

# Virtual music, virtual money: the impact of crowdfunding models on creativity, authorship, and identity

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# **VIRTUAL MUSIC, VIRTUAL MONEY - THE IMPACT OF CROWDFUNDING MODELS ON CREATIVITY, AUTHORSHIP AND IDENTITY**

**MARK THORLEY**

## **INTRODUCTION**

With the traditional record company model, the path between music creator and audience has been seen to be complex, and managed by a series of cultural intermediaries. This situation has often been criticized from both the perspective of music creator and consumer. For the musician or music producer, it often meant trying to “mould” their creative output just so that a record company would fund their work. From a consumer’s point of view, it often meant that music became homogenized, and there was a lack of diversity. In short, the cultural intermediary decided what got funded, and what consumers heard.

Born in the virtual environment, emergent models of crowdfunding are now changing this situation by allowing musicians to connect directly with their audience who can then fund projects. The project is pitched, fans coalesce around it, and it is funded, and most probably sold—all virtually. This is arguably the next stage of virtual music where not only do the producers work virtually, but the fans as funders also form part of a virtual alliance. Taking common criticism of cultural intermediaries at face value, this is an attractive proposition. Projects which would otherwise not be funded can be realized, and consumers (if they can be called that) enjoy a diversity of choice previously not available to them. In short, the energy previously tied up in cultural intermediation finds liberty with the music creator and the audience.

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Compared with the era of recorded music, crowdfunding has been in existence for a very short time however.<sup>1</sup> So although the virtual-facilitation is leading to an undeniable shift, the reality is unlikely to be as straightforward as the utopia which has been suggested. Further examination is therefore needed, in particular how crowdfunding impacts upon creativity, authorship and identity. These issues are explored here, in relation to the key elements of producer, product and fan.

## **PRODUCER**

Crowdfunding can be used to fund a wide variety of projects beyond those of a musical nature—technology development, film, literary works and software are just a few of the more obvious examples. In the field of music, it has been adopted by music composers, bands, solo performers, recording engineers and DJs to name just a few. The range of creative practitioners and their backgrounds is therefore extremely wide. For example, the background and creative abilities of a jazz music composer is very different to that of a DJ, though they could both be said to be grounded in music. The first objective then is to outline and justify the term producer as a collective term to refer to such a range of creative practitioners by examining the work involved in running a crowdfunded project.<sup>2</sup> As part of such a task the initiator must conceptualize the project, formulate a plan, estimate the costs involved, consider the formation of a team to realize the project and pitch the project in the virtual environment. These skills can be far-removed from those traditionally considered as fundamental to the role of, for example, a composer, singer or music arranger. Furthermore, in the traditional record company model, these tasks would be undertaken by someone other

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<sup>1</sup> The first use of the term crowdfunding is commonly attributed to Mark Sullivan in FundaVlog in August 2006.

<sup>2</sup> Chávez-Aguayo takes on this role in his chapter Live opera performance in Second Life: challenging producers, performers and audience.

than the composer, singer or music arranger. Crowdfunding therefore necessitates a fundamental shift in role whereby, as a form of vertical integration, the project-initiator has to take responsibility for functions further up what is termed as the value chain (Porter 1998, 33-40) or cultural production chain (Pratt 2008). In its combination of logistical, financial and creative functions, the role becomes more akin to that of a music producer as outlined by Burgess (2013) or a broadly defined Producer (Du Gay et al 1997). It is important to note, however that the project initiator may not be conscious of this shift when they start or even co-ordinate a project once funded. In terms of identity, they may still see themselves as, for example, singer, musician or music arranger. Crowdfunding's attraction to the music creative's sense of identity then belies the shift in role away from more familiar territory, and the development of the project may well expose this issue.

Having defined the group as producers, the questions which arise relate to the motivations to adopt crowdfunding and the implications of the new found freedom and responsibility. Additionally, questions related to the degree of creative influence producers are willing to give to funders and their attitude to intellectual property which they own also arise.

