

CHANGING SCENARIO OF THE MUSIC INDUSTRY IN THE MODERN ERA: A CRITICAL ASSESSMENT

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Abstract

Modern technology, digital platforms, and shifting consumer habits have all contributed to a dramatic shift in the music business. Social media marketing, internet connectivity, and digital streaming have supplanted more antiquated methods of music distribution, promotion, and creation. The digital revolution alters the structure of the industrial chain and the manner of value creation, as well as the way music is produced and distributed, according to the findings. This calls for fresh approaches to management from the music industry, including making decisions based on data, enhancing the user experience, and developing new methods of copyright protection. Additionally, this paper provides management reform recommendations in response to the primary difficulties encountered during the digital transition, including copyright protection, revenue sharing, artist training, and other related matters. In conclusion, the study anticipates the digital evolution of the music industry in the future, with the goal of serving as a theoretical resource and practical guide for relevant businesses and policymakers.

Keywords

Music, Digital era, Industry, Audience, Technology etc.

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Introduction

The cultural and creative sector is experiencing significant transformations as a result of the advent of the digital age, and the music industry is a significant component of this sector. The music business is facing possibilities and difficulties that have never been seen before as a result of the fast growth and widespread use of Internet technology and the digital wave throughout the globe. As a result, the purpose of this research is to explore the transformation of the music business in the digital environment as well as the reform of management from the point of view of the market for the music industry. To study in detail how digitalisation has affected the different parts of the music industry and to provide useful guidance to the music business and policymakers with both theoretical reference and practical assistance. Around the last several years, there has been a clear upward trend in the music business all around the world.

As a result of digital transformation, the production and transmission methods of music have undergone a full transition. Additionally, the structure of the industrial chain and the mode of value creation have also undergone a shift. Physical records serve as the hub of the conventional music business chain, which encompasses the processes of creation, recording, production, distribution, sales, and other linkages. Since the advent of digital technology, the chain has undergone significant compression and reconstruction. Streaming media platforms have become the primary means for music transmission, which has resulted in a shift in the old sales model. Music makers may directly utilise online platforms to disseminate their works, which allows them to build a direct relationship with listeners. Additionally, the use of big data and artificial intelligence technology has opened up new avenues of opportunity for the production of music, the suggestion of music, and the implementation of marketing strategies.

Nevertheless, despite the fact that the digital transition is beneficial, there are already a great deal of obstacles to overcome. There are still issues that are preventing the sector from progressing, such as the protection of copyright, the sharing of wealth, and the training of artists. And now we have to find solutions to a lot of problems as rapidly as possible, such as how to safeguard the rights and interests of music producers in the digital environment, how to construct a system that is appropriate for the distribution of revenue, and how to discover and grow new musicians in an era where algorithmic suggestion is so prevalent.

It is important to understand the history of the music industry's transition to digital format as well as the present position. Based on this, the purpose of this research is to investigate the causes that are driving it, as well as its primary

performance and obstacles. Following that, it intends to address the market reform of the music business in the context of the digital environment. More specifically, it intends to explore the transformation of consumption modes, the innovation of production and distribution channels, and the remodelling of market competitive patterns. In addition, the purpose of this article is to give theoretical advice and practical inspiration for the management reform and digital transformation of the music business via the analyses that are presented here.

Evolution of The Music Industry

There have been greater technical, cultural, and economic shifts that have moulded contemporary civilisation, and the growth of the music business is a reflection of these shifts. From its humble origins in oral traditions and live performances to its current state as an ecosystem for digital streaming, the music business has gone through a number of phases that have been characterised by significant transformation. Producing, distributing, marketing, and listening to music have all been transformed as a result of each successive phase. Artists, record companies, record labels, and audiences all around the globe have been substantially impacted by the shift from physical media to digital platforms. It is vital to have an understanding of this progression in order to conduct an in-depth analysis of the modern music scene. When the music business was first being started, the primary form of music that existed was that of a live art form. Before the invention of recording technology in the latter half of the nineteenth century, music was played at occasions such as religious rituals, cultural meetings, and community gatherings. Patronage from royal courts, religious organisations, or rich people contributed significantly to the financial stability of musicians.

