

## Summary of research on netlabels

Introduction: about the research

This file presents selected results of the first part of research, which was conducted to learn more about netlabels. The research is a part of my postdoctoral project which deals with netaudio scene from perspectives of business studies and economic sociology. The first part of the research was conducted while I was visiting researcher at the Max Planck Institute for the Study of Societies ([http://www.mpifg.de/index\\_en.asp](http://www.mpifg.de/index_en.asp)).

The file is published under Creative Commons Attribution-Noncommercial-Share Alike 3.0 Unported license (<http://creativecommons.org/licenses/by-nc-sa/3.0/>). Please note that it is a summary of selected research findings. I still have to conduct statistical analysis of data before I can draw more conclusions. When everything is analyzed I will write scientific articles to peer-reviewed journals. Peer-review process can take several months - if any scientific article is published, I will inform the public about it.

Finally, I would like to thank all my respondents for taking part in the survey. Without participation of so many netlabels, the results wouldn't be so interesting.

### Methodology

Data presented here were gathered from September to December 2008 with the internet survey. The biggest challenge was to make sure that the survey was sent to all the world's netlabels. Since some netlabels happen to be rather impermanent organizations - they appear and disappear quite easily - I used several methods of finding my respondents. Summing up, I sent the survey to the netlabels which are listed in two popular catalogs: Phlow Netlabel Catalogue and Rowolo.de. I supplemented these databases with some other sources: Sonicsquirrel.net, Last.fm, Archive.org, etc. Therefore, although I am convinced that I used the most up-to-date list of respondents, it is possible that there are some netlabels which haven't taken part in the research because I didn't know about their existence. It is highly probable that there are more netlabels in China or Russia but if they don't have English version of their websites I simply couldn't find them in Google or netlabel catalogs.

Another problem was that life of some netlabels is quite short and sometimes even though they still have their websites, they haven't released any music for a few years. When I tried to contact such netlabels I received "mailbox unavailable" message. Apart from that, sometimes netlabels do not publish any contact data on their websites. That is why 65 netlabels from my list did not receive questionnaire at all.

Despite all these problems the response rate is 59.58%. However if we take into account also 65 netlabels which did not receive the questionnaire, response rate falls to 53.47%. Both numbers are high, especially if we take into account that the internet survey is usually characterized by much lower response rates. Exact information about the respondents is presented in table 1.

Table 1. Exact information about respondents.

Total number of netlabels	650
Netlabels which had been closed before the research began	16
Netlabels which could not be contacted (no contact information on netlabel's website or wrong e-mail address)	65
Netlabels which received the questionnaire	569
Netlabels which did not complete the questionnaire	230
Netlabels which completed the questionnaire	339

Source: Galuszka, 2009.

### History

My research shows that most of netlabels were started after 2003. Growing popularity of netlabels after 2003 is probably consequence of introduction and growing awareness of Creative Commons licenses. Interviews, which I conducted in late 2008, suggest that the oldest netlabels have their roots in demoscene, tape labels and DIY movement. These phenomena certainly need some more attention of researchers.

Table 2. How old are netlabels?

<b>When was your netlabel established?</b>	<b>Number of netlabels</b>
1995	2
1996	4
1997	2
1998	2
1999	7
2000	7
2001	13
2002	10
2003	29
2004	42
2005	65
2006	54
2007	65
2008	37

Source: Galuszka, 2009. N=339<sup>1</sup>.

<sup>1</sup> Number of respondents which answered that question. Sometimes that number is different from total number of respondents (339), as some of them skipped some questions.

## Country

Majority of my respondents is from Europe and North America. Because the questionnaire was in English, we must take into account language barriers. It is possible that if there was for example French, Spanish or Russian version of questionnaire, more netlabels would be willing to take part in the research. On the other hand we shouldn't overestimate language factor - people involved in netlabelism usually have good command of English.

Some netlabels are truly international organizations with founders from two or three countries (e.g. in one case it was the UK, the Netherlands and Germany). In my research there are 11 “international” netlabels, all based in Europe.

Table 3. Where are netlabels based?