### **The motivation to adopt crowdfunding**

In comparison to the era of recorded music, crowdfunding is a very new phenomena but one which has grown significantly and gained much interest. According to The Economist (2012), in 2007 there were fewer than 100 crowdfunding platforms, though this rose to an estimated 536 by the end of 2012 (Massolution 2012). Anyone actively engaged in using the Internet for commercial or creative means is unlikely to have missed the attention which crowdfunding has gained. There are however, particular attractions for music-orientated projects.

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The most obvious attraction for producers is the apparent lack of cultural intermediation or gatekeeping. That is, rather than having to seek financial support from say, a record company, manager or music publisher, the producer can connect directly with the audience. The presence of cultural intermediaries or gatekeepers has always been somewhat problematic for those who wish to take their music to a paying audience—often being seen as a barrier between the audience’s money and the creative practitioner. As Hirsch (1972,128) notes, for a cultural good to reach an audience, it must “first succeed in (a) competition against others for selection and promotion by an entrepreneurial organization, and then, in (b) receiving mass media coverage in such forms as book review, radio station airplay and film criticism.” Crowdfunding alters this situation in that there is no competition for selection by an entrepreneurial organization such as a record company and in principle, a diminished need to receive mass media coverage. Thus, the barriers to entry to the music business (complex, capital-intensive logistics, large marketing costs, winner takes all market) outlined by Kretschmer et al (2001) seem to have been removed or lowered by the continued technological developments facilitated by the Internet. Crowdfunding may also appear attractive from an artistic or philosophically-motivated point of view, particularly where the producer has strong opinions about the influence and policies of, say, a major record company. Dealing directly with an audience may well appear to be a less corporate way of taking music to an audience.<sup>3</sup>

Such a motivation towards crowdfunding can be said to be reactive in its basis therefore. That is to say, it is based on a lack of success, dissatisfaction, or a desire not to

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<sup>3</sup> This issue also arises in Juho Kaitajärvi-Tiekso’s chapter, *Alternative Virtuality*

*Independent Micro Labels Facing the Ideological Challenge of Virtual Music Culture: The Case of Finnish Ektra Records.*

engage with the cultural intermediation which has, for many years, been taken as unavoidable. This frustration or dissatisfaction associated with new project funding access being controlled by the cultural intermediary has parallels in the funding of new business ventures. On this point, the inability to convince investors of the value of new ventures has been explored widely (Shane and Cable 2002, Chen et al 2009) as has the issue of finance for young ventures (Berger and Udell 1995, Cosh et al 2009). Given that 75% of unsigned music artists still want to sign a record deal (International Federation of the Phonographic Industry 2012, 7), crowdfunding seems largely an alternative where the traditional method does not appear to be working. This motivation is somewhat naïve and simplistic in reality however and can present the producer with unanticipated challenges. Fundamentally, it ignores the fact that the crowdfunded project still has to compete for support. In this case however, it is not just against other producers to secure a record contract or similar arrangement but instead, against all of the other things which a crowdfunder could spend their money on (including goods or experiences other than crowdfunded projects). Furthermore, assuming that there are crowdfunders willing to commit funds, the producer must still compete for the crowdfunders' attention against the huge range of competing media content which the Internet (in addition to more traditional media) brings. Whether the crowd-funded producer appreciates this situation and the challenge to their role, or has the creative skills to undertake the necessary work is not guaranteed.

### **Freedom and new found responsibility**

The homogenization and globalization of cultural products has been examined and critiqued extensively in the literature. For example, UNESCO (1982) refers to the notion of cultural goods becoming marketable commodities, Schiller (1983) outlines how public expression has been commoditized (1983) and Robins (1995) explains the concept of the media space as a

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global market. Earlier, Adorno and Horkheimer (1979) refer to the issues of standardization in music. Given that these concepts are related to the disconnection between producer and audience often resulting from an increase in control of global entertainment companies, any emerging practices which facilitate a more direct connection can have a liberating effect. Just as the control of global media companies limits diversity, circumnavigating their control may facilitate diversity.

