SPREADABILITY

EMBRACING THE FLOW

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Introduction

One of the most vexing issues facing the content industries is their loss of control over the distribution of digital material. Combined with the ability of consumers and fans to organize and voice opinions more loudly than ever before, many industries, including recording, broadcast, and motion picture, find themselves acting from defensive postures, seeking to shut down grassroots activities and file sharing. In contrast, some in the industry, particularly (though not exclusively) independent artists, have embraced this unfettered flow of materials and discourse.

Since 2005, I have been researching how independent music artists and labels in a small but internationally successful site, Sweden, are interacting with their audiences and potential audiences (see Baym, 2007 and Baym & Burnett, 2009). I've interviewed artists and people running labels and label collectives. I've spent extensive time tracking the audience built around this scene on the internet, interviewed the most active of these fans, and analyzed their motives and their role in spreading this music internationally. In this essay, I draw on this background, using music as an exemplar, (1) to briefly identify the current situation of information and content flow and the kinds of steps being taken to combat it. Against this backdrop, I then (2) identify the reasons one might choose to embrace these changes, rather than fighting them; (3) argue that content industries need to consider the role of social exchange in addition to the economic exchange models they are used to, so they can build consumers' willingness to pay for content they can obtain for free; and (4) propose specific strategies for building social exchange relationships in this environment. Although I focus on music, the discussion is not limited to that domain.

The music industry is a microcosm of mass communication's past and a harbinger of its future (Benkler, 2006; Briggs & Burke, 2009). Once local and interpersonal, inherently relational, and shared with co-present others, the phonograph and the recording industry it spawned enabled music to become a centralized mass-produced commodity. It was less than one hundred years ago that music became an object to be created at great expense, widely distributed and purchased at a set price, rather than an experience to be shared (Benkler, 2006). The music industry, like most media industries, is built on a highly centralized model that relies on tight control of distribution and, to a lesser extent, communication. Four firms (Universal Music Group, Sony Music Entertainment, Warner Music Group, EMI) are responsible for 72% of the (paid) global music market (Wikström, 2009).

The Networked Audience vs. The Industry?

In contrast to records, CDs and other mass media, the internet "is the first modern communications medium that expands its reach by decentralizing the capital structure of production and distribution of information, culture, and knowledge" (Benkler, 2006, 30). The internet has empowered audiences, allowing them to transcend distance and reach large audiences themselves, providing infrastructures for group communication, supporting archiving, enabling new forms of creative engagement, and lessening the social distance between them and media producers. Music audiences use online tools to pool affect, create social identities, collect intelligence, share interpretations, and create for each other. As I described in Baym (2007), particularly enthusiastic online music fans have developed many ways to filter and organize music for one another, writing mp3 blogs, creating news sites, booking live acts in their towns, building archives, transcribing music, translating lyrics and coverage, and more. In their 2008 white paper for the Convergence Culture Consortium, Jenkins, Li, Domb and Green (2008) argue that from an audience point of view, file sharing and other infringing practices are part of a complex and rewarding social exchange system (or "gift economy") amongst fans, rather than part of the industry's economic exchange system.

Media industries face extraordinary challenges coping with new conditions that favor "high connectivity and little control" (Wikström, 2009, 8). Even when they try to enter into digital markets, they find their core product is no longer valued as it once was. Forrester reports that a minority of American internet users, and just under two thirds of those who buy digital music, think digital music files are worth paying for (Goldman, 2010). Revenues have fallen more than 40% since 1998 and 1999 (Goldman, 2010; Wikström, 2009). According to BigChampagne Media Measurement, approximately 90% of the flow of recorded music is now distributed through unauthorized downloads (Goldman, 2010).

The music industry has focused on stopping unauthorized downloads as the solution to its problems. As is well-chronicled in the news media, they have filed lawsuits against uploaders and downloaders, as well as against perceived distributors such as The Pirate Bay, sought to enlist Internet Service Providers and universities as monitors and collectors, and lobbied for Three Strike laws (primarily in Europe where, as of this writing, both England and France have passed some such measure). The tension between this and growing European sentiment, as seen in EU and Finnish proclamations that internet access is a fundamental right are far from resolved.

Legalistic responses to online audience practices are not limited to file sharing. Many artists have sued fans in efforts to retain control of their imagery and even the discourse about them. Prince, for instance, brought legal threats to bear on the fan site Prince Fans United, where fans posted photographs of their tattoos of his images (McCormick, 2007). Usher sought to take over the domain of a fan site (Usherforever.com) that was outspoken in their criticism of his then-fiancée (and now ex-wife) (TMZ. com, 2007). Although these threats do not often end up in court, they certainly have the potential to chill fan activities, as few are prepared to defend themselves against celebrity lawsuits. Indeed, the sites targeted by Prince and Usher are no longer in operation.

