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The Future of Music

Manifesto for the Digital Music Revolution

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Chapter 1

Music Like Water

Berklee is offering free music lessons online designed to expand educational opportunities for musicians around the globe. The music lessons are available for free download from the Berkleeshares.com Web site and via a growing network of partner Web sites. These free music lessons are also available on digital file sharing networks. We encourage people to share our lessons with other musicians. While Berklee strongly disapproves of stealing copyrighted music online, we believe that file sharing offers new opportunities for musicians to learn, and to promote and distribute their work.

Press ESC to cancel sound.

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Music Like Water

It's the year 2015 and you wake to a familiar tune playing softly. It gets you out of bed and makes you feel good. As you walk into the bathroom, your Personal Media Minder activates the video display in the mirror, and you watch a bit of personalized news while you get ready for the day. You step into the shower and your personalized music program is ready for you, cued up with a new live version of a track that you downloaded the other day. It is even better than the original recording, so while you dress, you tell your "TasteMate" program to include the new track in your playlist rotation.

You put on your new eyeglasses, which contain a networked audio headset, letting tiny earbuds slip into your ears. You switch on the power, and the mix that your friend made for you starts to play. Music pours into your consciousness. It becomes yours.

After breakfast with the family, you head off to work and the Personal Media Minder asks if you wish to finish the audio book you started yesterday morning. You confirm and listen while you walk to the train that takes you to your job.

During the day, your headset and other wireless devices help you communicate across the network, with your friends, associates, network buddies, and "digital peers." The headset also keeps you connected to that hard rock collection that you really love to listen to. Meanwhile, a variety of new songs, new versions, and remixes of tracks you truly dig, along with your old favorites, continues to come your way. Using TasteMate, you access and trade playlists, and recommend a couple of songs to your friend in Seattle, and they get added to his rotation. Music propels you throughout the day.

On the way home, you choose your usual dose of news, sports, weather, and the latest dirt on your favorite bands and movie stars. The headset syncs to the active 3D displays that project images just in front of your eyes, or onto the communal screens available on the train and at home. You decide what you hear and see, and who can share in the experience. The Media Minder blends and delivers the programming you select, along with whatever variety of new music you decide to explore. It also determines how that new music is chosen, with the help of the TasteMate program.

Back at home, you cruise into the evening with the house system sending soft dinner jazz to various speaker systems in your house, as you serve up one of your culinary specialties, then pay your bills. One of these bills is your media and entertainment subscription, which includes your monthly music, video, network, and communications charges; it's always lower than your heating or water bill. Incoming calls from your friends blend into the programming that surrounds you, as you see fit. After dinner, you clean up, perhaps enjoy a couple of games with friends across your virtual network, and begin to wind down with some New-Age derivatives of Mozart's original compositions, which you discovered late one night while cruising through the music sharing channels. . . .

This, we believe, is a possible scenario from the future of music—a future in which music will be like water: ubiquitous and free flowing. Our views are not definitive, precise, or all-inclusive, but simply are snapshots of the future. In this future, music will be ubiquitous, mobile, shareable, and as pervasive and diverse as the human cultures that create it. Many of the already ill-fitting definitions of copyright and intellectual property and patent laws will be adapted to fit the "music like water" model that we propose—in a way that ensures the enjoyment and benefit of society as a whole, and that allows all involved parties to prosper.

David Bowie encapsulated the current state of affairs in a June 2002 *New York Times* article:

> The absolute transformation of everything that we ever thought about music will take place within ten years, and nothing is going to be able to stop it. I see absolutely no point in pretending that it's not going to happen. I'm fully confident that copyright, for instance, will no longer exist in ten years, and authorship and intellectual property is in for such a bashing. Music itself is going to become like running water or electricity. [. . .] So it's like, just take advantage of these last few years because none of this is ever going to happen again. You'd better be prepared for doing a lot of touring because that's really the only unique situation that's going to be left. It's terribly exciting. But on the other hand it doesn't matter if you think it's exciting or not; it's what's going to happen . . .