For the producer, crowdfunding seems to present an opportunity for extensive creative freedom, thus fostering overall diversity. As many crowdfunding platforms can have low or no cost to join, there is no need for the producer to tailor their offering to one particular actor or agent to recoup their investment. If the project is funded, then the producer can take the project forward with high levels of creative freedom. This is particularly attractive from an aspirant producer's point of view as the need to satisfy one particular person or entrepreneurial organization is removed. Additionally, being able to exert creative freedom is attractive to established producers who have previously been in contractual arrangements with record companies (Thorley 2012, 5). Such new freedom does come with responsibility though—the responsibility to not only pitch a project to an unknown group of funders, but also to manage and execute the project should it be successful in being funded.

This new responsibility can be problematic though as rejecting the role of cultural intermediation can be based upon an underestimation of the creative extent of the cultural intermediation role both in terms of its depth and breadth. Firstly, in terms of depth, a common understanding of the gatekeeper in the music industry is the artist and repertoire (A&R) person who decides what artists are signed to a record company and which are dropped. In reality however, the A&R role additionally includes guidance on producing appropriate material, deciding which producers to work with, choosing what studio to record in and so on. Whilst this could be seen as a constraint upon creative freedom, there is

arguable value in its function in “articulating production with consumption” (Du Gay et al, 1997, 5). Seeking creative freedom without thought to this concept therefore increases the risk of failure in a crowdfunded project. Most at risk in this aspect is the aspirant producer as with limited previous experience; they would be most in need of such input. This is somewhat ironic as it is often the aspirant producer who is attracted to crowdfunding because of the unlikelihood of getting funding via more traditional means. Secondly, in terms of the breadth of cultural intermediation, such a stance is reflective of an underestimation of the role of many business functions in the creative process. As Negus (2003, 506) notes, the significance of business affairs and accounting personnel can be unrealistically played down when in fact, they contribute to the creative process. Achieving creative control from the standpoint of being a creator is therefore understandably aspirational though when it is simply seen in terms of the freedom attained, it can be problematic. In actual fact, there is valuable creative work needed which is traditionally encompassed in the cultural intermediary role. To further complicate matters, pitching and managing a crowdfunded project actually presents novel creative challenges. This is because gaining the support of a crowd is arguably more hit and miss than pitching to one organization. Although the potential pool of funders is global, their motivations are relatively unknown and diverse compared to an entrepreneurial organization which is simply looking to contract producers in order to produce an economic return. Furthermore, the crowd-funded producer is pitching a project yet to happen rather than selling a product to a consumer. Creatively, this is a complex and novel challenge which the producer (particularly if they still see themselves as a music creative) is not necessarily equipped to meet.



### **The extent of creative influence the producer expects from crowdfunders**

The record company exerts considerable influence over the recording artist in the traditional model. Such influence extends from dictating the output of the recording artist before they are contracted, agreeing on what material should be recorded and released, and overseeing future directions. In this instance, it is the investment which the record company makes which gives them the power to do so. Whilst their control can and has often been criticized, there is an equal point of view from the industry itself pointing out the high cost of artist development (International Federation of the Phonographic Industry 2012, 9-11), the return from which must be maximized through control. Whilst recording artists or producers effectively surrender large elements of creative control in order to see their work funded and developed, crowdfunding changes this dynamic. As has been noted, this desire to be free from cultural intermediation is much of the appeal. The question then arises as to how much creative control producers are willing to surrender to their new funders and the implications of this decision.

The first point of note is that compared to the traditional model, there are more funders. For this reason, their individual influence is diluted. Secondly, they are likely to be geographically and socially diverse as crowdfunding is now largely facilitated by the Internet. Therefore, the funders do not possess the focused influence coalescing around a commercial objective which the traditional record company has. There is, of course, much evidence of the influence of crowds and fans. For example, Jenkins (2006, 53) outlines the “voluntary, temporary and tactical” affiliations bound by intellectual and emotional investment. However, the important aspect is that once a project is pitched virtually, potential funders can either back it or not. There is no room for negotiation or influence over the product as would be the case with the traditional model. This presents a very different dynamic to the traditional record company model and one which shows a diminished level of feedback