<b>Countries</b>	<b>Number of netlabels</b>
Various countries	11
Argentina	5
Australia	2
Austria	4
Belgium	2
Bosnia and Herzegovina	1
Brazil	4
Bulgaria	3
Canada	9
Chile	4
China	1
Colombia	2
Costa Rica	1
Croatia	4
Czech Republic	1
Estonia	1
Finland	2
France	15
Germany	64
Greece	2
Hungary	4
Indonesia	1
Israel	2
Italy	25
Japan	3
Latvia	4

<b>Countries</b>	<b>Number of netlabels</b>
Lithuania	1
Luxembourg	1
Mexico	2
Norway	3
Poland	10
Portugal	7
Romania	1
Russia	15
Serbia	1
Slovakia	2
Spain	21
Sweden	7
Switzerland	8
Taiwan	1
The Netherlands	14
Turkey	2
UK	19
Ukraine	4
USA	41
No data	2

Source: Galuszka, 2009. N=337.

Table 4 is based on the same data as table 3 but shown in a different way.

Table 4. Where are netlabels based?

<b>Continents</b>	<b>Number of netlabels</b>
Asia (Far East)	6
Asia (Middle East)	2
Africa	0
Australia & New Zealand	2
Europe	259
North America (USA & Canada)	50
South and Central America	18
No data	2

Galuszka, 2009. N=337.

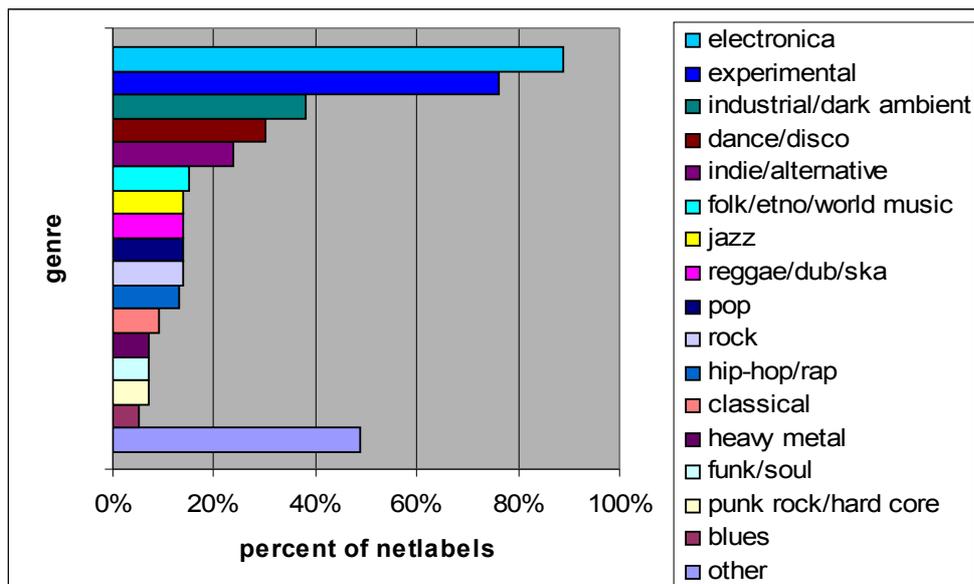
## Genre

Genre is one of the most important terms in popular music studies. At the same time it is one of the most difficult to analyze, mainly because the term “genre” is understood differently by researchers, fans, artists and music industry. While for traditional record labels genre is mainly some kind of brand name which helps in the process of market segmentation and positioning of products, for artists, media and listeners it may have both musical and ideological meanings. What's more, each genre may have many subgenres, which often appear and disappear very quickly (especially in the field of electronic music).

Because I realized how difficult it may be to ask about genre, I decided to concentrate only on main genres. In other words, respondents could choose only main genres, for example electronica or rock (without naming all the subgenres like house, electro, drum'n'bass, post-rock, space rock, garage rock, etc.). Although I tried to be consistent and wanted to keep the list of genres short, it could have been constructed in many other ways. For example one could argue that heavy metal, punk rock and hard core are all subgenres of rock music, while dance can be treated as subgenre of electronica. I agree with that, but I also had to take into account methodological reasons which led me to keeping the list of genres as short as possible.

Despite all the problems with constructing that question, results confirm common belief that netlabels release mostly electronic music. I will analyze the collected data with statistical tools to see whether netlabels which do not release electronic music are different from the rest of netlabels.

Figure 1. Which genres are released by netlabels?



