

Leveraging affect:

Mobilizing enthusiasm and the co-production of the musical economy

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Abstract

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This chapter considers the promises and problems of fandom and enthusiasm within capitalism, with particular reference to rise of crowdsourcing as a means of mobilising fan enthusiasm to fund new creative projects, with a particular focus on the music industry. Crowdfunding has emerged as an alternative way of funding projects caused by the more cautious investments of record companies, and is the latest development here firms and companies have sought to harness the affect and emotions of fans. However, although crowdfunding may tap new sources of money, the process is not without its costs, both in terms of the demands placed on its users and of being able to navigate a system that requires reserves of social, cultural and financial capital.

Key words: fans, affect, production, consumption, music industry, crowdfunding, Kickstarter, crisis, business models, software, coding, performance, copyright, intellectual property rights, audiences, value, money, financial system, streaming, Spotify, Apple, P2P networks, Marillion, Amanda Palmer

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Introduction

The medical etymology of the word *crisis* refers to a turning point, at which the patient either gets better or worse, with the latter often leading to serious or even fatal outcomes. Translated into the economic sphere, crises can be longer lasting than is medically possible, so that the ‘economic body’ can be in a state of crisis over extended periods, during which transformation and mutation may enable it to survive and recover. Since the late 1990s, the popular music industry has been an economic sector in a state of crisis because its principal means of revenue generation – the exploitation of intellectual property rights through the sale of recorded music – was undermined through the rise of file sharing enabled by new forms of computer mediated coding and communications (Leyshon, 2014).

As a result of this crisis, a series of mutations, transformations and experiments have emerged within and beyond the industry as actors and institutions have sought to develop new means to enable the musical economy to reproduce itself. During the middle of the second decade of the twenty-first century, a number of high-profile artists undertook enterprises that might point to the new direction in which the musical economy is headed. For example, in September 2014, users of Apple’s iTunes service discovered that the new album by the band U2 had been downloaded into their music collection at no financial costs as part of Apple’s promotion of the iPhone 6. Although the music was given away freely, the cost was born by Apple’s

marketing division, as the band and its record company received an unspecified fee which, according to the *New York Times*, made up part of a \$100m budget given over to the campaign . This form of promotional funding has become an additional and, in some cases, vital income stream for those artists who are prepared to link their music to other products or services as part of what are known as “brand partnerships” (Harris, 2013). Yet, in this case, even if U2 had not been paid, there might have been logical for them simply giving the music away, because since at least 2008 more revenue has been made from performing music in front of an audience than from selling recordings of it (Leyshon, 2014). Indeed, at the time of writing, U2 hold the record for generating the largest gross income from a single tour (*ibid*), so that the costs of recording their music and simply giving it way could have been justified as marketing for the band’s live shows.¹

Illustrative of this shift towards performance are two further exemplars. The first is the three-week residency in London at the Hammersmith Apollo by Kate Bush between August and September 2014, which marked her first live performance for 35 years, and generated an estimated gross income of nearly £8 million, with tickets selling out within 15 minutes of going on sale. The second and related experiment was undertaken by the musician PJ Harvey in early 2015, who offered the public an opportunity to view the recording of her 9th album at London’s Somerset House through one-way windows in a specially designed studio with viewing spaces. Although described as an art installation, the recording also proved highly popular as tickets for the recording sessions – four on weekdays and three on Saturdays – quickly sold out.²

¹ Although in this case, the unbidden part of the downloading was perhaps counterproductive, as many consumers objected to their music libraries being added to by music that they did not request or, in many cases, like.

² See, for example: <http://www.somersetshouse.org.uk/visual-arts/pj-harvey-recording-in-progress>.

