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## Fostering Digital Music Industry by Innovative Distribution Strategies: The Case of Iran

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### Abstract

The advent of digital technologies has created many fascinations for various industries, here particularly the media industry. Such technologies could create new businesses in the music industry as well as new revenue streams in this industry. The present study mainly aims at offering innovative strategies for the distribution of digital music in Iran such that steps are taken in the best way to flourish the national music industry. This study used the qualitative research approach, and the thematic analysis was also applied to analyze the data. The study participants include 14 specialists of digital business and music industry who were selected by the snowball sampling method. The strategies proposed in this study were presented in six areas, i.e., product, service, position, process, social, and paradigmatic innovation. Results show that the music entrepreneurs in digital platform should provide a ground for users via innovative strategies through which, a unique social world is created for them, the future of such businesses is the “Attention Economy” and business models should be directed toward the way the users’ attentions are collected the best as an essential capital.

**Keywords:** Music Industry, Digital Music Distribution, Innovation, Thematic Analysis, Iranian Music.

### Introduction

In early communities, music existed, as live, and due to lack of technologies like recording and playing facilities, music performance in societies was not taken as a systemized industry. As the recording technology appeared, two forms were gradually identified by the thinkers to present the music; i.e., the recorded music and live performance of music (Kjus, 2018).

As the technology was advancing rapidly (Saraji & Sharifabadi, 2017), the emerging discussions of the intellectual property rights made the attentions were attracted more to the

money-making aspect of artistic activities, especially music. All these were proceeded such that now the scholars of this field consider the music creation as an industrial action and see it as an example of cultural industries market. In other words, in today's world, activity in music area is taken as an artistic – industrial activity; it is an art, because its production needs creativity and artistic elegances by one or more creative persons and it is industrial, because its productive works are presented to the users in a massive and new way (Mirzamani, Saadabadi, & Rezaian, 2015).

Advent of digital technologies has created many fascinations for various industries, particularly the media industry. In music industry, such technologies were highly popularized and a lot of new businesses in music industry were appeared (Hull, Hutchison, & Strasser, 2011). In other words, novel technologies could transform significantly the ways and intensity of music distribution and lead to creation of new business models (Vaccaro & Cohn, 2004). Hence, one can state that internet and consequently the digital technologies evolved the generality of music industry (Rogers, 2013).

For many businesses, particularly the media businesses, innovation is primarily seen a key principle for survival and secondly for achieving the competitive advantage (Volberda, Bosch, & Heij, 2013).

What is highly important on this concept is that innovation does not occur within a spontaneous or random process, but it can be strengthened and developed by systematic and planned steps. Great importance of innovation for businesses is resulting from the fact that the organizations with high innovative capacity could respond the environmental challenges more rapidly and appropriately.

Innovation is a ubiquitous concept which can be found in many academic disciplines. Nevertheless, it should be noted that in accordance with the viewpoint of Gaffin and Mitchell (2016), many studies and researchers of business field has no proper and complete understanding of innovation. They believe that a common mistake about the innovation concept in business is that innovation only occurs when the company can offer new product to the market. Interestingly, misunderstandings on innovation essence is not merely related to those working in academic area, but in practice, such misunderstandings makes the entrepreneurs not be able to proceed in line with innovation empowerment (Goffin & Mitchell, 2016, p. 3).

In Mirzhovska and Holyfield (2006) opinion, such great importance of innovation for media industry is that these organizations are continuously and potentially facing the disruptive technologies. Disruptive technologies, in their opinion, are the basis – science innovations that can potentially create a new industry or evolve the existing industry. For example, internet technology or interactive television technology are examples which has this potential to change significantly the current business models and evolve the whole media industry (Mierzejewska & Hollifield, 2006, p. 48). So, it can be argued that innovation is among the most essential factors for success in national media markets (Küng, 2013) and is seen as one of the most important building blocks of competitive advantage for businesses (Hill, Jones, & Schilling, 2014).

Kjus (2018) uses the term “bridging” for digital distribution services in music industry. Using the field studies in Norway, Kjus concluded that the music distributors can by themselves create considerable revenue streams and make the music concert markets get prosperous; because when the user receives the desirable music via digital music distribution services, he/she makes decision whether he takes part in the concert of that singer or he should look

for another concert. In other words, these services are desirably encouraging the audience to attend the concerts of their popular singer (Kjus, 2018). Regarding the global statistics in wealth creation by the digital music distribution services, this would be revealed that the digital distribution plays a critical role in the music industry of Asian countries such as Japan (Hull et al. 2011) and South Korea (Rogers, 2013).