A Digital Music Primer

Beginning with the introduction of the compact disc (CD) into the marketplace in the early 1980s, the music industry began a transformation from analog to digital—a change that has precipitated the transformation of music as a product into music as an entertainment service. By digitizing music and distributing it on the CD, the music industry made it possible for just about anyone to make an infinite number of perfect digital copies of every song ever released on CD. In so doing, the industry opened itself up to the massive changes we're seeing today.

The decision to adopt the digital CD format set the stage for the current debates and struggles, as well as the ongoing litigation over copyright and the ownership and control of music—ultimately leading to the far-reaching question of whether access will replace ownership. After all, if you can hear whatever you like, whenever you want to hear it, then you don't have to "own" or physically possess the music.

The CD is a wholly unprotected digital format, traditionally without any Digital Rights Management (DRM) or copy-protection mechanisms that prevent copies from being made. In the early 1990s, personal computer companies such as Dell, Gateway, Compaq, Hewlett-Packard, and Apple saw the potential of audio applications, and began to develop affordable consumer machines that included CD-ROM devices. Soon thereafter, high-quality speakers became an integral part of the personal computer, often bundled or built into the computer itself. The combination of CD-ROM and DVD-ROM drives, software, and Internet connections made it possible for consumers to "rip" music off their CDs and trade digital MP3 files via the World Wide Web, instant messaging, and e-mail.

MP3 is shorthand for a software algorithm that was developed to compress audio and video files for easier use in multimedia applications. This compression/decompression algorithm, or codec, is part of an international standard known as ISO-MPEG Audio Layer-3, pioneered by the German Frauenhofer Institute. The codec converts the data it into an MP3 file (with a 1:10 compression)—in a matter of seconds, on a personal computer. The combination of the CD format, personal computers, and the Internet was a true convergence of technologies that, in combination, started to tear the very heart out of the control that the music industry had over its product.

It was only a matter of time before college students began posting large collections of MP3s on college servers and Internet Web sites, where the songs could be downloaded by anyone. The proliferation and spread of MP3 files online, plus the difficulty one has in finding a particular file, caught the attention of Northeastern University student Shawn Fanning. Driven to create a simple way to organize and find MP3 files online, Fanning created Napster, a software application that quickly became one of the most well-known and widely publicized programs in history.

Napster was the first in a series of peer-to-peer systems, through which people could share and swap their files by remotely accessing each other's hard drives, rather than accessing a central server. The decentralized nature of peer-to-peer (P2P) applications enabled massive numbers of files to be accessed simultaneously by literally millions of users at one time.

The major record companies—namely Universal, Sony BMG, Warner, and EMI—felt so threatened by Napster and its progeny that they joined forces to sue Napster out of business. Led by the Recording Industry Association of America (RIAA) and its then-CEO Hilary Rosen, they waged war on companies, individuals, and technologies that they perceived were enabling the widespread piracy of their property, protected by copyright law and propelled by the Digital Millennium Copyright Act (DMCA).

The publicity surrounding the legal battles was extraordinary, but its result was not exactly what the labels had hoped for. The labels were so vigorous in their pursuit of "evil" Napster music pirates that they appeared to have pushed their own customers into an unstoppable feeding frenzy for online music. Napster filed for bankruptcy protection in 2002, but software developers around the world have been creating P2P applications to fill the vacuum it left, and the online sharing of MP3 files has continued unabated.

Using approaches similar to Napster, but technically and legally more insidious and clever, companies and P2P file-sharing systems including Kazaa, Morpheus, Grokster, iMesh, and Limewire have grown stronger than Napster ever was. It is estimated that hundreds of millions of copies of these free software applications have been downloaded, and that millions of people are online trading music files every minute of every day around the world. No wonder the record labels are worried.