At the same time, more and more musicians, independent labels, and digital music industries are deciding that this focus on file sharing is misguided, and are focusing their efforts instead on providing value to their audiences in forms audiences want. The cluster of Swedish independent record labels, artists, and active online fans whomif I've studied exemplifies how relations amongst media producers and consumers can be reoriented toward social value without losing sight of economic concerns.

Why Embrace The Flow?

Why, one might ask, would people who (whether motivated by financial desires or not) need to make some money, choose to embrace and even feed the flow of digital content amongst fans?

First, they believe that file sharing meets a need that won't stop unless something else meets it better, so the question is how to use it, not how to stop it. The problem, as they see it, is that people want to hear music when they want to hear it. As long as file sharing is the best way to meet that desire, it will thrive regardless of industry or legislative efforts to make it stop. The focus on file sharing limits industry's ability to move forward. As one independent label collective representative and digital music strategist I interviewed put it:

We got really tired of polarized debate about file sharing. This isn't how we look at it so let's just say how we look at it. Which is common sense, we're positive about the future, we try to focus on the music and helping each other out.

It is not that advocates of file sharing don't want artists to make money, as is sometimes claimed. It's that they think the problem of making money will only be solved once file sharing is understood as a given.

Second, allowing free, even if unauthorized, access to content can increase audience size. Even if most audience members don't buy, with a larger audience, there will still be more sales and opportunities. In the case of the Swedish independent scene, labels, artists, booking agents and audiences celebrate that the internet, including filesharing, has allowed them to build larger local communities around their music, and to find one another across what used to be difficult international and territorial licensing boundaries. Labrador Records, based in Stockholm, estimates that two-thirds of its sales are international. Hybris Records, based in Stockholm and Malmö, says about half the sales on its web site are international, but more international sales happen through distributors. Both of these labels give many of their singles and some of their videos away as mp3 files. One label I spoke with seeds its albums on Pirate Bay to ensure that the files are high quality. These networks of audience members in faraway lands include promoters, and several Swedes have been able to build significant (and in some cases, primary) new revenue streams by touring in places like Indonesia and Brazil. Small artists like Peter Bjorn and John have found sizable US audiences thanks in no small part to online music discovery. If Swedes can find new markets in Indonesia, imagine the countless untapped potentials for global entertainment export.

Third, fans' online practices help to promote and build audiences. Independent labels I interviewed speak highly of audience efforts such as writing mp3 blogs that include links to their song files, noting that they can bestow credibility on their acts and help them reach larger, more international audiences (Baym & Burnett, 2009). One musician told me, "If people like music they talk about it, they tell loved ones, they burn the records for people they know and that's a big part of spreading music. It's so much easier now because you can send a whole record as a file in two seconds too, so I definitely think it helps me. It definitely helps me." For fans to be able to promote music effectively, they have to be able to give something to those they hope to influence. The name of a band, a television show, or a film is rarely enough anymore. People want to be able to hear or see at least a sampling of what they're meant to get excited about.

Fourth, as fans upload and download files, post to discussion forums, log their listens on sites like Pandora or Last.fm, add their songs to playlists on Spotify, edit wiki pages, and so many other activities, they generate extraordinary amounts of data. Companies such as BigChampagne, which the industry has relied on for years to track file sharing for marketing purposes, and newer start ups like Band Metrics, that assess the flow of downloads and buzz about bands as it happens, offer sophisticated (if data intensive) analyses of audience behavior that make traditional measures like music and ticket sales look increasingly paltry and reactive. Media industries have barely begun to take advantage of this flow of information, let alone find ways to adapt nimbly to trends as they emerge. Consider, for example, an anecdote told by EMI's then-new vice-president of digital strategy, Cory Ondrejka, in an interview at the MIDEM meeting in 2009: Six months before EMI artist Katy Perry had a huge hit single with "I Kissed A Boy," there was a huge spike in traffic to her website. Simple and accessible as this metric was, no one at EMI noticed, and the label was caught unprepared by her seemingly-sudden success.

These new sources of information can be used to plan better publicity campaigns, tours, targeting marketing, and to make other strategic decisions about where to focus limited resources. ReverbNation is one of a growing number of third party fan management sites that takes the old concept of a street team to new territory. One of their offerings is easy-to-make band widgets that can include videos, information, a way to sign up for a mailing list, and many other capabilities in a form that fans can then embed on their own websites and profiles on social networking sites. When Judas Priest released a single by embedding one of these widgets on four sites, it spread to hundreds of sites within 24 hours as fans took it upon themselves to spread the word (Plaia, 2008). Every widget collects data on its usage that is provided dynamically to the band, meaning that Judas Priest were not only able to get their single heard, they were also able to identify the online and offline locations of their most enthusiastic audiences. Collecting, analyzing, and interpreting metadata about audience activities and locations can help media industries identify where to expend future efforts with more speed, precision and reward.

