

# Internet is Changing Creative Industries Forever – Transmit China

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Last week I went to a unique conference called [Transmit China](#). With a focus on the creative industries, namely music and video, Transmit China brought together leading executives to discuss both interesting and challenging issues facing their businesses in the future.

## **Smaller is better**

Rather than a large scale grandiose type of event, TransmitChina emphasises community and building close relationships. Limited to

only 150 participants and held over two and a half days, the conference was made up of keynote speeches, roundtable discussions and focus groups. To stimulate both body and mind, the event was held at the very unique boutique hotel, the [Commune by the Great Wall](#). The hotel is literally next to the Great Wall and surrounded by beautiful landscape mountains. I myself was very excited to experience the Commune and nature.



## **Adapt to China or leave**

The Transmit conference itself originated in 2006 from Canada and made its way to China in 2008. The group was made up of an eclectic mix of band managers, concert promoters, TV producers, entrepreneurs and mobile start-ups. Since the majority of attendees were from Canada or America, I could tell many of them were searching to understand how China operates and how they needed to adapt their business to succeed here. Some had lived in China for a while but for many first timers, not familiar with China; their eyes were opened to the reality of working in China. I sensed the key lesson learnt was that you have to adapt to the Chinese culture and way of doing things to be embraced, and if you don't

like it, you shouldn't be here. Since many were in the content distribution business, I told them that generally Chinese people don't pay for content and I could tell they were perplexed.

### Is being creative worth it?

Unlike the typical tech conference, Transmit China was centred on the entertainment industries and how emerging technologies would impact it. Of course many creative people do what they do because they love it, not because it brings them a lot of wealth. But more and more, content is being freely distributed over the internet, making it even harder for artists to claim a rightful share of earnings. This brings constant pressure to musicians and film producers to find sustainable and profitable ways to keep creating.

One of the most interesting discussions was about intellectual property. We all know, there is really no such thing as IP laws in China. In the tech start-up space, this gives rise to thousands of clones. In the entertainment world, much of it ends up on [Baidu Music](#), [Douban.fm](#) or video streaming sites like tv.sohu or youku.com and many artists don't receive a royalty. Larger co-operations who need to operate with more transparency are [now coming under more pressure to only distribute licensed content](#). But that also continues to be a difficult and messy subject.

Some argue that without free content distribution, especially over streaming sites, the majority of people would never hear of some artists. Therefore it is beneficial for artists to have their work distributed everywhere for the purpose of marketing. Once they become popular enough, they can make money through selling concert tickets and sponsorship. On the other hand, without any copyright and no ability to earn royalties, it makes life a lot harder for artists to live and get to the stage of becoming widely popular. But this brings us back to the question of why artists do it and simply, it is because being creative is in their blood.



### Embrace internet disruption

The first keynote speech given at Transmit China was by Catherine Leung, GM of Music Entertainment at Baidu. Leung mainly talked about the impact of internet on the music industry.

She said that given its increasingly digital form, music is ripe for disruption and old-school music executives who are bent on holding onto forcing people to buy CD's will lose. One

music manager I talked to, expects CD's to die next year or the year after; a grim but realistic prediction that truly forces people in the music industry to react and prepare for the future. Outside China, new music services that are changing consumption habits are [Pandora](#), [Spotify](#) and the up and coming [Rdio](#). In this way, Leung suggests people in the music industry must embrace internet disruption and stop fighting it.

Leung believes that technology should be used as a tool to “amplify and build great products that wows consumers.”