In 2003, a legitimate yet tentative digital music market began to take hold. Steve Jobs and his team at Apple Computer convinced all five major record companies to license their songs to Apple for distribution via the new iTunes music store. That effort, reinforced by Apple's enormous "Rip, Mix, Burn" digital music marketing campaign, was a breakthrough for a legitimate online digital music market.

Despite Apple's efforts, it may prove impossible to compete with "free." The P2P onslaught may indeed destroy the current record companies, but that is not preventing the existing copyright holders from trying to keep control. The lack of cooperation and compromise in enabling new business models to be tested has actually encouraged file-sharing and the systems that support it. The future may be uncertain, but the present is known: the existence of such widespread file-sharing systems is a direct result of the incumbents failing to come to terms with the new digital reality.

Music Today

Contrary to what we've been hearing for the past three years, the *music business* is still in very good shape today. The problem is with the *record industry* and CD sales. The Big-4 major label groups, Sony BMG, Universal Music Group, EMI, and Warner, are all suffering. But if one looks beyond CD sales, it is clear that, *overall,* the music market is vibrant and alive. More music has been enjoyed over the past two or three years than ever before, by a factor of two or more. Music fans can thank the inventors and purveyors of new technologies—in particular, file-sharing services such as the original Napster and Kazaa. They also owe their good fortune to consumer electronics companies, the creators of computer games, DVDs, cell phone ring tones, and CD technologies that allow users to rip and burn their own CDs on personal computers. Music fans are completely awash in music, and digital music has become the new radio for the Internet generation. Digital technologies have been totally and unobtrusively integrated into the lifestyle of new generations of teens and young adults.

Access to music has never been easier, and music is thriving on both a regional and global level. Rock, singer/songwriter, bluegrass, hip-hop, heavy metal, DJ versions and remixes, and ethnic music of every variety, including Brazilian, Cuban, and African, are just some of the types of music enjoying tremendous success today. The Internet, and digital networks in general, are starting to flip the niche genres from the bottom to the top.

Despite a severe downturn in CD sales over the past four years, the U.S. concert business is soaring, rising four years straight, from $1.3 billion in 1998 to $2.1 billion in 2003, according to *Pollstar* magazine. Live music is bigger than ever, even with the recent summer slump in U.S. concert ticket sales.

However, things are going to get a lot worse for the record companies and for music stores and CD retailers, in particular. As of 2003, overall “record” (CD) sales were down 26 percent from their peak in 2000, and the total revenue is down some $2 billion. During this period, over twelve hundred U.S. music retailers have closed their doors, and many more are predicted to follow. The reason for the sorry state of record retailing has more to do with the behavior of the record companies themselves than with the impact of digital music and its users. In the 1990s, the labels shifted their primary distribution channel away from the traditional record store and over to the “big box” retailers such as Best Buy, Target, and Wal-Mart, all of which sell CDs at heavily discounted prices in order to attract crowds into their stores. This retail shift has been going on for the past ten years for most consumer goods. It has sharply reduced the amount of square footage available to record companies for presenting their wares, and ultimately reduced the variety of titles available to fans in stores.

The music business is going through a massively disruptive sea change that shakes the very foundations of the long-serving cartels in the recorded music business. A textbook example of the traditional music-business operating mode is Colonel Tom Parker, Elvis Presley’s manager. Colonel Parker in many ways may be considered the personification of the larger-than-life manager, and he profited from audaciously exploiting Elvis. “The Colonel” set the pace for a lot of people who came after him, both in the record business as well as in the management business. While the “Colonel Parker” mode of operation seemed to have worked well for a long time—at least for some of the parties—this model now clearly has been outmoded by technology.

Technology is bringing about massive industry discontinuities, just as it did in the film industry when television was born. Movie theaters initially regarded television as a major threat. Likewise, when radio was born, music publishers went to court to try to shut down the first radio stations. When industries are forced to face extremely painful and sometimes counterintuitive changes, established companies often whither away, leaving room for more agile entrepreneurs. Witness what Bill Gates and Microsoft did to Digital Equipment Corp., Wang Laboratories, Honeywell, and IBM.