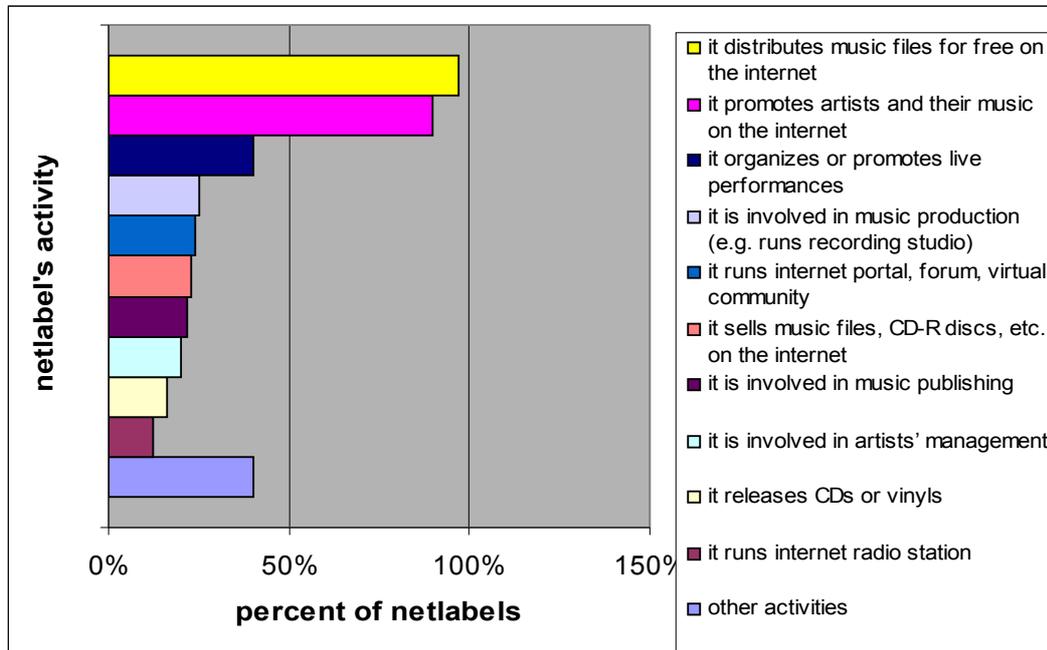
Source: Galuszka, 2009. Respondents could choose more than 1 answer. N=339.

## What do netlabels deal with?

The next question was designed to learn more about what netlabels do. Almost all of them promote and distribute music for free over the internet. It corresponds well with Wikipedia definition of netlabel which says that “A netlabel (...) is a record label that distributes its music primarily through digital audio formats (...) over the Internet. While similar to traditional record labels in many aspects, netlabels typically emphasize free distribution online, often under licenses that encourage works to be shared (e.g., Creative Commons licenses), and artists usually retain copyright. Most employ guerrilla marketing to promote their work; few netlabels earn money for participants” (<http://en.wikipedia.org/wiki/Netlabel>).

Significant number of netlabels organize or promote live performances, concerts, etc. Other answers are presented in figure number 2.

Figure 2. What does your netlabel deal with?



Source: Galuszka, 2009. Respondents could choose more than 1 answer. N=339.

Most of netlabels declare that they are non-commercial organizations aimed at dissemination of interesting music. They also emphasize that they are different from traditional record labels. As I mentioned earlier, I have more data but I still have to analyze them statistically before I can draw any conclusions, especially about attitudes of netlabels towards digital music market.

#### Number of releases

Number of releases tells us how active netlabels are. It must be noted however that a “release” may be understood in many ways. For example, both “digital albums” containing 15 tracks and “digital singles” containing 3 tracks may be called “release”. That is why netlabel which released 5 singles may distribute less mp3 files than netlabel which released 5 albums, but in my research both declared distributing 5 releases.

Table 5. Number of releases.