Meanwhile, the music industry has invested money in the hope that streaming services offer an alternative, sustainable business model where income can be generated from the intellectual property rights invested in sound recordings. Here consumers subscribe to an almost unlimited supply of recorded music, in return for a monthly fee and/or exposure to advertising (The Economist, 2014; Ardititi, 2015). Such services, such as Spotify and Pandora, are seeking to extract rents from access to music through the curation of an ever growing database of musical artefacts. They do this not only by granting access to music, but also by sorting and sifting a universe of musical variation into packages or playlists that will appeal not only to known musical tastes and choices, but also through the use of algorithms and detailed analyses of music at the most fragmentary level, creating new and unexpected connections between different recordings to keep users listening and paying their fees.

However, even these developments – branding, performance and streaming – only really offer partial solutions to the problem of how the musical economy may reproduce itself given the loss of a stable market for intellectual property rights embedded in physical artefacts such as CDs. Brand partnerships, such as that entered into by U2 and Apple, might provide artists with much needed income, although in many cases the artists would have to be at a certain level of development and with a significant enough audience for the sponsoring brand to wish to associate its products with their music. Meanwhile, many creative artists are cautious of linking their image to a brand over which they have no control. Performance helps artists if they can attract large enough audiences, although the market for live acts has filled up, meaning that this option is only really lucrative for those acts with established and loyal fan bases that will regularly turn out to see their music played live, have other forms of income or very economical standards of living. As Hracs and Leslie have

illustrated, while making a living from live performance is possible, it is a precarious and highly competitive mode of existence (Hracs and Leslie 2014). Meanwhile, record companies see streaming as a means to recoup income lost through an earlier phase of digitalization, not least because it generated around \$1 billion in income for rights holders between 2009 and 2013 (Luckerson, 2013). However, artists earn as little as \$0.006 to \$0.0084 per stream in royalties, so only those acts that generate very large volumes of streaming can ever hope to earn significant income this way.

None of these experiments, transformations and mutations fully address the problems faced by new and existing artists from the more risk adverse approach adopted by record companies in response to the more precarious relationship between the funding of bands and the returns generated on this investment through sales and royalties. This has created something of a venture gap in the industry, where money to fund the emergence of new music is increasingly the responsibility of musicians in a way that it was not in the past. Partly in response to the more parsimonious position taken by record companies, there has emerged a greater awareness of alternative funding options open to artists, from traditional means such as seeking grants from charities and associations, or borrowing from friends and family, to newer developments such as commercial funding in the form of debt and investment (D'Amato, 2014; Harris, 2013). However, this chapter focuses upon a source of funding that seeks to leverage the power of affect and emotion through the phenomena of crowdfunding which, by targeting fans, has the potential to provide the funds needed to develop new music and establish musical careers but without the need to generate market standard returns on investment as demanded by more traditional funding routes.

The remainder of the chapter is organised as follows. In Part 2 we outline the promise and problems of the exploitation of fandom and enthusiasm within capitalism. In Part 3 we briefly review the academic literature on fans. Part 4 focuses on the rise of crowdsourcing as a fan of mobilizing fan enthusiasm to fund new creative projects, with a particular focus on the music industry. Part 5 offers some conclusions to the argument pursued in the chapter.

1. Leveraging affect, mobilizing fandom

“Imagine,” suggest Blanchard and Bowles in their parable of business life, “a customer so pleased that he (*sic*) became a Raving Fan”(Blanchard and Bowles, 1889, page 10) . Such imaginary consumer subjects made flesh would be highly desired by most businesses. Consumer discrimination, caution, and scepticism would be replaced by untrammelled enthusiasm, passion and commitment. What business would not want customers to be avid followers and supporters of their products and services? The commercial success of ventures that trade directly in fandom – sports and entertainment, for example – illustrate the commercial possibilities of connecting products and services to powerful forces of fandom, adoration and affect. Attempts to fuse the power of affect with consumption have spread widely across the capitalist system (Anderson, 2014; Thrift, 2005). However, converting consumers into passionate fans is not without its risks. When fans are enamoured with their objects of affection, consumption may proceed briskly and unproblematically. But when fans become disenchanted, or worse... alienated, they can do more than merely stop consuming products and services; they can become “anti-fans,” seeking to devalue the original brand, or even start their own media objects to follow and direct instead (Giuffre, 2014).