With any major industry transition, the most successful businesses do not waste time negating the new; rather, they figure out how to embrace it before being outmoded by it. You don't want to be the ice man still trying to deliver blocks of ice when everyone has a freezer of his or her own.

So why is the music industry, by and large, still fighting the digital "music like water" vision, tooth and nail? Because the industry's "leaders" are caught up in a storm of opposing ideologies: on the one side, the elusive and certainly terrifying anarchy of free information on digital networks, and on the other, their obsession with control of the media oligopolies. They are stuck in the middle, without enough wiggle room to make a move. Music publishing rights are among the most difficult to negotiate for because the market is controlled geographically, and securing the global rights for music is almost impossible to achieve.

Rather than anticipating and exploiting trends—which is what the music business *used to be* good at—the industry has moved to try to derail them, and to squash opportunities that change the way things are done. Before too long, however, it will be abundantly clear that trying to sell overpriced plastic discs to people who have ubiquitous online access to the entire vault of music will be like trying to sell snow at the North Pole.

The Ubiquity of Water

Water plays a very essential role in our lives—nothing happens without water. Hundreds of thousands of people around the globe work on supplying water to everyone else, billions are spent on ensuring a steady water supply, and armies of researchers and workers deal with water-related projects. Along with air, water is an absolute essential of life. We do not pay for air—yet—but we do pay for water, and consequently some water utility companies are among the richest companies on the planet.

Despite the huge economic significance of water, and the clout that these "utility" companies have, how do we pay for it? Do we feel that water companies have undue monopolistic powers, and do we consider water to be a "product?" We more or less voluntarily pay for water, yes, but we hardly notice it anymore; the expense has become a fact of life. The payments are woven into the fabric of nearly everyone's monetary routines; no individual fees are charged if you shower at the gym, if you wash your hands in a public restroom, if you use a drinking fountain, or if you fill up your car radiator.

Interestingly enough, despite the ubiquity of water in most of the developed world, there is a vast market for "premium water"—bottled drinking water that appears to be better or different than tap water. Today, people may pay more for a bottle of Pellegrino or Evian than for a pint of Budweiser or even a gallon of gasoline! They pay for the ability to get "special" water that it is guaranteed to be free of bacteria, for the packaging that makes it convenient to carry, for the refrigeration that keeps it cool, and, in some cases, for added carbonation or flavoring.

Could this model apply to the music business? Can we conceive of some kind of public utility model for music that would make any and all music available on a flat-fee basis, or on a very low "by-the-gallon" fee schedule? Could music be acceptable as a part of the cost of living, a nominal expenditure that we plan for?

It wasn't too long ago that a leading water company, France's Society General de L'Eau, morphed into a global media and entertainment company (Vivendi-Universal), and tried to dominate the music space. Its CEO at the time, the now-infamous Jean-Marie Messier, embarked on a mission that was based on a very similar "content utility" concept. His approach may now seem financially risky and badly timed, but the future may at least partially vindicate it.

If we zoom back to the days before water was ubiquitously available (and ubiquitously paid for), some people *did* have to pay right then and there to obtain their water, on a case-by-case basis. Fights broke out over access to water, and in Africa and the Middle East, many wars were fought over access to water. In the Europe of the Middle Ages, access to water was often subject to complex negotiations and fee payments. When piping and plumbing became so omnipresent that almost everyone could simply turn on a faucet and, voilá, the water would flow freely and magically, the entire pricing system changed very quickly into a *public utility* structure. New companies and service providers emerged, and the user benefited. Is this same process now beginning to take shape in the music business?

Utilities

Let's take a look at a utility model in the broadcast television industry. In some European countries, such as Germany and Austria, all residents that have televisions or radios in their homes, regardless of how or whether they use them, must pay a yearly flat fee to the government. The government then uses the funds to pay for public television and radio productions. This model, which resembles the "media like water" concept, is by and large accepted by millions of people. People pay an average of $100–150 per year in return for what feels like a free, unlimited, and unmonitored supply of media programming.