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through the loss of the cultural intermediary. In the traditional model, a record company or other backer could decide not to contract a particular artist or producer, who may then (based upon feedback) take time and effort to develop further before returning. In this way, even before the contract is signed, the record company is providing creative influence, the aim of which is to synchronize product with potential market audience. With crowdfunding, there is no such process. If the offering is not attractive to funders, then the project fails and it is back to the drawing board. The producer can, of course, change the project and re-pitch it later. However, they have not benefited from the same meaningful creative feedback so they have limited information as to why the project failed and how the situation can be rectified.

The type of crowdfunding platform chosen also has some part to play in how much influence the funders are given by the producer. With a reward-based offering, the relationship is more like patronage. In this instance, it is “here is the producer; here is what they seek to do, here’s what you get, please back it.” Examples of such platforms include the better known examples such as Artistshare and Kickstarter right through to niche platforms such as Artisteconnect based in Metro Manila in the Philippines. Backers may be offered insights into the creative process, special edition merchandise or custom performances, but no real influence over the creative output. With an equity or lending-based model such as 99Funding, Crowdfunder or the Polish MegaTotal, the funders’ return is a financial one based upon the success of the project. In this instance, the producer’s creative output must be better aligned to the needs of the market for the project to produce a return to the funder. Therefore, the producer is surrendering more influence to the market on their creative work just by choosing this type of platform.

## **Producers' attitudes to intellectual property**

A key aspect of crowdfunding is the manner in which the producer retains the ownership of the work. Closely related to creative control, this is in contrast to contractual relationships with record companies who take ownership of the recorded works. In addition to being the author then, the producer in retaining ownership becomes the person who decides how to protect and exploit the work.

This is an attractive proposition as the producer not only retains greater value in the work which they have authored, but also the control over what to do with the work. It again highlights the change in the creative practitioner's role in becoming a crowdfunding project producer, and the shift in their responsibility up the value or cultural production chain. A traditional record company would exploit ownership of the work to maximize economic and perhaps critical success, and the recording artist would have limited say in how this takes place. For example, recordings could be licensed to different territories and so on. However, in retaining ownership of the recorded work, whilst the producer has more control over such exploitation, the opportunity to do so is likely to be more limited. Firstly, they are unlikely to have the same network of established business relationships from which the opportunities arise. Secondly, they do not have the same expertise to exploit recorded works which a traditional record company would have. In retaining ownership, the medium of crowdfunding exposes them to the need to have different creative skills to make the most of this. As has already been indicated, if they are not aware of their shift in role (still seeing themselves wholly as music creators), they are unlikely to have, or appreciate the need for such skills. The result then is that whilst they have more control, it may be over a limited set of opportunities.

## **PRODUCT**

Traditionally, music consumers bought what the music industry would refer to as product. Whether as recorded music items in the form of vinyl, cassette or CD, or as merchandise, ownership of a tangible product has been fundamental. Crowdfunding is fundamentally different in that though tangible goods are involved, the commitment sought is that of funding to make a project happen. This then presents further questions namely, how this can this be considered to be the next stage of virtual music development and the specific nature of a crowd-funded project.

### **The crowdfunded project as the next stage of virtual music development**

Technology's impact upon music production has been well documented from the use of the project studio (Newell 2000, White et al 2013) through to distribution via the internet (Gordon 2005, Mewton 2001, Ashurst 2000). It has often been stated that the lower cost of music production software and hardware has democratized music making, offering opportunities to those previously excluded from the activity.. In a similar way, the Internet has opened up opportunities for music producers to have their music heard through sites such as Soundcloud and YouTube.

Producing any music-based project still involves cost even if it is only the time of the participants. However although the tools of creation and production are now at previously unseen low levels, they do have a cost. Similarly, the time to use (or learn to use) these tools, or indeed to contract the time of others in their use involves some cost. It is at this point that crowdfunding comes in as arguably the next stage of technologically—enabled virtual music development. In this case, though, emergent technology is facilitating the project realization process specifically through providing the funding to do so.