This chapter discusses a relatively recent change in the contours of capitalism which has made the harnessing of fans to the interests of capitalism not just a business proposition but an integral part of *generating business propositions*. Driven by the networking capacity of the internet, what were once seen as makeshift alliances and inspired improvisations are gradually settling in to a new pattern of producer-consumer relations that have the power to redefine what is understood as innovation and markets. This reworking is the result of a series of different processes that have evolved and coalesced to the point where they can be effective in producing a new phenomenon. This we call the production of internet-enabled enthusiastic consumption, a new blurring between firms, consumers and the creative process. Consumers are increasingly taking cues from one another rather than from conventional channels such as large corporations or media outlets, catalysed in part through means of communication and consumption such as peer-to-peer (P2P) networks, internet sites, and social networks. Producers of goods and services are also seeking out new mechanisms to harness the consumption knowledge of consumers through a wide array of brand placement and extension strategies such as ambient advertising, opt-in internet sites, viral marketing campaigns, and the use of crowdfunding. We explore the contours of this phenomenon below through the specific example of fan communities. However, to begin we identify at least five significant mechanisms that are bringing about such market shifts.

The first of the processes we identify is the increasing volume of “overflows” evident in modern firms; that is, activities and qualities of markets that escape the efforts by firms and other economic agents to contain them with prescribed frames of calculability (Barry and Slater, 2002, Callon, 1998, Callon et al., 2002, MacKenzie et al., 2007, Slater, 2002). Firms now span more boundaries than previously, most

especially as they have used outsourcing and similar strategies as means of allowing them to concentrate increasing attention on marketing and branding. The brand is increasingly the product that is consumed, the commodity itself being simply an appendix, a postscript to embody whatever story is being told (Lury, 2004, Salzer-Morling and Strannegard, 2004). This explains why, as outlined in the introduction, that some brands are keen to sponsor artists as it gives them scope to build music and its various cultural associations into the narrative of commodities. Significantly too, the conventional distinctions between brand producer and consumer have become blurred, and brand theorists' long-held models of sender, message, and receiver have broken down in terms of both practical and theoretical resonance. Symbolic management is increasingly a core organizational competence across a whole range of sectors and consumers are rarely now the grateful receivers of pre-defined corporate messages. As symbolic management has become more important, the direct management of production has become less significant, which has increasingly been outsourced and devolved to other, typically smaller, companies within their "value chain." Within the music industry, record companies are content to allow other firms, such as management companies, to undertake development work, choosing instead to concentrate on the effective marketing of artists that have images and sounds stabilized elsewhere (Leyshon, 2014).

The second process is that use of the internet is now so commonplace that associated practices have long sunk into the business background (Leyshon et al., 2005). This normalization of electronically-mediated forms of exchange has, in turn, brought about significant shifts in the ways in which business gets done. An on-line presence is crucial to organizational success and a key tactic in brand positioning. Some of the most important innovations in branding have developed on the internet

(Lury, 2004, Arvidsson, 2005), like promotional clips that are too long for normal adverts but designed explicitly to be circulated virally among consumers through social media (Jenkins et al., 2013).

The third process is that the internet has allowed new forms of business to come into existence to empower consumers. There are the examples of Craigslist and, in particular, eBay, that have brought a whole array of commodities to market that were hitherto invisible within contemporary spaces of exchange . eBay has thus greatly extended the range and reach of commodification and has engendered a new regime of valorization, and enabled businesses to emerge that previously would not have been viable for reasons of scale, scope or location (Zook, 2005).

