl (Oberholzer and Strumpf, 2007: 38). However, the majority of (econometric) studies into file-sharing conclude that this activity is nevertheless very destructive and has ‘brought significant harm to the recording industry’ (Liebowitz, 2006: 24). Many of these studies point to the detrimental effect of file-sharing on the ‘creation of artistic work or innovation’ (Zetner, 2006: 65).

The three labels analysed in this article validate both positions outlined above. Digitalisation, the internet and free access to music creates opportunities for micro-labels to promote themselves, to recruit new fans, to accumulate social capital, and to develop alternative distribution channels. On the contrary, sharing and downloading, the ephemeralisation of music in everyday life contexts makes it difficult for labels active in underground genres to survive and serve as a platform for the creation of artistic work. In terms of cultural policy and safeguarding the diversity of music production, it could be argued that this calls for starting to think creatively about ways to support such micro-labels. A good start could be the many associations that collect copyright contributions and their lack of transparency in terms of how all that money is being distributed, A case could be made for an intra-sectorial cross-subsidy from mainstream to underground. At the same time, some project-based funding geared at micro-labels within the framework of cultural policy could also be considered.

**Appendix 1: Interviewees**

- **Herman Klapholz** (aka Ah Cama-Sotz – Belgium), artist with own label Bats and Cats ([http://bats.cats.ahcama-sotz.com/](http://bats.cats.ahcama-sotz.com/)), but also releases on other labels, based in North Belgium. (e-mail interview, 18/06/09).

- **Tom Kloek**, label manager of Spectre ([http://www.spectre.be/](http://www.spectre.be/)), a label releasing experimental and industrial music, based in North Belgium. (e-mail interview, 20/06/09).

REFERENCES:


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