## **The different nature of a crowdfunded project**

When a potential recording artist is presented to a record company, music publisher or management company, the established structure and culture dictates its form and quality. The expectation is that the artist will already have certain developed characteristics such as having material recorded and produced professionally, having stability of personnel, having an established fan base and so on. This has become even more important latterly as the music industry commits less investment to talent development and becomes more risk-averse. The same quality hurdles do not apply with crowdfunding however as there are no “quality” specifications required by crowdfunding platforms. This highlights the importance of considering culture (in addition to technical and economic processes) when examining the production of culture (Du Gay et al 1997, 69). In this case, the culture within the established structures of the music industry has developed to the point where anything presented needs to be of a certain quality. Furthermore, the quality is judged as “professional” if it adheres to the values and standards which are set by professionals in that field (Ursell 2006, 135). By way of contrast, the culture of crowdfunding has had less time to develop, is more accessible and therefore DIY in its approach. Though some platforms make some suggestions on quality, these are not particularly prescriptive.

Although there are no requirements of quality for a crowd-funded project, this does not mean that it has no importance. In actual fact, as Mollick (2014) notes, the “preparedness” (or quality) of a crowd-funded project is pivotal to its success in being funded and a poorly prepared project will have less likelihood of being funded. So, though the technological platform of crowdfunding is democratizing and supposedly eradicating the traditional gatekeeper, the crowd still consider the quality of the project in their decision of whether to fund it or not. However, as the project can be pitched with little or no cost (unlike

preparing to engage with a record company), the crowd-funded producer can (and often will) ignore issues of quality.

A further issue is related to the fact that the producer is not really offering a tangible music product, but instead, the opportunity to become part of the project, helping facilitate its execution. How far removed from the concept of a traditional music product the offering is depends partly upon what type of platform is adopted. With an equity-based platform, the funder is essentially being offered a financial return from a music project (be that a recording, tour etc.) in return for their early commitment to the project. What they receive is firstly financial but secondly, experiential by virtue of being involved in the project. With a reward-based platform, the offering is even further removed from the production of a music product and more experiential. So whilst they receive no financial return, funders may gain privileged access to the creative process, receive diary updates, video messages, personal performances and so on. Much of the appeal of these offerings is that they are unique and very different to the tangible product which may actually be the result of the project. On a related point, though much of the hype associates reward-based crowdfunding with music projects, this model actually drives less funding revenue than expected, and typifies lower cost projects (Massolution 2012). In fact, equity-based and lending-based (where the funder is paid back rather than retaining ownership) crowdfunding is most effective for digital goods, including music. Overall though, these offerings are, to a greater or lesser extent, not music products, but experiences which provide the gratification to the funder. Furthermore, being able to construct offerings which will be attractive to funders is actually very complex. Firstly, the geographic, social and economic background of the potential funders is diverse so the offering needs to be tailored to a particular group who stand most likelihood of becoming funders. Secondly, the producer may have limited creative skills and resources available to construct the offering. So, whilst the idea of providing video as part of the project pitch and

video updates throughout may be attractive, this demands a further set of creative skills. A deficit in this skill set is likely to mean poor quality and a lower likelihood of success or if the project is funded, dissatisfaction on the part of the funder participants.

## **FAN**

The term fan funding is often used as an alternative to crowdfunding, in recognition of the crucial role which fans play in the process. Whilst a producer may still be a producer whoever is funding their work, changing the fan into the funder or investor (Ordanini et al 2011) is a new phenomenon. As fans engage earlier in the process, considering them to be customers, audience, listeners or consumers is no longer sufficient, or indeed accurate. A variety of questions therefore emerge when considering the crowdfunder. For example, the question of their motivation to engage with crowdfunding and how their relationship with the producer has changed. Additionally, what these aspects say about their role in the production process.