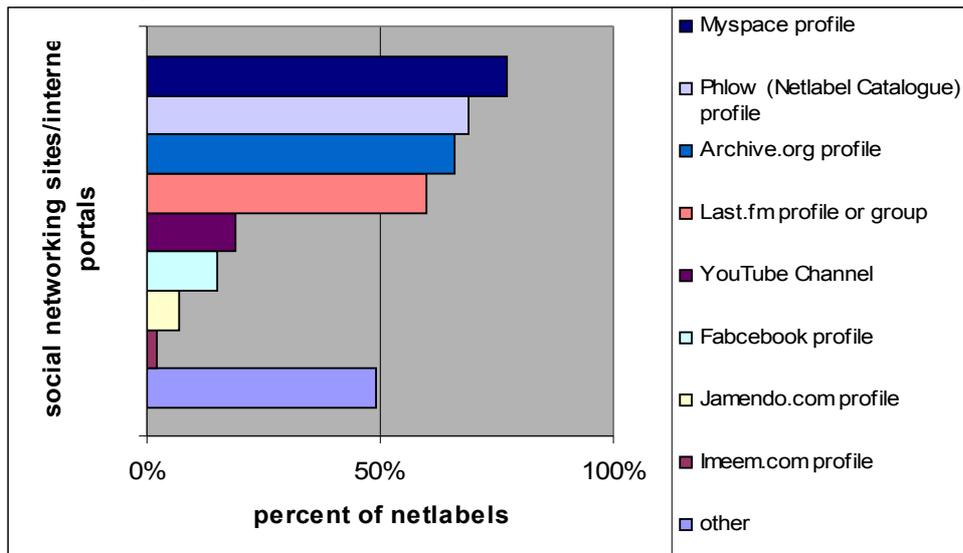
Number of releases	Number of netlabels
1-5	51
6-10	52
11-15	49
15-20	30
21-30	52
31-40	22
41-50	25
51-100	33
More than 100	23
No data	2

Source: Galuszka, 2009. N=337.

### Promotion

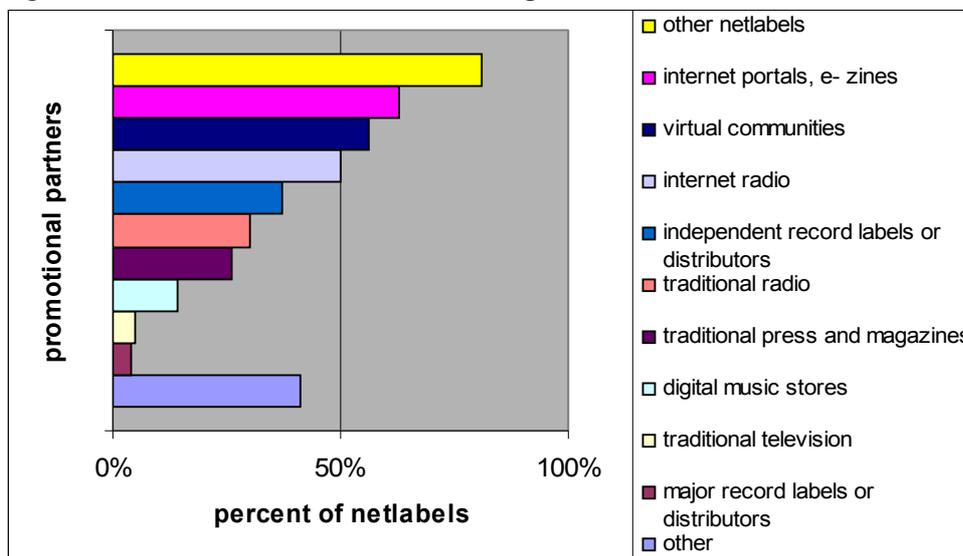
Netlabels promote their releases mostly in the internet. Figures 3 and 4 give us some information about character of these activities.

Figure 3. Number of netlabels which have their profiles in various types of social networking sites or internet portals.



Source: Galuszka, 2009. Respondents could choose more than 1 answer. N=336.

Figure 4. Number of netlabels which cooperate with various music market institutions.



Source: Galuszka, 2009. Respondents could choose more than 1 answer. N=326.

### Licenses

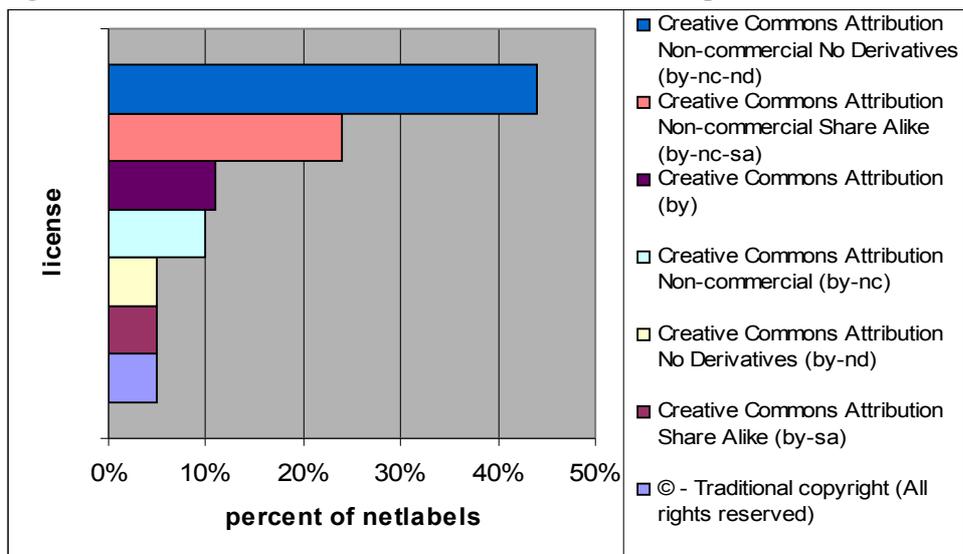
There are 3 things we should take into account when talking about licenses under which music distributed by netlabels is released. First, intellectual property law is different in various