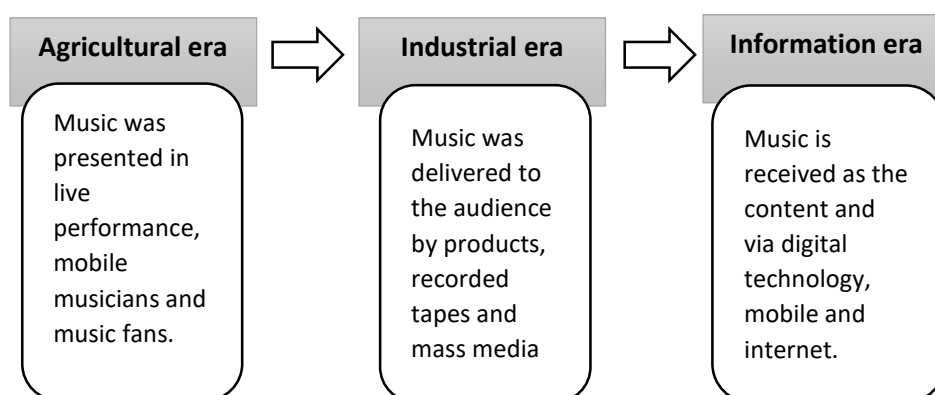
It is necessary to mention that the Iranian academic society lacks an appropriate research body in this field. In accordance with findings of Mirzamani et al. (2015), Iranian music industry faces numerous challenges of which the way to release is the attention to innovation system. Concerning the existing evidence, one can argue that new technologies in music industry and emergence of new music distribution, i.e. “music digital distribution”, have created unique opportunities for economic flourish and wealth creation in different communities. These new opportunities are of double importance for developing countries like Iran. Based on this, the main goal of this study is to present the innovative strategies for digital distributing of music in Iran, such that steps are taken in the best way to flourish the national music industry.

This study concentrates on the digital music business and endeavors to contribute to media innovation research through an exploration of how Iranian distributors of music obtain a competitive advantage in the emerging Iranian music market. This investigation also strives to reveal how the process of achieving competitive advantage for the local music download stores in Iran hurts from issues such as copyright difficulties and permissions boundaries.

## Theoretical Background

### Music Industry and Evolutions

In general, the word “industry” refers to production, marketing and distribution of material and immaterial goods in societies. Wikström (2009) has divided the various industries appropriately into three periods. Firstly, mining and agricultural industry; then, we face the advent of factories and mass production in communities and finally, the current period, is the service production period; the music industry is among the most attractive service production industries in today’s world (Wikström, 2009, p. 46). In music business field, Hull et al. (2017) have explained the music industry characteristics in three historical, industrial and informational periods have plotted their evolutions in the following figure.



**Figure 1.** Three eras of music industry; (source Hull et al., 2011, p. 30)

Generally speaking, on the basis of existing definitions on industry, music industry can be defined as the set of companies of which the goals is production, marketing and distribution of various types of musical products and contents.

Music industry has attracted the brilliant thinkers since long time ago and each scholar has tries to introduce this industry in the best way and identify its main elements. Hirsch (1971) is from among these scientists. He sees the music industry consisting of four auxiliary subsystems that, in Hirsch's opinion, are as below:

- Creative part: singer, musician, producer, etc.;
- Recording company: recording the musical works using the state-of-the-art technologies;
- Promoter and distributors: those who are trying to deliver the artistic work to majority of users;
- Goalkeepers: in Hirsch' opinion, goalkeepers were the personnel of radio stations; i.e. those who decided to which song people should listen and not listen (Wikström, 2009, pp. 55–57).

If the music industry is viewed in details, many elements are found plying a role in this industry. Nevertheless, what is important here is the description of main skeleton of this industry. Generally, many researchers of music industry believe this industry has three main components each of which includes many subcomponents (Hull et al., 2011; Weissman, 2017; Wikström, 2009). These three components are:

1. Music record and copyright: this part of industry has practically no direct contact with the music audience. Money-making in this part is realized through sales of various licenses by the record company to different institutions;
2. Recording and production of music: the music recording companies are carrying out various activities including artist identification, recording the song in studio, distribution of works and promotion of song via various media;
3. Live music performance: many scholars believe that live performance leads to more moneymaking than other parts of music industry.