The fourth factor is the increasing importance of affective experience as a key component in the shaping of consumption (Pine et al., 1999). The careful and increasingly knowing construction of affective experiences around commodities relies on bodies of knowledge that have evolved from the practical evolution of models based in advertising and market research, combined with various performative routines gleaned from a variety of theoretical sources by the cultural circuit of capital (Thrift, 2005; Leyshon, 2011). This development has particular resonance for the music industry, because the increasingly ubiquity and availability of music, either through P2P networks or steaming, has made the problem of accessing music more tractable, and so devalued. Rather, it is the affective experience of live performance, which is by definition unique and distinctive, that is increasingly valued and valorised (Leyshon, 2014).

Fifth, and finally, we would point to the ways in which pervasive communications are transforming consumer practices (Rheingold, 2002).

Accelerating levels of consumer connectedness via electronic means, and in particular the growing ubiquity of Wi-Fi and smart phones, are combining to connect always-on consumers who may be always-on-the-move in new and potent ways. The ease by which both music and indeed artists can be accessed via downloads, streaming or social media has not only contributed to the demise of traditional sites of consumption, such as record shops, but also transformed the atomized, individual “sovereign” consumers into connected collectivities of consumers which, we argue, is important in theorizing the fusion of production and consumption of value.

Taken together, this suite of processes empowers what were previously called “fans,” allowing them much more range and influence on consumption than hitherto, and pulling them into the process of value creation itself. In turn, firms and producers have tried to structure their relationships with fan communities, both as a means of gaining access to consumers’ enthusiasms and as a means of stimulating further innovation and obtaining funding. It is this interaction between fans and firms which is the main focus of the remainder of this chapter.

3. Consuming with enthusiasm: fans as economic subjects

Academic research on the economic and social role of fans has emerged from two separate but linked traditions. The first is cultural studies, and in particular work on sub-cultural formations, the emergence of which have often been linked to particular kinds of cultural production, traditionally music and fashion, in which the members of the sub-culture are often fans if not direct producers (Hebdidge, `1979). The second tradition has been media studies and, in particular, work on audiences and their interaction with various media texts such as film, music, literature and, especially, television (Abercrombie and Longhurst, 1998).

Sandvoss (2005) identifies three main stages in the development of academic work on fans. The first was strongly influenced by the work of Stuart Hall on the production and consumption of texts and how they were encoded by producers and decoded by audiences. However, it “assumed a simple dichotomy of power, with producers on the one hand and fans on the other” and tended to celebrate the “fan’s ability to evade [the] linear ideological influences” emanating from texts produced within cultural industries organized on capitalist lines (Sandvoss 2005, page 154). This tendency to see fans as working class agents of resistance challenging dominant structures of power was questioned by a second wave of fan studies influenced by Bourdieu’s work on cultural capital. Fans often mobilized (sub-) cultural capital to open up divides of power, discernment and discrimination between audiences (Thornton, 1995). These divides are often “constructed in opposition to class” (Sandvoss, 2005, page 39) so that, rather “than functioning as a practice of subversion, fandom, through the adaptation of existing hierarchies in a subcultural context, further cements the *status quo* by undermining the role of class as a vector of social change” (*op. cit.*, page 156).

A third stage of fan research turned towards psychoanalysis and a focus on the relationship between fandom and identity to explain why fans make considerable emotional investments in the objects, subjects and texts that they follow (Stacey, 1994). The work of fandom is seen as a search for identity, a sense of self and social belonging under conditions of risk, fragmentation and uncertainty. Fan communities can be seen as tribal collectives, affective assemblages of neo-tribes searching for shared sentiments, or at least approval of their assumed narrations of self (Hetherington, 1998, Maffesoli, 1996). The solidarity made possible by the internet provides shared experience; validation is both sought and found. Labels, or groupings,

become organizing factors in the lives of members, who seek support and affirmation by bonding with others of a similar kind. Moreover, in an ironic way, one could see fan communities as an illustration of Agamben's idea of communities that have moved both beyond identity and universality, communities which represent a bringing together of existences rather than essence (Agamben, 1993).

