

**Example Item:**

Read the articles “Music Streaming Services: Pros and Cons” and “Music Streaming Services: History and Future” and answer questions 1-3.

**Music Streaming Services: Pros and Cons**

By Marion Jones



One of today’s most popular services is the music streaming service. These services come in a number of different forms. They offer benefits as well as drawbacks to recording artists. It’s important to determine what type of music streaming service is being discussed. For the purpose of this essay, “music streaming service” will refer to applications like Spotify unless otherwise noted. These types of services allow users access to a wide range of music and pay record labels and other music distributors per play.

There are multiple ways in which streaming music service benefits artists. One of these benefits is the publicity. This publicity is generated through the easy access to new singles as well as older music whenever the user desires. This availability allows individuals to discover new music often. It also allows current fans the ability to listen to their favorites, no matter how old, whenever they want. Streaming music benefits recording artists by helping increase their fan base with little effort on their part. In addition to growing a fan base, individuals who find new music through streaming services might also buy tickets to concerts and other merchandise. They might also possibly buy physical discs or digital downloads. Some research shows that users of streaming music services like Spotify are much more likely to spend more money on assorted artist merchandise than those who don’t. The studies show an increase of 80 percent more, in fact.

There are also downsides to music streaming services. One of the biggest downsides is the money that artists receive when their music is streamed. The average amount of royalty money paid every time a song is streamed is \$0.0005. That is less than one penny, and the money an artist receives is often even less than that. It is possible for record labels, publishers, or distributors to keep as much as 85 percent of that number for their own profit. When this happens, the recording artist is paid closer to \$0.000075 cents per play. The amount of money an artist receives for their music is often much less than the amount of money they would receive if their album was purchased at the store. This serves to be a major downside of streaming for artists.

In many cases, the pros and cons of music streaming services depends upon the artist in question. If the recording artist in question is extremely popular, for example, then making their music available to be used by music streaming services can be a good idea. An artist with many popular albums stands to get paid quite a bit from their music streaming service. This is true even though the actual amount of money paid per song is not very high. This is because the sheer number of people listening is much greater than those of less popular songs or artists. A lesser known artist with fewer songs and less popularity, however, will not see much profit

from their music streams because the number of plays will be much lower. This means they will not see a great return from music streaming.

Streaming music services holds the most benefits for consumers and new artists. In fact, streaming music services offer consumers more availability than they have ever had before. They can now have access to the music that they want to hear at any given time. It is no longer necessary to purchase every album an artist releases just to be able to hear a favorite song whenever you'd like to. This is how we had to do it in the past. Today, services like YouTube and Spotify make that an easy task. You can purchase just one song or several songs of an artist's without purchasing the entire album. For new artists, there has never been a better time to try and break into the marketplace. Instead of only having a few strategies to use in order to get their music heard, today's musicians are able to utilize a large number of streaming music services to attract new fans. When combined with the additional possibility that the internet offers outside of music streaming services, the benefit to up and coming artists is a clear winner amongst other options.

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## Music Streaming Services: History and Future

By Jackson Lee



Music streaming services are very popular. The history of music streaming services begins with the release of the first iPod. The iPod was first released from Apple in 2001. It was a product made for convenience. It made it easy for people to travel with their entire music collections. Consumers could now listen to the exact song they desired, whenever they desired. Prior to the iPod, individuals had to purchase physical albums. If they didn't want to purchase music, they could listen to the radio. This technology was the beginning of the digital music industry down the path to music streaming services. Another important milestone was the release of iTunes, which was released in 2003. This product enabled the ability to quickly purchase and download music online. YouTube, released in 2005, furthered this trend. Consumers began to expect to be able to find and listen to new music easily. Pandora was established in 2005. Soundcloud and Spotify were both founded in 2008. These three music streaming services remain the most popular and profitable music streaming services today.

According to figures published by the British Phonographic Industry in 2014, revenue from digital music streaming services makes up half of the total industry revenues for 2013. Music streaming services like Spotify made up the "fastest-growing sector over the 12 month period" with an increase of 41 percent. Programs like this operate in one of three ways. They are services that offer subscriptions for a cost, those that offer their services for free to consumers while subjecting them to advertising, and those that rely on cloud-related services. The total revenue for all three categories combined rose from zero in 2007 to over \$115,000,000.00 in 2013, and an estimated 188,000,000.00 in 2014. Music streaming services are a quickly growing industry. Their ability to thrive in the future is questionable, though.

There are three main types of music streaming services available. These services include online music stores, non-interactive services, and interactive services. Online music stores, such as iTunes, sell music to consumers as well as act as a distribution center. They often work with record labels to discuss the price of the music that they sell. The second form of music streaming service includes programs that work similar to the way a radio works. Pandora is a good example of this type of non-interactive service. When using a non-interactive service, individuals are able to specify what type of music they want to listen to and the service creates a randomized playlist that is suited to the user's specified tastes. The third type of service, the interactive music streaming service, includes programs like Spotify. These programs offer users the ability to select the exact song they want to listen to at any given time. They also allow them to listen to the song as many times as they would like. There are no restrictions based on how often you can listen to any songs. They also do not restrict what order you listen to a particular artist or song. There are, however, often ads that will interrupt the experience from time to time.

Music streaming service can be improved in the future. Charging consumers a minimum price per song play is one way to increase profits. This is different from the current approach of businesses like Spotify. Even users who pay for premium services only pay a single fee in Spotify. That fee is regardless of the amount of time they spend listening to music. This means that an individual can listen to either one minute or 100 hours of the same song. The price never changes. Other ideas include the introduction of transactional streaming and windowing. Windowing is a strategy where new music is released bit by bit. A highly anticipated new release for example, instead of being released on all platforms at once, is released gradually over the course of a period of time. Today, new albums are often released in physical format as well as on Spotify and on iTunes simultaneously. With windowing, artists could release a physical version of their album first. Next, they could put the album on iTunes. Once these tasks are complete, they could follow that up with an incremental introduction to Spotify. This would help maximize their profits.

#### **References**

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**Directions: Using information and details from the articles “Music Streaming Services: Pros and Cons” and “Music Streaming Services: History and Future” answer the questions below.**

1. Who benefits most from music streaming and how?

Blank writing area for question 1, consisting of ten horizontal lines.

2. Explain windowing and how it relates to streaming music.

Blank writing area for question 2, consisting of ten horizontal lines.

3. What are the arguments against streaming music?


Constructed Response Scoring Rubric	
Points	Description
2	The response achieves the following: <ul style="list-style-type: none"> <li>demonstrates a thorough understanding of the question and text(s)</li> <li>uses sufficient evidence and includes specific examples/details that make clear references to the text(s)</li> <li>describes or explains adequately by using clearly relevant information based on the text(s)</li> </ul>
1	The response achieves the following: <ul style="list-style-type: none"> <li>demonstrates a basic understanding of the question and text(s)</li> <li>uses limited evidence and includes vague/limited examples/details that make references to the text(s)</li> <li>somewhat describes or explains by using vague/limited information based on the text(s)</li> </ul>
0	The response achieves the following: <ul style="list-style-type: none"> <li>demonstrates no understanding of the question and text(s)</li> </ul> OR <ul style="list-style-type: none"> <li>uses limited or no evidence and may or may not include examples/details that may or may not make references to the text(s)</li> </ul> OR <ul style="list-style-type: none"> <li>includes no explanation or no relevant information from the text(s)</li> </ul>