### **Music Distribution and Digital Transformations**

“Distribution” is known as the link key among the effective and involved players in music industry and has a special focus on relationship between production and music usage (Spilker, 2017, p. 4). Music distribution, physically or electronically, is among the most critical activities in market of musical products. To recognize the nature of music distribution more, an appropriate typology is conducted in this field. In what follows, various types of mush states are explained and unique characteristics of each method is also described.

In general, typology of music distribution, as already presented by Wikström (2012), includes three main models.

- The ownership model: this model is related to the time when customer has a sense of ownership to the musical products already purchased by him (e.g., purchasing CD or digital download of song); once the customer bought the CD or digital file of song, he feels that this song belongs to him. In this thesis, the music digital distribution means the legal sales of song files through Internet that is accurately the same as this model, i.e. ownership model.

- The access model: in this model, instead of taken music as a product, it is seen as a service (e.g. music playing services); in other words, there will be a ground on which, a fixed current of music distribution is taken into consideration for audience; in this state, the desirable musical state for audience at the time of music usage is a replacement for his sense of ownership.
- The context model: since the advent of digital age as well as the emergence of hyper-competitor era, the online music services are going beyond the access model and are going to provide their audience with a context. Wikström states that the context model helps the audience to access their desired music in a simple and smart manner and to share their experiences with their friends. In other words, the audiences' musical experiences will take a new form. It seems that Wikström does not see the context model as the only ground for music distribution, but knows it as a social media in which the users are seeking something beyond listening the music.

In his study, Tischmuck (2006) explains the revenue streams from music distribution in online world with a simple example. Two general states can be identified from his model for making money from music digital distribution:

- A. Owner of content that is mainly the music record companies hand over the license for selling their works to the digital distributor. For the money paid by consumer, this digital distributor allows them to download or listen to their digital works. Besides taking money from the customer, the digital distributor accepts advertisements in its online service and make money in this way, too.
- B. Owner of content hands over the license for playing the works to a digital distributor. This distributor allows the users to download freely the songs. In such status, this online service can obtain considerable popularity among the audience and due to the large number of audience, many commercial ads attracted by these online music services. It is noteworthy that this business model due to its innate potential risks is not widely attractive among the music companies.

### Research Method

This study used the qualitative research approach and the thematic analysis was also applied to analyze the data. The thematic analysis technique is beyond a mere organization and interpretation of different aspects of an important subject (Arbatani, Aqili, Labafi & Omid, 2016; Sharifi, Omid, Marzban, 2016; Thomas, 2006). In general, the thematic analysis technique is used in order to "identify, analyze and report the existing patterns (themes) in data" (Braun & Clarke, 2006, p. 79). The process followed to implement this method is adopted from the six stages given by Braun & Clark (2006); i.e. the researcher's familiarity with data, producing the initial codes, searching the themes, reviewing and revising the themes, defining and nominating the themes and presenting the research report. To preserve the reliability, the necessary care was made in all research stages including preparation, organization and findings report in accordance with the Elo et al. standards (2014).

The study participants include 14 specialists of digital business and music industry who were selected by snowball sampling method. All interviews were conducted within March – May 2018.

## Findings

The strategies obtained in this study were classified and presented within six main themes of product, service, position, process, social and paradigmatic innovation.

### Product Innovation

The theme “production innovation” was one of the cases in which the participated experts paid special attention to innovation. The subthemes composing the product innovation are:

