

Music leaders brainstorm

Industry future is being shaped at conference

BY MIKE DEVLIN, TIMES COLONIST SEPTEMBER 24, 2009



Paul Hoffert, who co-founded the group Lighthouse in 1969, chairs the Transmission conference.

Photograph by: Darren Stone, Times Colonist, Times Colonist

Most people have a pretty good grasp of how an album is made.

But very few of us know how a song makes it to your mobile device, who put it there, how much it cost to do so, and how the people involved get paid.

Those topics and dozens more were analyzed yesterday at Transmission, a conference that brought major players in the music and technology industries to the Crystal Garden.

The event, organized by Victoria's Fan Tan Group, has been held in Vancouver for the last three years. Bringing the fourth edition here will have a major economic impact for Victoria, though it had little bearing on the big-picture topics being discussed behind closed doors.

A panel of guest speakers addressed some of the 150 delegates at various points yesterday, though the crux of Transmission is a series of small roundtable discussions featuring representatives from three areas -- recorded and live music and music distribution -- who offer insight and engage in discussions about intellectual property, emerging markets and next-generation leadership.

"The great thing about Transmission is that it is one of the only places in the world where you get constituents together from all sides to discuss issues from their own points of view," said guest speaker Jim Rondinelli, head of content licensing for Slacker, one of the world's largest mobile Internet music services.

"Decisions that are being made from conversations that are being started here at Transmission are going to determine what shows up on the TV sets and subsequent devices five to 10 years from now."

The old business model -- in which record companies control the delivery of music to waiting customers -- is clearly broken. Music fans are getting their music faster and in bigger bunches than ever before, frequently without money changing hands.

That's to the detriment of nearly everyone, Rondinelli says. Fewer and fewer stores are stocking CDs, but recorded music is more available than ever.

Prosecuting the consumer for downloading music illegally isn't the answer, Rondinelli said.

"The world would be a simpler place if rights-holders of all types -- music, video and film -- could get behind the understanding that these assets are going to be traded and swapped."

One solution, Rondinelli said, is to work out a deal with Internet service providers who allow these customers access to the Internet, or "come up with some kind of licensing mechanism that could deal with this at this ISP level in bulk."

That's but one of the many scenarios explored at Transmission. Who should effectively control an artist's copyright? Do venues need to become more active in managing the artists they promote? Are mobile devices such as smartphones and portable music players truly the future of music delivery?

They are complex issues, and there's a communication breakdown on a number of fronts, even within companies themselves.

"We need let go of all the old rules to establish new rules," said Fan Tan Group CEO Tyl van Toorn. "It's very difficult to do that."

Somewhere along the way a bare-essential element of the music industry -- connecting an artist to an audience -- went horribly awry. Peer-to-peer sharing may have killed traditional music stores, but the granddaddy of all file-sharing sites, Napster, which eventually lost the battle with record labels after a litany of lawsuits -- isn't to blame for the industry's loss of opportunities.

The music industry used to consist of a bunch of freestanding, independently owned record labels. These days, conglomerates own them, drawn to the once-significant profits available. Their major mistake was trying to run them like any other business.

"You can't manage an artist's business that way," said Rondinelli, whose previous studio experience

saw him work with everyone from Wilco to the Tragically Hip.

"It creates an inherent dissonance when you have shareholders' expectations and quarterly results and executive compensation packages that are based on those kind of standards."

Conference chair and York University professor Paul Hoffert, who co-founded the group Lighthouse in 1969, has a new-school mindset about the issue. "If the heads of the music industry who met with [Napster creator] Shawn Fanning in 1999 had been more in touch with audiences, might there have been a different outcome?"

There might have been. But then again, that would mean no Transmission. The think-tank has a tangible benefit, empowering delegates with the knowledge and putting key players in touch with others from various segments of the music business who don't always have time -- or the ability -- to sit down in an open forum.

It won't solve problems today, but it might make those involved feel a little more hopeful about the future.

"If you look at it from a music or film industry perspective, it makes it look like there's winners and losers -- the losers being the content owner because they are not getting monetized for their work, winners being the consumer," Rondinelli said. "The problem is, everyone can be a winner in this situation. It just requires embracing that things are different now and will be in the future."

Transmission continues today at Crystal Garden. Transmission's concert showcases take place at Market Square tonight through Saturday.

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