Finally, feeding audiences' social connections to one another fosters their social connections to media producers. The goodwill built by simply turning a blind eye to file sharing can be considerable, to say nothing of the goodwill fostered when bands, labels and other media professionals willingly hand over some control, giving audiences free songs, permission to record and share their concerts, or the ability to post and share their concert photographs directly on the official website. The band Wilco demonstrated this power of goodwill when they sent an email to their mailing list a few days before the release of a new album. In it, they reminded the audience of the nice things the band had done for them and asked them to please all buy the album on the following Tuesday so that it would chart. It worked (Baym, 2007, 28 May).

Supporting Social Exchange

Wilco's explicit appeal to their audience's sense of obligation shows their understanding that market and gift exchange are more intertwined than ever before. The Convergence Culture Consortium's work (Jenkins, Li, Domb & Green, 2008; Li, 2009) has emphasized this greater interplay between commodity or market culture and gift or social culture and identified several dimensions along which the two systems can be distinguished. Social exchange theory provides a useful lens for thinking through the comparison as well. Blau (1964) distinguished economic and social exchange along several dimensions. Where economic exchange entails specific obligations, a set rate of exchange and a set time frame for repayment, social exchange leaves all of this unspecified. Where economic exchange is based on legal principles and impersonal interaction, social exchange is based on trust, as the act of giving is presumed to create feelings of gratitude, obligation, and trust in the recipient that will eventually result in benefits to the giver. Where the value of what is exchanged in an economic transaction is independent of the provider, value in social exchange is tied to the giver.

Social exchange theory also provides a typology of resources (Roloff, 1981). These include love (which Roloff defines broadly as affection, positive emotions, comfort, and attraction), status (including expressions of respect, prestige, or esteem, acceptance and approval), services (activities related to a person's body or belongings), goods (tangible products, objects and materials), information (including advice, opinions, and instructions) and, last but never least, money. In the traditional music industry model, musicians and the professionals who support them provide goods (CDs, records and merchandise) and services (live performances) in exchange for money. A shift from economic toward social exchange means that in order to gain resources from an audience, musicians and producers must create trusting relationships with fans that inspire feelings of gratitude and obligation. Producers need to engage audiences socially in order to create intrinsic rather than legal motivations for audiences to give back. In her Consortium White Paper, for instance, Xiochang Li (2009) points to Trent Reznor as an artist who, in giving his album Ghosts I-IV away "free," recognized that he was actually engaging in an exchange where the audience was providing the social worth of loyalty and support. This social context is an essential backdrop for understanding why all 2,500 copies of the $300 limited edition boxset version of the album he also offered sold out in a matter of hours (Kreps, 2008).

The question raised by thinking of the media industries in this way is how producers can attain rewards that justify their efforts and allow them to invest in new productions. If an economic model is no longer sufficient, what rewards must be exchanged in order to motivate audiences to pay money? Looking at Roloff's typology of rewards helps to elucidate the options. Providing goods and services, on which the industries were built, is essential, but not enough anymore. Obviously, artists are not going to pay fans. This leaves artists and media producers with three remaining resources to offer their audiences -- information, love and status -- in order to increase their sense that they must give back in order to retain relational fairness.

The ease with which people can redistribute digital music files may have savaged music's value as a commodity, yet in some ways it has increased its potential as a gift. When labels give their music away without expecting, let alone demanding, direct reciprocation, it functions as a gift, and thus becomes a symbol of relationship. It carries with it overtones of respect and affection, and it builds trust and a desire for reciprocity. In the language of Jenkins et al (2008), value is transformed into worth. Thus, when Radiohead offered their album as a free download and said audiences could pay any amount they'd like, they, like Reznor, were separating the market from the relational. Audiences gave because they thought it was the right thing to do for the people who made the music and who were giving it to them, not because they had to. That the record still topped sales charts when released later as a CD (Leeds, 2008) suggests that these strategies can be combined with traditional marketing and distribution approaches.