- Playlist or selection: a strategy to which the specialists paid critical attention was that the digital distribution businesses sell the musical products separately and they should create a series of playlists for new products and make money through the special value they create to customers. In creating such playlists, suggestions were offered by the experts. The first suggestion is to present the playlist of famous persons to the audience; another point in creating the playlist is the attention to the Iranian folklore music potential. A digital business expressed its successful experience in this regard. By creating a Gilaki (northern) playlist, they could satisfy many audiences and users in social networks have introduced their playlist. Another important point that needs attention is the issue of social events; while the playlists can be offered in terms of musical style, some playlists can be created for social events; for example, playlists can be designed for Nowruz trips, Ramadan month, study, afternoon snack, private and organizational ceremonies and many other similar events. Another issue with special importance in playlist creation is the creation of appropriate playlists for different businesses. For example, café shops and restaurants have a great tendency to play the music in their space and hence playlists can be presented for each similar businesses by creativity and innovation. What is important in this regard is that the music should be selected in the best way for different businesses and the need to this music should be realized.
- Offering the product based on the various age spectrums: what is observed in digital businesses of music distribution is that they have a special attitude towards the youth. Although this age group is responsible for a considerable part of Iranian music market, but the experts believe that the moneymaking potential from offering product to other age groups should not be ignored.
- Special cover arts for customers: in the past when the music distribution was mainly done physically, i.e. gramophone records, cassette tapes and later CD, in addition to their music themes, these tools themselves had a special setting among the audience. In other words, these tools were considered somehow an identity symbol for many users and the users via these tools created even many collections. The need, which was not covered by music digital distribution for users, was the focus on identity symbol, because everything in this process has transformed into immaterial and intangible. Cover art is a way that, in specialists' opinion, plays a critical role in meeting this need of users.
- Selling the products related to the song: innovation in selling the products related to the song was an innovative idea that can make considerable revenues in music digital distribution market. For example, when the audience purchases his desirable song, it is likely interesting for him that how the bracelet of that singer, special shirt, and musical instruments used in that song and other related cases can be accessed. This

innovation helps the digital business to mediate appropriately among the users' various needs but related in music space.

- Using the training songs: one of the successful domestic companies could create a new market by producing the special music for training for schools across the country and then distributing it. Focusing this idea can make various players including artists, scholars, schools and distributors get involved and at last, help significantly the dynamicity of Iranian music market.
- Offering the products in package: some experts believe that when the products are sold individually, they create different value than while they are related to other different (but related) products. The idea of packaging the products with a suitable cost can encourage the audience to much extent to use the products.
- Special offer for works of new talents: what is currently evident in music digital distribution market in Iran is that these businesses mainly have focused on producing the musical works of well-known artists; while special attention to the works of new talents can create the moneymaking capability for these businesses.
- Offering the product upon the audience mood: while the music digital distribution can be offered based on the style, it can also can be suggested based on the audience mood. What is important here is that this mood should be identified properly and based on this, the product should be proposed to the user in the best way.
- Preservation of musical identity in offering products: music digital distributors have something in common and finally they all enter the business field for one goal; i.e. music. Some experts believe, offering the products in such businesses should not be in such a way that they get away from musical identity. For example, in some businesses, it is observed that audio books are sold which can make the audience anxious.

### **Service Innovation**

Another theme, which is highly similar to the previous theme in some aspects, is the "service innovation". The main difference between the service innovation and product innovation is that in the latter, the audience achieves the new products and has a sense of ownership on them; but in the former, the audience receives the services who does not necessarily purchase them in the form of a product, but considers them as a service. For example, possible participation in online concert is not something to be downloaded and purchased by the user, but he pays as taking part in. Subthemes related to the service innovation are as below:

- Focusing on grading the works with specialized criteria: what is currently observable in music digital distribution is that different products are equal and their differences are not specific in terms of various criteria. Artistic experts have stated that it is better to grade the works presented by the digital distributors concerning the special criteria (e.g. quality of composing, used instruments, record quality, poem quality, creativity, etc.) and specialists should do this. Such grading can be assigned to the audience.
- Possibility to create business by users: music digital distributors in Iran have planned their revenue model based on a closed business. It means that no user is not allowed to make money from this business. Although some businesses have allowed their



users to marketing level. Some experts believe that this should be possible that the users can make money under special mechanisms.

- Possibility for international purchase: concerning the wide sanctions on Iran, a service many domestic digital businesses are facing is the possibility of international purchase. This service can put the interested audiences outside the country in their revenue stream basket.
- Possibility for taking part in online music concert: although creating such service entails the special technological, legal and cultural infrastructures, what is important is that participation in online music concert can make several new actors enter the music business and create new revenue streams. For example, contracts management and supply of online playing technology are cases leading to new revenues in music industry.
- Possibility of creating a playlist by user: this service is one of the simplest services a digital distributor should focus in music area. The innovative point is that the user can share his proposed playlist with other users of website.
- Mediation between users and related musical services: it has been frequency seen that by listening his desirable song, the audience is seeking to know how he can take part in the training classes of that artist; how he can establish the communication with the popular composer for a new order. Although audience can obtain this information in other social networks, the distributors' attention to this issue will make the audience to meet a special value for this business in terms of perception.
- Possibility to order the music composition by user: customers of digital businesses in music distribution are not only the listeners. A customer who can potentially make considerable money for this business is the different organizations and institutions across the country. Most of these organizations and institutions need special music for their ceremonies and events, which are not necessarily found in composed music, but special music, should be composed for them. Due to unfamiliarity with music activists and time-consuming dimension, many organizations do not get involved the order. But distributors can create the service for such group by which the organizations can register their order for music composition as fast and easy as possible.
- Creating the cloud services: storing and transferring the music files is one of the concerns of digital platform users. In current digital world, users are facing a huge amount of information and the storage place for digital files has led to many limitations for users. In experts' opinion, by creating the cloud services, the music digital distribution services can decrease such concerns in users' minds and make the storage and transfer of music files possible for users.