In contrast, the U.S. system of television broadcasting relies entirely on advertising revenues. This system certainly has its own merits and encumbrances, but, like the European system, it creates what music futurist Jim Griffin of Cherry Lane Digital calls a "pool of money" that pays for the production and the dissemination of television programs. The basic trade of "you watch the ads and we will give you the programs for free" also offers an interesting contribution for our "music like water" mantra: could it be that, a few years down the road, I will be able listen to music on a digital network if I also accept some advertising? Or, will I be able to pay a fairly low yearly fee for all-I-can-eat access on digital networks, and subject myself to some targeted advertising to get additional access to some premium content? Cable television in Europe has shown the way here, as well. Most residents pay both for the public broadcasts and for their cable television providers—and, they rent videos and DVDs, as well.

If we continue to riff on the idea of such a flat-fee utility model for music, the basic connectivity to the digital music network and that much-talked-about "celestial jukebox" would be next to free. In fact, the network may be bundled with other media utilities as in our example above, and thus be cost-neutral. We would be able to enjoy the basic music service for very little out-of-pocket cash. It would feel free to us, but would still generate significant revenue in the aggregate. That is the value of a large network; individuals each pay very little, but as an aggregate, they create a large pool of money.

Keep in mind that in most places around the globe, there are relatively few restrictions on when and how we use water. If we decided to fill our swimming pools with fresh water on a daily basis, nobody would give us a hard time . . . except during a drought . . . though our water bill would be proportionally larger, for sure. But still: no policing, no restrictions, no real-time control, and most importantly, no hassles. We pay little for the basics, and accept higher payments for added values. No water "rights management," no additional payment points, no jumping through hoops.

How would this work for the music business? How will we offer a basic music service that flows freely, anywhere, anytime? Until now, music was only sold in "Pellegrino" bottles, but customers are starting to discover the unstoppable "tap water" music that seems to be flowing freely on the 'Net. Yes, the quality is not the same, and it's not entirely legal (to say the least), but the benefits to the users still outweigh the drawbacks. There are certainly differences between CD-quality sound and MP3 digital music formats, but the difference is insignificant if "pricing" is considered.

Just imagine how much it would cost you to fill up your bathtub with gallons of Evian! Is it surprising that people are looking for an "online music faucet" rather than continuing to buy overpriced bottled music? Why not offer an even better "Evian" to people who may still want it, *and* utilize the existing technologies to supply the "tap water" music, too? Couldn't businesses make more money by supplying all the water, rather than just a limited fraction of it? Could companies thrive by providing ubiquitous access, rather than strong-arming the market by limiting the supply of music to drive up its value and thus create an artificial scarcity scenario?

In this book, we will attempt to outline the consequences of a future in which music is offered like water, with "music faucets" turned on, anywhere and anytime, and with large-scale users paying more to use more. Bottled water—i.e., new types of music products—will have a whole new life ahead of them, but this will no longer be the only way to get your music.

Music: A Product or Service?

Let's zoom back to 1887, when Emil Berliner invented the gramophone. Back then, the big deal was that the gramophone allowed people to listen to music *without having to actually be at the performance*. It forever changed the concept of music from a dynamic and interactive entertainment experience to a fixed product. Music became nearly synonymous with the medium that delivered it, beginning with wax cylinder, then vinyl disk, followed by cassette tape, and eventually, compact disc. In essence, music moved from being a performance and a service to being a product.

Because of this, we have become accustomed to the perfection and repeatable quality of today's music. Prior to the nineteenth century, music wasn't played the exact same way more than once, since it was impossible to reproduce the exact circumstances of a performance. The instruments and orchestration would change, as would the performers, their moods, audiences, and performance environments. Songs were performed as well as they could be in that moment, and composers worked hard to create a continuous flow of fresh music for fairs, operas, concerts, trade shows, theaters, and so forth. The composers of the time also liberally borrowed material from one another, often adapting, updating, and improving the songs for the players and performances at hand.

