

P2P's Long Tail Laid Bare

One of the highlights at next month's The Great Escape conference in Brighton should be the session from Big Champagne's Eric Garland and PRS for Music's Will Page, digging into the long tail of P2P. Here's a teaser.

Why did you decide to take your long tail work into the area of P2P?

Will Page: "One of the first lessons I learned in the music industry was from Eric's business partner, Joe Fleischer, which is that there is value to record labels and publishers in understanding the black market.

So, off the back of the long tail work on the legal digital market which we've achieved under the guidance of Andrew Bud at mBlox, it's a natural progression to turn attention to the illegal market, which is so much bigger. There's a really important dynamic to this, which will be even more established by the time the Great Escape kicks in. That is, the staggering popularity that sites like We7 and Spotify are now achieving will be - in part - diverting traffic away from P2P and towards monetisable venues.

Our work will really help understand the supply and demand dynamics of the market they are starting to monetise. That's big."

Has Big Champagne ever conducted an analysis of this size or scope before?

Eric Garland: "No, this really is unprecedented. Our company is best known for 'the charts,' of course -- the horse race among a handful of artists at the top. The reality is that Big Champagne has always done a great deal of interesting work outside of that.

We've been analysing emerging trends in online music and making strategic recommendations since the original Napster was popular last decade. Still, no one has ever contemplated trying to aggregate and analyze information about the vast universe of unlicensed file sharing.

In fact, the task was so daunting, I think we declined the first three or four times the request was made. But Will Page doesn't take 'no' for an answer."

Your original work in this area suggested that the distribution of hits and niches had become more hit concentrated. What are the initial signals from this latest research?

Will Page: "In reflection, the difference in working with legitimate sales data from a finite catalogue, to trying to plot the infinite universe of P2P, is akin to riding a donkey and flying Concorde. This was no simple task and a testament to the team at BigChampagne. That said, we've done it - and are in the

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process of extracting the results. To try and explain what we are observing, I've come up with the following strap line: "Everyone gets at least a swap, but the hits are still scooping the pot".

It's early days, but it does appear that more tracks are actively swapped on P2P than are sold in the legal market, but the actual distribution remains very hit heavy, skinny tail. That's what we're seeing, but what it all means is open to debate for the delegates at the Great Escape."

What else can delegates expect from your presentation?

Eric Garland: "The reality is that the global file sharing phenomenon is completely unlike iTunes or any of the other online music shops. Free MP3 downloading preceded the paid marketplace on internet, and continues to be a real challenge to the market. The exchange of unlicensed MP3s is a formidable competitor to internet sales -- in fact, it dwarfs the paid offerings.

We'll look at the impact of what Peter Jenner has called "the unlicensable" online -- millions of recordings outside the catalog of music companies, and therefore outside of the paid marketplace. File sharing communities are the domain of the unreleased, the so-called out of print, live tracks, odds and ends. If it's been recorded, and anybody anywhere has ever wanted it, it is likely to be freely available somewhere online."

The Great Escape Music Convention Brighton, 14-16 May 2009

Once again, Music Ally will be hosting a number of sessions on Friday 15 May at The Great Escape, with speakers from Spotify, YouTube/Google, Sony, The Orchard, AWAL, Clinton's and others.



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