### **Position Innovation**

Position innovation is particularly related to the issues which help the business placement in customers' minds (Sadrabadi, Saraji, MonshiZadeh, 2018). To collect the information in this regard, the interviewees were asked what factors affect the brand of such businesses in Iranian music industry. In what follows, subtheme related to the position innovation are explained.

- Focusing on scenario planning: one strategy to become a brand and find a status in market is proposed for music digital distributors is the focus on scenario planning. In other words, these businesses should not be planned based on one time and one special design, but it is better to have various scenarios for different times and conditions so that they show their high flexibility in complicated environmental conditions.
- Focusing on dynamic capabilities: dynamic capabilities help the businesses to identify the opportunities in the best and fastest way and plan to use them and reconfigure to apply the maximally. Research experts believe this factor is very important to become a brand and from their point of view, digital businesses in music distribution can take a further step and create the needs in market.
- Creating a powerful social network: the world of novel media is the world of social interactions and many users enter this media to expand their interactions and live inside them. In experts' opinion, music digital distribution business should proceed in a platform for users' interactions. In other words, creating a powerful social network by these businesses can bring about a valuable experience for users and as a result, their business and products will find a suitable setting in customers' minds.
- A place for creating the assets by users: some scholars have pointed that these businesses should provide the facilities through which the users can create assets for themselves and expand them over the time. Just the same as YouTube which allows the users to publish their videos and they are visited and even commented by others. These are seen as valuable assets for users that make leaving such services difficult for them. Then, music digital distribution business can fix their status in long-term inside the users' minds.
- Focusing on market niche: in general, market niches refers to the unmet needs of users that have been ignored by the big companies. By systematic identification of such needs in music industry, music digital distribution services can achieve the advantage of being the first and consequently they can promote their situation in Iranian music market.
- Strategic partnership with other businesses: finding a status in market and customers' minds is not a short-term process and even may not by itself find an impressive achievement. In experts' opinion, the strategic partnerships with other businesses and regulation of a series of incentives can increase the speed of becoming a brand. For example, by partnership with a business like Snapp (online taxi), one can enter a series of partnerships and they can determine advantages for their users in music digital distribution service.
- Accurate analysis of competitors: although the music digital distribution has not become a moneymaking industry in Iran, we see significant appearance of such businesses inside and outside the country. The digital distribution services should make the best analysis focusing on domestic and foreign competitors so that they can bring about value that is more special for their audiences. Some experts believe that these analyses should be conducted constantly and by specialists of music business and researchers. Proper and timely analysis of competitors and their activities will help the music digital distribution services to have a better situation in the music market over their competitors.

### Process Innovation

Process in digital businesses refers to the path through which the product or service reaches the user. The subthemes related to the process innovation are explained below.