countries. Second, Creative Commons licenses haven't been yet ported in all countries (see <http://creativecommons.org/international> for details). Third, although netlabels may help make final decision, it is usually up to artist to decide which license to choose.

That is why question about licenses is rather a general one – I asked about license under which majority of netlabel's releases are released. It is common that netlabels release music under various licenses – figure 5 shows us which license is the most popular.

There are at least 6 main licenses offered when artists choose to publish their work with a Creative Commons license. As we can see in figure 5 the most popular license is Creative Commons Attribution Non-Commercial No Derivatives, chosen by 44% of respondents.

Figure 5. Which license are most of netlabels' releases published under?

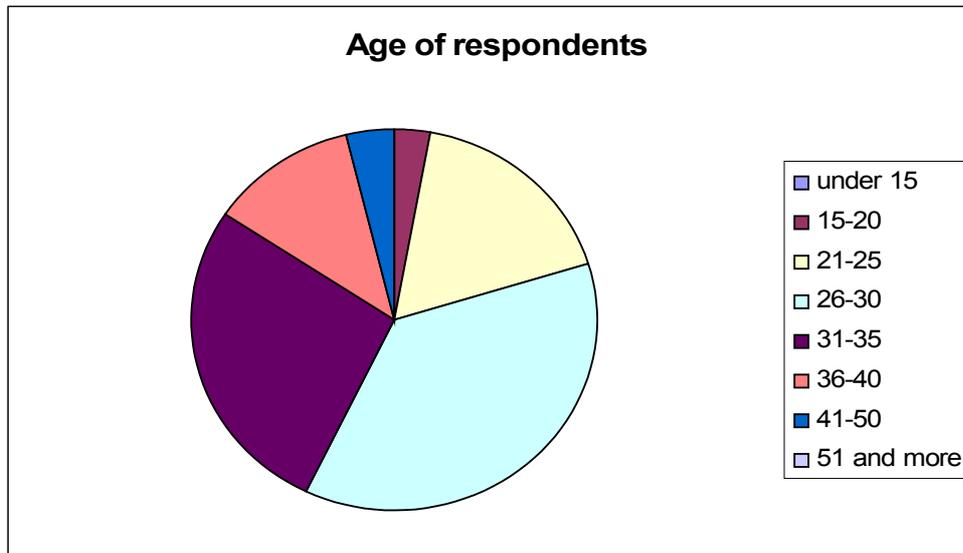


Source: Galuszka, 2009. Respondents could choose only 1 answer. N=338.

A few words about respondents...

99% of my respondents were male, most of them were between 20 and 35 years old. For more details see figure 6.

Figure 6. Age of respondents.



Source: Galuszka, 2009. N=338

### Summary

Although netlabels are developing very fast it remains to be seen whether they can provide alternative to traditional record companies in the long run. My research shows that earning money is very important only for about 5% of my respondents. On the one hand, non commercial attitudes of majority of netlabels may make them unattractive for some artists. On the other hand, good netlabels give their artists many non-financial gains, e.g. possibility of reaching many listeners at zero cost, which can help implement alternative business models. It is quite possible that netlabels should not be compared with traditional record labels at all, as most of them are organized around different, non commercial principles.

The results presented in this file give us some insight into what netlabels are. Please note that this file presents only selected results of first part of the research, so it does not analyze motivations of netlabels. I will have more information about netlabels when I finish second part of the research in which I conduct in-depth interviews with netlabel's representatives.

I'm looking forward to receiving your comments: patrykgaluszka [at] gmail.com



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