### **Crowdfunders' motivation**

Crowdfunding involves significant shifts in the behavior of the funders. Firstly, they put their funds into the experience of a future project rather than a product. Secondly, they make this commitment earlier on in the production process and not at the end stage as was previously the case. This change brings significant risk and lack of clarity because as a yet to be realized project, the fan as funder does not know exactly what the outcome will be. This observable risk is consistent with the work of Bendapudi and Leone (2003) which outlines the increase in uncertainty and responsibility as downsides of customer participation. Furthermore, as an unrealized and unproven concept, there are no groups of consumers to feel allegiance to and the project may not even take place should sufficient funds not be raised. To engage with

these risks then, there must be motivation and they must have reasonable hopes of getting something from the experience.

As the motivation of crowdfunders has received so little attention, Uses and Gratifications Theory can provide some useful insight. Lull (1995, 73) describes this as “how audience members positively influence their own media experiences” and furthermore, its relevance to the internet-mediated communication is supported by Ruggiero (2000). The theory, rather than examining what media does to people, examines what people do with media. Its functionalist view is relevant to crowdfunding in that funders are making a positive and conscious choice to engage with a project for their own gratification.

In applying the theory, the work of McQuail et al (1972) is relevant in categorizing motivation into a series of “media-person interactions” namely surveillance, personal identity or individual psychology, personal relationships and diversion. An insight into what the fan has become can be gleaned by seeing how these apply to engaging with crowdfunding.

Firstly, the concept of surveillance refers to the use of media as a form of information gathering, to keep in touch with and understand what is going on around in the world. Staying up to date with the latest developments is particularly pertinent with music, where fashions change, new bands and artists emerge and new works evolve. With crowdfunding then, this concept is a relevant and particularly strong one as the potential crowdfunder is actively seeing what musical projects are in development as a way of engaging with what is happening and yet to happen. Secondly, personal identity or individual psychology refers to how an individual uses media to define and express themselves. This applies to music as identifying with a particular genre, artist or band is an established mode of self expression. With crowdfunding then, the crowdfunder’s early engagement and financial support reflects a particularly strong affinity with the producer who they fund, and their sense of identity is strongly associated with the producer’s work. Thirdly, the concept of personal relationships



concerns how media is used to connect with others and facilitate social interaction.

Discussing new music releases or favorite songs or recordings would fall into this category.

With crowdfunding, joining with others to fund a project, or wanting to see a project realized and heard by others would fulfill a personal relationship gratification motivation. Lastly, diversion is the use of media for purposes of entertainment, escape from everyday life and perhaps fantasy. With crowdfunding, researching projects and funding projects provides such a diversion and the opportunity to engage with an activity different to their normal role. It is not just a matter of engaging with media to escape as in the case of listening to music or watching a film however. It is, in fact, the opportunity to escape their everyday role and become an influencer and facilitator of future music projects.

The balance of these different motivations can then be used to suggest the kind of identity which the music consumer has adopted by engaging with crowdfunding. For example, if the motivation is largely driven by a sense of personal identity and diversion, this signals a strong shift towards someone wishing to be involved in deciding what projects get realized based upon their own orientation of what is worthy of funding. This may be grounded in a strong allegiance to the producer or to the genre of music which they produce. In this behavior, they are effectively becoming a form of cultural intermediary themselves in the sense that based upon their own identity and opinions; they are controlling what music meets a wider audience. They may well share a frustration with the mainstream music industry and believe that crowdfunding affords them the opportunity to promote greater diversity. In this way, they “act as agents of the artists, selecting and promoting offerings” (Ordanini et al 2011, 456). Alternatively, an emphasis upon diversion and personal relationships could mean that the funder gains gratification from being part of a group, using allegiance to its actions to define themselves. Or, if the funder’s motivations are concerned

more with surveillance, personal identity and personal relationships, they are more likely to want to influence the crowd towards particular projects.

Uses and gratifications theory then shows how crowdfunding is used by the funders to achieve certain personal and psychological outcomes beyond those sought by merely being music consumers. Furthermore, it actually demonstrates crowdfunding as an extension of Uses and Gratification Theory. That is, rather than merely influencing their own media choices, they are actively influencing the media choice of others because what they chose to fund may result in a project finding a wider audience. This presents a significant shift in role and in doing so, the funder is starting to use and develop new creative skills around project evaluation, music analysis, creative project investment and so on.