- Optimization of application for purchase: with comprehensive use of smart phones in Iran, many businesses have paid a special attention to optimization of applications for selling their products and services. Experts believe that this issue is of great importance for music digital distribution services, because through such mobile applications, user consumes musical products and services of digital distributors in that application. Then, caring about these products is very important for designing the optimal process in music digital distribution services.
- Possibility to preview the music before purchasing: in specialists' opinion, to purchase every product or service, the user is better to have a limited experience of their consumption. For this purpose, it is suggested to provide the preview of music digital distribution services for users. This will make the user take action to buy more consciously.
- Focusing on customer's experience: this is among the issues, which needs the permanent attention of business managers in music digital distribution. If any change is going to be made in the application or website of these businesses, it is appropriate to analyze the customer's experience accurately and critically. Designing the interactive systems and valuing the users' comments provide a good opportunity for businesses so that the users monitor their experiences in the best way.
- Awareness-raising in purchase process: an issue that has attracted the critics and experts is that in music delivery processes, the required awareness-raising does not occur. For example, the user does not exactly know what achievements and special values are embedded in the musical work; who have played this work and what characteristics these people have; what thought is behind this composition and what events have occurred in the mind of composer or singer to compose this work.
- Focusing on aesthetic discussion in purchase process: music is delivered to the audience as a product with its own elegances and unique beauties; hence, the process by which these products undergo to reach the audience should have special elegances and beauties. Paying attention to talents and creativity of workers with graphical design and talent help significantly these businesses to design the purchase process in the most beautiful possible way.
- Simplification of purchase process: in is mostly often seen in the internet shops that customer faces perplexing and extra information to purchase a product or service and such issues decrees considerably his purchase motivation. for example, when the user enters some websites, he is confused on how to pay or the products are introduced to him in such a compressed way that he hesitates to purchase. Beauty concurrent with simplicity is the best strategy the specialists have proposed to music digital distribution businesses.

### Social Innovation

The theme of “social innovation” was such that found the highest importance in this study in terms of frequency of initial codes. The subthemes related to the social innovation are given below.

- Crowdsourcing idea: all strategies related to the category of social innovation are trying to make the audience get involved in business. An experts says “creation of musical environment based on the crowdsourcing philosophy means the folk music each part of which is done by one person. For example, the artist proposed several poems so that the user decides which part should be performed by the artist”. In other words, digital businesses can provide an environment in which the artistic works of well-known artists are composed based on the considerable participation of users.
- Gamification: generally speaking, gamification means entering the game into the process that were not basically made for game. Whether how the gamification should be made in digital distribution services can be the topic for another wide studies, but what is important here is that how such innovative strategy can make the audience involved and increase their commitment to the music digital distribution business.
- Caring about the social responsibilities: this subtheme shows that the digital business service should not only see its mission in profitability and musical activities, but also, as a social actor, should take actions to resolve the social problems in society. Such strategy that will promote the world outside the business can create the great novelty in long term for this business and finally lead to economic profitability for such services.
- Separation of professional and amateur audience: in music, many audiences vary significantly in terms of musical literacy and intelligence. Here, we use the terms professional and amateur audiences. In current services of music digital distribution, all audiences are seen as a whole and no difference is made among them. By designing some mechanisms, one can create a space in which the professional audience is differentiated from the amateurs and the latter can be encouraged to upgrade themselves to the professionals.
- Caring about the street musical bands: street music is surprisingly growing and their playing style of has promoted from individual to group and organized state. Advances of such street bands reaches the extent that some of them have found national and international reputation. At the time being, in digital services of music distribution, works of such bands have been ignored and experts have confirmed that this can results in very desirable impact in long term on these businesses.
- Holding competitions: this subtheme can be highly similar to gamification. However, a main point differentiates both. In gamification, we are looking for design of processes in digital platform that can entertain the audience the same as the game. Nevertheless, holding competitions here means the musical competitions among the audiences. The experience in similar satiate programs (like Manoto Stage) has shown that such competitions can bring about extraordinary attractions for audiences. Then, the music digital distribution services are proposed to provide the required facilities and platforms in creating such competitive spaces.
- Expansion of interactions: in general, one can say that all strategies related to the social innovations subtheme are seeking the expansion of interactions among the

artists, users and business agents. An issue, which can engage the users appropriately in music digital distribution services, is to create the space for criticizing the artistic works; i.e. the platform in which the users can scrutinize critically their desired works in a free space. another strategy is that the artists are asked to make interactive videos for their fans; i.e. the videos which value the audience's demands and even engage them in video. The experts have also suggested that a background should be provided in which the audience is directly contacting his desired artist. Although such facilities are available in other social media like Instagram, in the music digital distribution services, one can establish more specialized with musical spirits between the audience and artist. Another strategy is that the music digital distribution services should not plan their social and communicative activities in digital platform, but the real events can create a different feeling between the audience and artist.

- Possibility to produce the content by audience: in the music digital distribution services inside the country, the users' participation is only seen in receiving their comments (below the products), while the user should have a sense of more effectiveness so that get involved more in terms of social aspect. Possibility to produce the content (in text, image, video and audio) is a case that creates appropriately this sense of effectiveness in audience.

### **Paradigmatic Innovation**

This innovation refers to the cases that can change the general identity of the music digital distribution services in future and make money through new ways in this industry. In the following, each subtheme related to this innovation are interpreted.