After more than a century of music being pitched and sold primarily as static products, with musicians getting paid to perform on such products, we are, in a way, returning to those early days, and music can once again become more about the experience than the product. Of course there are some styles of music that have never ceased to be a service, such as in niche markets, including classical music, world music, and jazz. Yet, most financially successful musicians have become purveyors of products, and hope to make a significant part of their living by "selling plastic."

Perhaps, as in the past, we can once again become part of the experience of music, rather than the static purchasers of it. We can be involved, we can cheer our favorite artists on, we can participate in events and react to them, and we can actually make a difference—as the audience or the creator, or both. This fits in nicely with a general trend in our society, of moving, step-by-step, from the “Information Society” via the “Knowledge Economy” to the “Experience Society,” as we will explore in this book—that is, from a place where we are mere recipients of a flow of data and information, as in the traditional media models, to a place in which a lot more value is being placed on experiencing things first-hand and unfiltered.

Today, technology is empowering artists to communicate directly with their fans. The digital distribution of music will gradually minimize the pay-for-product mentality that has dominated the music business for over a century, and technology may finally create some deeper empowerment for more of the involved parties. This is bound to happen, despite the obviously Darwinian survival-of-the-fittest pressures that a more efficient system of interaction and commerce are also bound to produce; it will be even harder for new artists to get to any level of meaningful exposure when there are more artists trying to get attention in the various distribution channels.

However, empowerment of the consumer (much less the artist) is not what most record labels, AKA the purveyors of the product, have in mind. In fact, their lobbyists are fighting fiercely to prevent such things from happening. If music won’t remain a product, then how could the labels possibly control access and pricing, get a straight line into your wallet, tell you what is available and what is not, or dictate what an artist will release and when and where? The thought that you and I, the consumers, will be *involved* in this process reads like blasphemy to a lot of the decision-makers in the music business. Their old-school system worked beautifully with Elvis, Janis Joplin, Jimi Hendrix, and the Backstreet Boys—a carefree club of willing co-dependents—but nevertheless, “the times, they are a-changing.”

Now, powered by ever-mutating technology and the perpetually unquenchable desire of any artist to escape the dismal prison of obscurity, music is starting to flow into any and all digital networks, whether paid for or not, and whether authorized or not. As John Perry

Barlow, Grateful Dead lyricist and founder of the Electronic Frontier Foundation, reminds us, “Nature abhors a vacuum.”

Further, digital networks are turning wireless faster than you can say, “You’ve got mail.” “Mobile” will be more of a transformative activity than “online” ever was. Technologies that depend on cables and wires are slowly but surely fading into the past, because people tend to favor innovations that seamlessly integrate into their lives without obstacle. Human life is not hard-wired and is mostly spent on the move. This very basic aspect of humanity needs to be vigilantly considered when talking about the music business of the future: people are mobile, and increasingly so. They take all kinds of stuff with them and move around more than ever before. Clearly, the future of music belongs to truly mobile products and services: anything, anytime, anywhere.

The emerging “mobile” economy enables access to your music collections anytime and anywhere, in a beloved, heavenly, customized jukebox. The world’s largest telecommunications companies, including AT&T, SBC, France Telecom, British Telecom, and Deutsche Telecom, are beginning to shift their strategies, placing an increasing emphasis on services and partnerships to enable the global distribution of content. Today, other companies are starting to develop the next generation of mobile music technologies. For example, Apple, Creative, Philips, Roku, Netgear, and others are developing networked media players that broadcast MP3 music from your computer wirelessly around your home or office. By 2005, nearly half of the thirteen thousand McDonald’s restaurants in the U.S. will have WiFi installed, delivering music brought to you by Sony.

But this digital mobility does not really fit into the current value paradigms that have brought in the bacon for the music business. Ubiquitous digital mobility requires interoperability between devices in all territories, bulk-rate and subscription pricing, globally coordinated marketing activities, and a total redesign of music retailing and packaging. Therefore, the old ship may have to sink before the new one can launch.