### **The relationship between fan and producer**

The shift in engagement with the project on the part of the crowdfunder brings about a change in relationship between them and the producer. With the diminishing role of the intermediary, there is a much more direct relationship between the producer and the fan. From the producers' perspective, there is evidence that they are very conscious of the proximity with the funders (Thorley 2012, 9-10). This gives rise to two distinct responses— firstly that of feeling the pressure of being responsible to the funders who have shown faith in the project. Secondly, in other cases, the producer is able to describe the positive feeling of knowing that funders are already behind the project and fully committed to the producer doing as they see fit. From the funders' perspective, this may be part of the appeal—knowing that their commitment is seen and appreciated directly by the producer as a reflection of their belief in the creative work to be produced. Their earlier and deeper involvement in the project means much more of the experience is shared with the producer hence satisfying elements of Uses and Gratifications Theory discussed already.

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This new proximity of relationship has some significance when considered in the context of attitudes towards the traditional music industry. Music fans can also appear dissatisfied with the homogenization and globalization of music, and disappointed to see particular artists or genres treated favorably. So, when a producer appears disenfranchised with an existing contractual arrangement, fans can share this feeling and thus the two become united in a wish to satisfy each other's needs another way. In engaging with crowdfunding, as Potts (2012, 361) notes "participatory fans are shaping that revolution through resistance to the cultural norms imposed on both the artist and the fan for years by the recording industry." The fan then develops "a common understanding of a shared identity" with the producer (Müniz and O'Guinn 2001, 413).

The shift also has the potential to produce new and interesting results through works of co-creation. In the traditional model, the fan would have little influence over the output from a producer. However, with crowdfunding, the producer can actually facilitate a creative input from the funder. This is possible because of the directness of the relationship, the fact that the producer owns the intellectual property of the work, and the fact that the funder may be looking for different gratification than that of simply purchasing a music product. Examples of this have included offering rewards which facilitate the writing of a song with the producer, playing on a track and so on. Though creatively interesting, this does give rise to questions of creativity and authorship. So, for example, the producer may have to facilitate the work of a funder who really has no creative ability as it is merely their ability to buy the offering which has allowed the collaboration. Also, questions of authorship arise whereby the creative input of the funder would tend to go unrecognized financially (otherwise they would not be paying for it). However, if the resulting work is to generate revenue, the question of how much (if any) of the resulting revenue should go to the crowdfunder who paid to collaborate and contributed creatively arises.

### **The crowdfunders' role in the production process**

Although the crowdfunders' input may not be explicitly creative, the fact that their commitment dictates whether a project finds a wider audience means that they are having a creative decision-making role. This is in some ways akin to Negus's (2003, 506) earlier referred to point regarding the role of business affairs and similar functions in decision making. In changing from that of a music consumer, their new role poses questions about their position within the production process.

There is evidence that producers do not necessarily want or see the need to surrender any influence despite the fact that crowdfunders may be looking for gratification from having more influence. This is firstly evident from the choice to adopt crowdfunding as a way to realize their projects. By choosing such a medium, they wish to be unshackled from the creative control of cultural intermediaries. This is very evident from those producers who have had previous contractual relationships with entrepreneurial organizations such as record companies though it can also be the case with aspirant producers, where they simply want to be free to be creative however they see fit. It therefore seems unlikely that they will want to surrender any creative control or input to the funders as doing so would negate one of crowdfunding's attractions. There is also empirical evidence that producers give little thought to what funders would like them to write, record or produce (Thorley 2012, 8-9). The potential exists therefore for conflict between how funders see themselves related to the production process and how producers see them. Whilst the producer wishes to surrender little or no creative influence, the crowdfunder may be looking to satisfy their own desire to be part of the production process.