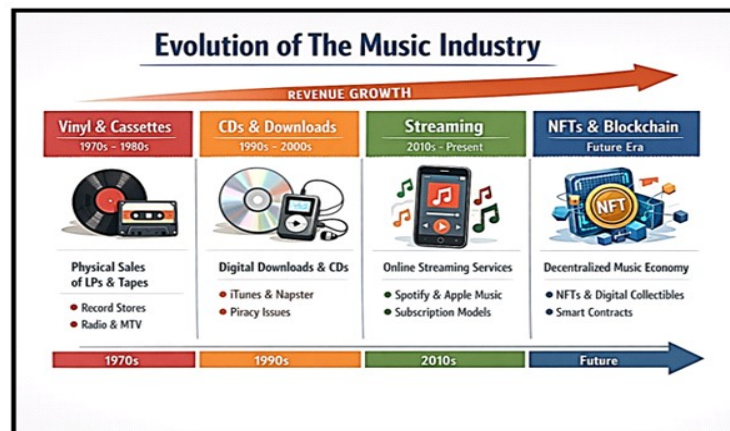


Figure 1: Evolution of The Music Industry

At the beginning of the twentieth century, the music industry started to develop into a more organised business. As a result of the establishment of record companies, recorded music began to be sold on a commercial scale. Records played on gramophones gained popularity and made it possible to disseminate music to a more extensive audience. Companies like Columbia Records and RCA Records were vital in the development of the recording industry and played important roles in its establishment. In addition to promoting musicians, these firms were responsible for recording, production, and distribution of their products. During this time period, radio transmission emerged as a strong channel for the propagation of music. The audience was exposed to new artists and songs via radio stations, which had a significant impact on the preferences and trends in the music industry.

During the middle of the twentieth century, the contemporary recording business began to emerge and flourish. Various technological advancements, such as the recording of magnetic tape, led to improvements in both the sound quality and production processes. Vinyl records eventually became the most popular method for the delivery of music because they enabled listeners to experience albums that had several songs. Record companies amassed a significant amount of influence during this time period, and they were able to exert control over practically every facet of an artist's career, including recording, marketing, and distribution. It was common practice for artists to sign long-term contracts with record companies, which guaranteed them financial support and access to professional production facilities. At the same time, popular music genres such as rock, jazz, and pop acquired notoriety all over the world, which further expanded the commercial reach of the business.

The introduction of cassette tapes in the 1970s and compact discs in the 1980s represented another important stage in the evolution of the music industry. Cassette tapes made music more portable and accessible, as listeners could easily carry and share recordings. The development of compact discs brought improved sound quality and durability compared to earlier formats. Companies like Sony and Philips played crucial roles in popularizing the CD format. The compact disc quickly became the dominant medium for music consumption during the late twentieth century. This period is often regarded as the peak of the traditional music industry, as record sales reached unprecedented levels and major record labels generated enormous profits.

However, the stability of the traditional music business began to decline with the emergence of digital technology in the late 1990s. The development of the MP3 audio format allowed music files to be compressed and easily shared through the internet. Online file-sharing platforms dramatically disrupted the existing music

distribution model. One of the most influential platforms during this period was Napster, which enabled users to share music files freely. Although it gained immense popularity, it also raised serious concerns about copyright infringement and piracy. Record companies experienced significant financial losses due to unauthorized distribution of music. This period forced the industry to reconsider its business strategies and adapt to the digital environment.

In response to the challenges posed by digital piracy, the music industry gradually shifted toward legal online distribution. A major milestone in this transition was the launch of iTunes by Apple Inc. in 2003. This platform allowed consumers to purchase and download individual songs legally at affordable prices. The iTunes Store revolutionized digital music distribution and demonstrated that consumers were willing to pay for convenient and legal access to music. At the same time, digital recording technology became more affordable, enabling independent musicians to produce music outside traditional studio environments. As a result, the role of major record labels began to evolve.

The next stage in the evolution of the music industry is characterized by the rise of music streaming services. Instead of purchasing music files, listeners can now access vast libraries of songs through subscription-based platforms. Services such as Spotify, Apple Music, and YouTube Music have transformed music consumption patterns. Streaming platforms use algorithms to recommend songs based on listener preferences, creating a personalized music experience. This model has significantly changed revenue structures within the industry. Rather than earning income primarily through album sales, artists now receive royalties based on the number of streams their songs generate.

Social media has also become an integral part of the modern music ecosystem. Platforms like TikTok, Instagram, and YouTube allow artists to promote their music directly to global audiences without relying solely on traditional marketing channels. Viral trends on these platforms can rapidly propel a song to international popularity. Independent musicians can build large fan bases and achieve commercial success without signing contracts with major record labels. This shift has democratized the music industry, providing opportunities for emerging artists to gain recognition.

Despite these opportunities, the modern music industry also faces several challenges. One of the most widely discussed issues is the relatively low payment artists receive from streaming platforms. While streaming services generate substantial revenue, many musicians struggle to earn sustainable incomes from streaming royalties alone. As a result, artists increasingly rely on alternative revenue

streams such as live performances, merchandise sales, and brand collaborations. The global music market has also become highly competitive, with millions of songs being uploaded to streaming platforms each year.

Understanding this historical evolution is essential for evaluating the present condition of the music industry and anticipating its future development in an increasingly digital world.