- Releasing from dependency on copyright: what is currently creating many concerns for the music digital distribution services is to obtain the copyright from companies and artists. There are such concerns for companies and artists, because they are afraid of this issue that their works are easily distributed in cyber space among the users. The experts have mentioned a state in which the copyright has no place in music digital distribution industry anymore; it does not mean that these rights are violated, but by business model innovations, they are going to reduce the dependency of their income on copyright.
- Encouraging to collective activities and listening to the music in groups: up to now, the music digital distribution services have allowed the audiences to listen individually to their desired music. Some experts believe that it is likely that these services in the future will change the model of music consumption and convert it to a collective and interactive state.
- Empowerment of artists and exclusion of mediators: in the past music industry, it was far-reaching for a newcomer to be able to achieve reputation and success without any support from big companies. But the digital technologies have enabled the newcomers to connect easily to the world of audiences and obtain reputation. It is likely that the music digital distribution services will provide more special space for empowering the newcomers and help them to take step in the success path no needed to the support of big companies.
- New technologies: future world in music distribution industry will be full of new technologies that create unique experiences for users. Currently, it is very difficult to

say that which technologies can play the main role in directing this industry. But experts believe that some synergy will appear through all technologies like virtual reality, blockchain, artificial intelligence, internet of things, macro-data (big-data), cloud service, et. Hence, it is proposed that one should be leading in applying these technologies and so that the music market can be dominated in a proper time by continuous monitoring.

- Making smart in identification of audience mood: most often, we see that the audience does not know to which song he should listen. As if he wants someone or a service introduces him a song fitting the best with his mood. The audience often wants to be floated in a sea of music and guide it towards his own world.
- Changing the paradigm by simplification of access to product: when we are studying the music history, we find out that the first form of music performance was in live style. Because there was no recording technology at that time. An interested person suffered many difficulties; he had to pass the long and hard ways and pay a lot to get access the live performances of their interested music bands or composers. With the advent of recording technologies, new forms of music presentation were offered and brought about the comfort for music fans. As we proceed more and technology becomes more advanced, accessing the music products becomes easier. In this line, the experts have emphasized that in future, music digital distribution services will be able to have paradigmatic innovations in this industry through simplifying the more access to music products.

### **Discussion and Conclusion**

If the music digital distribution services can identify the needs and emotions of their audiences more completely, they will be able to meet property their needs and enter new actors to their markets via innovations of business model. As already mentioned in findings, one important function this service can provide for its customers is to introduce the musical services related to them. In other words, the music digital distribution services should not aim at merely selling the song file to users, but by identifying their musical needs actively, they can create the new revenue streams and build an effective bridge among the numerous actors of music industry (e.g. sellers of musical instruments, music teachers, manufacturers of musical instruments, talent development companies, etc.). In terms of importance of mediation in music industry, results of this study are highly consistent with findings of Kjus (2018).

Entrepreneurs of this field should pay a close attention that in digital frictionless world, provision of access to music is not a competitive advantage and even if such thing is profitable for them now, it will never be stable. This was shown in study by Wikström (2009). Music entrepreneurs in digital platform should pave the way by media innovations that in turn will create a unique social world for them. In simple words, users should refer to these services not only for music files, but also should use it for the sake of unique social events. The world of novel media is the world of comprehensive interactions and the more the form and intensity of these communications are expanded, the more the users are attracted. Future of such businesses is "Attention Economy" and business models should move forwards to the direction that the audiences' attentions be focused as an important capital.

However, there are many micro- and macro-challenges in music industry, particularly for music digital distribution services and all of which mentioning the name is not possible here.

However, one of the most important challenges in music industry is that the music status in national policy-making system is not clear (Arbatani, Labafi & Omid, 2016). This challenge has made the key actors in music industry face the ambiguity for their professional activities. Such problems reduce the investment motivation in music industry and affect the profitability of music digital distribution services.

The music digital distribution services are moving from a download shop to the online streaming services. The interested scholars are advised to investigate how one can create value in such services.

In this research, we attempted to examine the process of obtaining a competitive advantage by media innovation. In accomplishing this, we have made some novel insights concerning the operationalization of the media innovation in the Iranian music market. Furthermore, the present article contributes to providing empirical data about the regulatory models of digital music delivery in an emerging ecosystem, particularly in the ownership model of music distribution in the digital industry.

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