

Interviews:

IFPI; EMI Music Publishing; Warner Music Group; Orange

The changes the industry has gone through in the past five years have been nothing short of phenomenal. Specific sectors have been influenced by these shifts in different ways and – most importantly – the speed of their reactions has been characteristically unique. Here we speak to players from four distinct sectors to get their views on what the changes have meant for them and what they, given the chance, would have done differently.

THE GLOBAL TRADE BODY



JOHN KENNEDY,

chairman and
CEO of IFPI

What lessons has the industry had to learn in the last five years?

The most important lesson was to get our act together in the digital business. Some have suggested that we got off to a slow start, but at long last we appear to be on the right road. The biggest issue was trying to persuade people to invest in an area where so much music was available for free. What was needed was the creation of the right environment for a legal offering to grow. There is no doubt that the single most development here was the involvement of Apple and the iPod.

How has the IFPI's focus had to change?

I think our focus has to change on a monthly – if not a weekly – basis. We like to hope we keep an open mind and respond to what's happening. An example of this is when we settled with KaZaA and gave it a platform. There was some controversy as to whether or not that was the right thing to do. But for me there was no doubt. Once we settled with KaZaA, we needed to make sure that we could learn from them and give them the opportunity to thrive moving forward.

Has the online piracy problem been contained in the last five years?

None of these problems can be contained. The original feeling was that, because the Internet was global, there would be many places to hide and numerous safe havens and the likes of KaZaA would never be tracked down. We have proven that isn't true, but

we have to keep changing the way we go about things as the targets giving our music away for free become cleverer at what they do.

Knowing what we know now, what should the industry have done differently five years ago?

It's become almost accepted that the music industry did things wrong. But I don't see the film industry managing to do things in a more radical and effective way than we did it. As I travel the world, people always tell me that the music industry was too slow to embrace the online world, yet nobody has ever been able to tell me what we should have done differently given that the biggest problem was the available of free and unlicensed music.

What new business areas have been most exciting for you?

What's really exciting is the diverse number of ways that music can be consumed now. Music is ubiquitous and has become such an important part of people's lives. In that sense, it's restored its value to people in terms of how important it is to their working day. The challenge is in restoring its value to people in terms of how much they are prepared to spend on it.

What emerging territories show where the future might lie?

The Russian government seems to be doing nothing to protect IP rights. On a weekly basis, Russia seems more and more of a lost cause. By contrast, the opportunities there are in China for the music business are fantastic. There is a need to protect the physical market there and also we need to ensure that it is the right structure and right environment for online to flourish. We also want proper public performance and broadcast rights in China which will be a huge source of revenue for the industry.

Musical highlights of the last five years?

It's great to see British music come back to the fore again. Eminem has been one of the great musical developments for me. In recent weeks, the James Morrison album is fantastic. ■