There is no doubt that, due to the nature of people’s music consumption habits, mobility is the major driver behind the latest developments. People like to listen to music everywhere—at home or on the road, while waiting, or while socializing. The total support of the mobility paradigm is what drove radio, in the early days, and that's what will drive digital music. Once wireless network access is an affordable and reliable standard around the world, digital music will take off and soar.

Let's look at the unprecedented options that a wireless device ultimately offers to the music fan: it can be always-on, and thus is constantly updateable and in tune with the user's peers and personal programming "agents," allowing for recommendations, discussions about music, and the easy sharing of interests, opinions, and of course, the music itself. Streaming music rather than downloading it will quickly become a viable option, once networks provide a truly acceptable sound quality and simplified pricing.

The increasing multitude of choices will outpace the single-minded purveyors of intellectual property that have sold us "culture" as a solid good for the past one hundred years. This process is as inevitable as the one that made people put their horses out to pasture and switch to cars and planes as a prime mode of transportation. Nobody would stick with horses just because some blacksmith fears a decline in horseshoe sales. People are simply exercising their right to choose. Having more options will lead to more diversity, more niche markets, and more opportunities for artists, writers, and music businesses.

More and more, the average consumer is following the course charted by the early adopters of new technologies—the "influencers"—who, as recent research reports have proven, are as wired-up and connected as one could imagine, and vastly prefer the Internet over any other medium. The gaming industry, for one, has already followed this call, and has come up with products that are easy to use, interactive, and give the consumer what they want, thereby driving revenues that make music industry executives green with envy.

When artists stop thinking of themselves as providers of solid goods, then the doors will open for a much wider variety of music to flood into limitless and low-friction distribution channels, without five or ten or even twenty companies gating the flow of content. Having said that, though, it will be more important than ever to creatively program and present all this new music in ways that make it easy, fun, and rewarding for consumers to find what they like.

Wild Card: The Universal Mobile Device (UMD)

June 1, 2015. Our Universal Mobile Devices (UMD) are "always-on" at 8 MB/second, and we have anytime-anywhere access to music, films, games, books, news, streaming video, online banking, stock market transactions, instant messaging, e-mail, and chats. It's a global telephone, a digital communication and data transfer device, a Global Positioning Device (GPS), a personal digital assistant, a music/images/film storage device, a recorder, a personal computer, a gaming platform . . . and much more that we haven't even gotten around to trying yet. Still, it is only a little bit larger than a cigarette pack, its processor is one hundred times as fast as the good old Intel Centrino chip, and with over 5 terabytes of data storage, there is plenty of room for anything we want. Our UMD can project a fairly large and sharp image onto any white surface, it can set up instant secure wireless connections to other computers, beamers, monitors, screens, and printers, and it can connect to other UMDs to exchange data and files, instantly and securely.

The UMD "off-road" version is so durable that you can drive a truck over it, or leave it out in the rain for a few days. Ten days of battery power lets us forget about hunting for electric outlets everywhere we go. In short, our UMDs are irresistible, and sometimes we even struggle with ourselves to put them away.

And how much do we pay to get this device and the wireless service? Less than what a year of dial-up Internet service used to cost only ten years ago. Speaking of those days, we are so relieved to have lost all the cables, the multiple billing procedures, the restrictions on usage, the endless calls to customer service to figure out how to make it work, the non-compatibility, and all of the other burdens. Now, the pricing—and what you get for your money—is so compelling that everyone considers it a part of their basic expenses, like the phone bill, cable television, or car registrations.

Today, the basic content service comes packaged with the monthly service fee, and a content levy is imposed on the device itself. It took ten years for the device makers, software providers, and entertainment companies to agree on a voluntary compulsory licensing scheme, but now the content providers make much more money than they did before UMDs were around. In addition, their marketing costs have shrunk to one tenth of what they used to be, their delivery costs keep falling, administration and accounting is handled by smart automated software agents, and their legal budgets have been reduced to a fraction of what they used to be because there is nothing left to sue for. Finding cool new stuff rules the day. Get our attention, and let us make a connection.