Digital Transformation Strategies in The Music Industry

Data-driven decision management

In the digital era, enterprises need to embrace data-driven decision management as a critical approach to boost their competitiveness. The music business has also amassed a mountain of data which help them to understand consumers' listening habits, tastes and preferences.

Decision management that is data-driven mostly manifests itself in the following ways:

- To better understand the consumer demand and audience preferences and improve music production and composition.
- Recommend suitable music preferences to the listeners. For instance, one music platform swiftly modified its relevant music suggestion technique after discovering, via user data analysis, that the folk style was seeing a surge in demand among users born in the 1990s or so. This led to a fifteen percent rise in the loudness of folk music when played.
- Plan better marketing and promotion strategies.
- Set suitable pricing and membership plans. For example, by studying consumers' willingness to pay and actions regarding music consumption, fair membership pricing methods can be established.

Thus, data-driven decision management helps music businesses better understand their audiences and improve their services.

New models of intellectual property protection and copyright management

There are new possibilities and threats for the music industry's copyright management and intellectual property protection in the digital sphere.

Many new copyright protection policies have been implemented by the music business in the last few years. New hope for music copyright management has emerged with the implementation of blockchain technology. One way to combat music piracy and infringement is to record the relevant information about works on the blockchain. This makes the copyright visible and impossible to tamper with.

Digitalisation has brought new ways to manage music copyright. It allows flexible licensing schemes and makes copyright management more efficient and transparent through widely used digital platforms.

However, problems such as limited international cooperation and a lack of clear rules still exist as obstacles. Consequently, in order to construct a fair and effective copyright ecosystem stronger laws are essential to be implemented and better international collaboration to be enhanced.

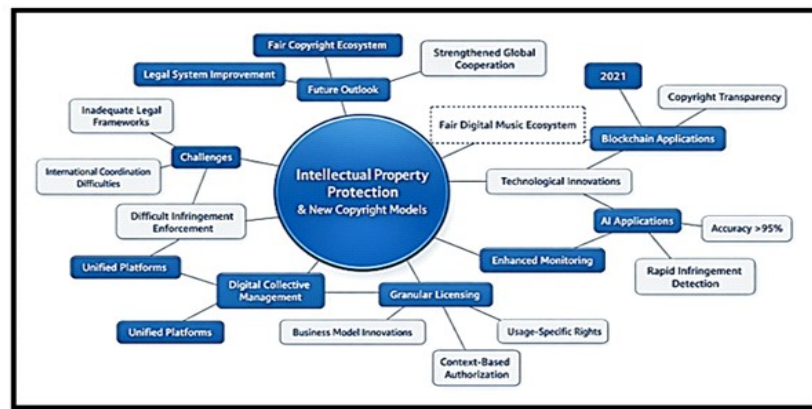


Figure 2: IP Protection in the Digital Music Industry
The Evolution and Current State of The Digital Music Industry
Driving factors of digital transformation of the music industry

The music business is undergoing a digital revolution due to a number of causes, the most significant of which is the advancement of technology. This is due to the fact that high-speed networks have made audio streaming feasible, and that new platforms have been introduced by the proliferation of mobile Internet and 5G technologies, which in turn have altered the ways in which music is created, transmitted, and consumed. Users also have the ability to access vast music libraries at any time and from any location thanks to cloud storage technologies. Furthermore, music production, personalised advice, and precision marketing all benefit greatly from the use of AI and big data technologies.

Digital transformation of the music industry

With the rise of digital marketing and promotion, musicians may connect with fans on a personal level and boost their visibility via the use of social media and short video platforms. Music promotion is further enhanced by precision marketing tactics grounded in big data, which allow for more personalised and efficient campaigns.

Personalised recommendation algorithms based on user behaviour data make it easier for users to discover their favourite music, and virtual concerts let fans experience the vibe of live performances from the comfort of their own homes. Virtual reality and augmented reality have also contributed to a more immersive music consumption experience for users.

Challenges in the digital transformation of the music industry

The music business is confronted with several obstacles despite the fact that digital change presents numerous potential.

Copyright protection remains a major concern due to the ease of copying and sharing music works in the digital realm and the ever-present threat of piracy and infringement. The digital music industry faces a formidable challenge in this regard.

The second issue is the growing visibility of the income inequality problem. Musicians' revenue models have shifted due to the advent of the streaming media paradigm. Record companies' bottom lines have taken a serious hit, and streaming media services' content sharing practices have sparked debate.

Conclusion

With the advent of 5G and other cutting-edge technologies like AI and VR, the music industry's digital transformation will reach a new level of intelligence, personalisation, and integration. To become more digital, intelligent and personalized, the industry will be faced with new challenges simultaneously. Music businesses need to develop new business models, improve user experience, protect copyrights and develop skilled talent. For successful long-term digital transformation and sustainable growth, the music industry requires technology, innovation, copyright protection, skilled people along with the cooperation from everyone involved.

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