Furthermore, producers could actually be missing an opportunity by not valuing and facilitating a creative role for the funders. As has been outlined, having control over the

intellectual property is not all that useful if the producer does not have the expertise or opportunity to exploit it. However, they do have the freedom to be more flexible with the intellectual property in a way that a record company would be unlikely to. Examples of this include producers who offer crowdfunders the opportunity to co-write songs with them in return for a funding pledge. Overall, there are a multitude of ways in which funders could become creatively part of a project and in doing so, satisfy a diversion-orientated gratification. Depending upon the creative contribution of the crowdfunder, the project may actually benefit from their input, the outcome of which is effectively a co-creation. On this point, the powerful potential of using emerging technology to co-create has been examined previously. For example, Tapscott and Williams (2006) advocate peer-production, Lessig (2008) examines sharing whilst Shirky (2010) investigates aggregation. In bringing the work of producer and funder to a more collaborative point however, questions over authorship do arise. For example, does the funder have any rights over the intellectual property owned, or does the fact that they have had to pay for this input mean that perceptively, their input has little value?

## **CONCLUSION**

As has been outlined, a wide range of music creators and practitioners become producers when they adopt crowdfunding. Their motivation can be problematic though as it is often reactive and underestimates the change in role and the work of cultural intermediation. It does bring freedom and the potential of diversity, though there is also responsibility associated with the peculiar and novel challenges of such a new medium. The degree to which crowdfunding producers must surrender creative influence can depend upon the platform whilst the lack of feedback from potential funders can affect any further iterations of the project. Lastly, whilst retaining intellectual property is highly attractive, the producer

does not necessarily have the skills or perhaps the awareness of how to exploit the work to its full potential. These factors have some key implications for the producer. Firstly, crowdfunding shifts the identity and role of the creative practitioner towards that of producer—if they are not aware of this; they are unlikely to be able to meet the challenges of managing a crowd-funded project. Secondly, it demands a whole range of creative skills previously tied up in cultural intermediation which they may not be conscious of, or have the ability to meet. There are also a whole set of creative skills peculiar to crowdfunding, which due to the adolescent nature of the medium are relatively unexplored and ill-defined. Thirdly, though there is attraction in retaining ownership of the works, the producer may not have the awareness or expertise to make the best of this control.

In terms of product, it has been outlined that crowdfunding is the next natural stage of virtual music development in that rather than purchasing music virtually, projects can be funded virtually. Quality is an issue however, as crowdfunding platforms do not have the same accepted requirements of quality which the established structure and cultures of the music industry do have. This is an issue as quality has a direct influence on whether a project is funded. Furthermore, a crowd-funded project is no longer a music product but an experience offered to the funder. These factors imply that the producer is managing something quite novel and whilst there is extensive freedom, the likelihood of success is dependent upon understanding the medium and having the creative skills to approach it.

For the fan, crowdfunding presents significant opportunities to become involved in the producer's project. Crowdfunders themselves display a complexity of motivations, and whilst it is unclear as to what precisely this makes them (as it depends upon platform, project offering and their own orientation), they are not now music consumers. They may be looking to have some creative input of their own to satisfy their own gratifications, and this

additionally underlines the shift in identity from consumer to the potential end point of co-

creator. The outcome for them is definitely more experiential rather than end consumer— — feeling part of a process, getting some insight from the producer, deciding what gets to market and so on. The proximity of the relationship suggests greater awareness of responsibility on behalf of the producer, and, along with the funder, they can become allied against the perceived inadequacies of the traditional music industry. Furthermore, there is potential for co-creation within this alliance as the producer controls the intellectual property. However, this can only be facilitated by an appreciation of the shift in identity of the funder and a valuing of their input on behalf of the producer. The funder is then having a great deal more influence over the producer's work which can be in conflict with the reasons why the producer has adopted crowdfunding. There is, in fact, the potential for co-creation which has been used as part of a crowdfunding offering. However, this brings many questions relating to the crowdfunder's stake in any works produced as co-creator. Overall then, their identity has shifted away from consumer, and if it goes as far as co-creation to satisfy their particular motivations, the identity of producer and fan merge. Clearly, there are opportunities for them to utilize and develop new skills via the medium which can provide particular gratification.

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