In thinking of how social rewards can be combined with economic goals, it's also important to recognize the broader social and cultural context in which these exchanges happen. Social media have given audiences many more ways to give back than through money. The love and status they offer, especially in combination with the promotional and other sorts of services they can provide, may be meaningful rewards for many producers. Valuing the social can also help to build stronger communities that will be more engaged and more loyal for longer. As Lewis Hyde (1983/2008) explained, exchanges may be reciprocal or circular. In reciprocal exchanges, people trade with one another. When we ask about the exchanges between artists and audiences, we are talking about reciprocal exchanges. In circular exchanges, gifts are passed on to people other than the recipient, bringing more people into community as the gifts move amongst them. When fans embed widgets, pass on mp3s, post links to videos, translate articles or lyrics for others, they are circulating gifts and creating communities. Contemporary fan communities create gift economies amongst themselves (Hellekson, 2009, Jenkins, 2006; Jenkins et al, 2008).

Producers should consider how to support this flow of gifts that circulates through value networks and builds connection around them (see Domb, 2009) rather than focusing on how to constrain and control it. In this context, money is one of many ways in which audiences might express their sense of obligation, gratitude, and appreciation to artists. Producers and audiences must renegotiate what will be paid for, by whom, and how much they will be willing to pay for it. They must discern when to charge and when to offer their audiences gifts that they can recirculate amongst themselves. They must enable and support practices that build social value.

Summary and Implications

In this essay I've argued that music, and by extension all content, industries should expand their perspective to consider how audiences construct systems of value, and how they can benefit from enabling and participating in those value systems, even when they seem to challenge their understandings of market economics. I've offered the following reasons for embracing the flow of audience activity, even infringing activity, online:

• File sharing meets an important audience need to access content instantly and easily.

• The availability of content online can increase audiences, including internationally.

• Fan practices online can expand and strengthen audience engagement.

• The digital nature of many audience practices provides extraordinary marketing data.

• Providing audiences with resources and supporting their resource exchanges fosters goodwill toward producers and provides an incentive for them to give back.

There are many ways in which content industries – and brands more generally – can make use of the flow of information, affect and files amongst audiences and use it to build social value. Those who follow these issues see more exemplars than they can keep up with. In this essay I've mentioned independent labels giving some (or all) of their music away, supplying pay-as-you-like options, enabling audiences to record and exchange concerts, and providing fans with embeddable widgets. Other concrete examples include creating special scarce goods such as Trent Reznor's $300 limited edition box set version or continuously engaging your fans to rally round and support you through blogging and media like Twitter, as Amanda Palmer has done (Palmer, 2009).

In closing, I offer six general recommendations to guide media producers as they seek to encourage systems of social value amongst themselves and their audiences.

1. Operate out of trust, not fear.

The recording and other industries have been guided predominantly by the fear of lost control. As I've tried to indicate, it is an understandable fear, but not a productive one. The exemplars I have mentioned put their faith in the audience's ability to spread the word about them so that enough audience members will pay sufficiently to see them through. Giving gifts and having faith are powerful goodwill generators.

2. Behave as people, not institutions.

Institutions, particularly corporations, tend to be guided by profit incentives. People like money too, but rewarding lives involves more than money. They also involve access to the rich array of social rewards that Roloff articulates. Appreciating and honoring the value of the social rewards audiences provide will guide producers toward appropriate ways to give back.

3. Provide people with social resources they can use with one another.

Fans organize around sharing information, insights, content and creativity. Offering them any of these provides them with social resources they can deploy in their interactions with one another. This connects them more tightly to one another, provides them with continued incentives to participate in the social realm around you, and thus connects them more tightly to you.

4. Reach out through a variety of social media, but not more than you can sustain.

Audiences are scattered throughout the internet as well as multiple offline locations. Social media tools such as Facebook, Flickr, MySpace, Twitter, blogs, websites, and so on, offer countless ways to reach them. But producers must be careful not to overextend themselves. By focusing on a few that resonate and fit, they can use them to deliver messages and tools to fans that they can then spread around the internet on their behalf. It's better to have a strong presence in a few places than a weak presence in a lot of places.

5. Grant users their independence.

It's natural to try to control audience activity, but don't. Grant them their independence and allow them to engage with content and with each other around that content as they see fit. Sometimes this will cause discomfort, but trying to step in and squelch or redirect the flow will inevitably backfire.

6. Encourage and reward audience creativity.

Audiences are themselves creative, and their artistic products can not only foster connectivity amongst themselves, but can be appropriated for producer use as well. For example, Coldplay's fan video contest generated more excellent videos than they would have produced themselves, brought attention to those filmmakers, and brought attention to Coldplay (Coldplay.com, n.d.).
In his book, Convergence Culture, Henry Jenkins described producers and consumers as struggling with "a new set of rules that none of us fully understands." We are beginning to see new ways of negotiating these rules that celebrate rather than fearing the potentials of participatory culture. What distinguishes the successful companies from the failures may be how proactively they pursue these participatory new visions rather than clinging to models based on conditions that no longer exist.

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