Music companies, book publishers, game companies, and filmmakers are eager for us to check out their stuff, watch their films, play their games, or try their software. The more of their content we use, the more they get paid, pro rata. We still pay the same flat fee, unless we select some premium content—which we do all too often, we have to admit. It may cost only a dollar to "sit-in" on the latest recording sessions with your favorite artist, to order a copy of an issue of *Twilight Zone* that is not on the UMD Network, or to watch a special backstage Webcast of the Grammy awards. Our UMDs make media and entertainment content so irresistible that our cash just keeps flowing out on the network—a "dream come true" for any content provider that can get our attention.

The UMD service and its built-in tracking software allows the content providers and their agents to find out how their content is doing on the network—how many people have tried it, how many people have shared it, how many people have rated it, and who is talking about it. If we want to, we can share some, a little, or all of our data and other feedback with the UMD service, our friends, or the content providers themselves. We can also provide detailed feedback on their content and earn free UMD "points" that we can use to get free stuff. This way, some of our friends even make more money on the UMD network than they spend on getting the content! They review new bands, recommend new songs and movies to their peers, test new games, or become part of focus groups that evaluate new UMD services.

No longer are we tethered to our computer, the LAN connection, or the power plug. UMDs have become as commonplace as cell phones were a decade ago. Gone are the days of having to worry about where to get cool ring tones, how to turn the cell phone into a real gaming device, or where to watch our favorite soccer game.

The UMD comes fully licensed, and we can do whatever we want with it because most ways of using it are simply already included in the price of the device and related service fees. "Fair use" rules and, as customers, we really like the sense of empowerment. If we want access to special content, we simply use the various premium billing options that bill our UMD accounts, deduct directly from our electronic bank accounts, or use any of the cyber-cash services that we can subscribe to.

So what about the prices? It's 2015, and we're paying $59 a month to get all the basic content on the network for free, plus of course, thousands of minutes of free voice and videophone calls. Stream it, download it, listen to or view it on demand, transfer it, share it—whatever we want, anytime, anywhere. Peer-to-peer has taken on an entirely new meaning, and it smells like roses to the content providers and media companies.

Best of all, the sheer amount of content on the network is more than we could ever consume: more than five million music tracks from almost any record label, producer, or lately, directly from the artist. In addition, there are more than one million books; two hundred thousand movies, television shows, and video clips; twenty thousand games, and thousands of software packages. And we are talking about the good stuff here, not just back catalog and "archives."

These offerings are instantly available, instantly archived, bookmarkable, searchable with our content agents, and cross-referenced with our network buddies and friends.

The only thing we are really missing is the time to try it all!

Want more?

Guitar.
Performance.
Production.
Songwriting & Arranging.
Music Business.
Theory, Harmony & Ear Training.

Study with the world-renowned professors of Berklee College of Music, on your own time, from anywhere in the world.

Book from Berklee Press

The Future of Music: Manifesto for a Digital Revolution

The Future of Music book punches gaping holes through the foundation of a record industry that refuses to adapt. If you love music, have discovered digital music and download or rip MP3 files on your computer, or download ring tones to your cell phone - then this book is for you. This book will show you cool new ways to find music and connect with your favorite artists. Discover the top-10 truths about the music business of the future and how you can benefit from the explosion in digital music, today and tomorrow.

Amazon.com | Futureofmusicbook.com

Online Course from Berkleemusic

The Future of Music and the Music Business

This online music course is about discovering successful strategies for future success in the music industry. Through discussions, interactive exercises, and interviews with music industry insiders, the online course will challenge conventional thinking about the business of music, and will explore new ways of creating, promoting, and distributing it. This course is essential for all artists, songwriters and music business people seeking success in the music industry of tomorrow.

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