The recognition of the importance of emotion and affect within the performance of fandom has led Sandvoss to define a fan as an individual who undertakes "the regular, emotionally involved consumption of a given popular narrative or text" (2005, page 8). Abercrombie and Longhurst (1998, page 121) meanwhile define fans as a "skilled audience," but significantly argue that the competencies and skills of fans differ as do the actions that stem from their fandom. They argue that differences in the skills and competencies of fans constitute an "audience continuum"; thus, fans may be distinguished from general consumers but also, in turn, from what they describe as "cultists" and enthusiasts, representing a deepening of the "division of labor" of fandom.³ Sandvoss argues "that [while] fandom at its core remains a form of spectatorship" (page 53), based on the fact that studies have revealed that "fans," as defined above, overwhelmingly outnumber the more active and engaged cultists or enthusiasts, the activities of the latter groups indicate that in some cases the emotional investment within the subjects of their fandom drives them to acts of textual production or other forms of active engagement themselves. It is this tendency which we argue is increasingly being harnessed by economic agents to augment and refine their production of goods and services.

³ See Sandvoss (2005, page 31), for a detailed distinction between these categories.

This interaction between producers and consumers through the intervention of fans (or more accurately, fan-enthusiasts) has long been recognized as significant within the cultural industries. Thus, most fan studies have focused on the regular and emotionally-invested consumption of texts such as television, films, music, sports, and literature. However, as Giuffre (2014) has argued, cultural studies of music fandom tends to be distinctive, in that it tends towards positive narratives which, she argues, is a response to broader moral panics associated with certain musical forms and to critiques in the tradition of Adorno that see popular music fans as dupes of base commerciality. Notwithstanding this, popular music fandom has produced work that helps reflect of the ways in which organizations and institutions can respond to the ways in which consumption more generally has become more culturally inflected, and developing their own set of fans, cultists and enthusiasts that can generate new sources of income or funding. For example, Guiney and Zhang (2012) have drawn attention to the ways in which the US band The Grateful Dead mobilised the obsessive fandom of their audiences to pioneer a performance-based business model which encouraged fans to make their own copies of performances, organized and facilitated by the band itself which then circulated among fans as ‘bootleg’ copies. They also made other concessions to fans, such as those with disabilities, by creating dedicated audience spaces at performances, which served to further infuse loyalty and devotion. While such acts may on the face it be seen as limiting short-term income, but encouraging non-copyright material to compete with recordings protected by IPR, or by reducing the amount of standing space at gigs to accommodate wheelchairs, for example, these short-term sacrifices were more than compensated by sales in ancillary

markets such as t-shirts and other merchandise, and life-time 'brand loyalty' (e.g., see Krugman, 2008).⁴

Indeed, and as we discuss below, it has been argued that many organizations have sought to mobilize the power of affect and emotional investment expended by fan communities in attempts to tap into the regular acts of consumption that they generate. It is to this tendency that we turn in the next section of the paper on crowdfunding.

4. Towards the co-creation of value: the rise of crowdfundingⁱ

Crowdfunding seeks to align the interest of producers and consumers through a project to raise money to fund new ventures of various kinds. Crowdfunding has been defined as “an online collective action initiated by people or institutions to gather funds from a large number of contributors, usually using mediation of crowdfunding platforms to facilitate contact and flow of resources between parties” . Galuska and Bystov estimate that there are now over 2,600 crowdfunding platforms in existence. In the UK, which contains the world’s most diverse ecology of crowdfunding platforms, the market has grown rapidly, from £267m in 2012, to £666m in 2013 and to £1.74b in 2014 (Baeck, et al., 2014).

Crowdfunding covers a spectrum of activity that at one end closely resembles traditional financial markets. Thus, it is possible to arrange personal loans, business loans, and equity finance. The advantage that crowdfunding has over traditional forms of lending is that it is able to re-intermediate funds more cheaply than banks as platforms do not carry the same legacy costs of regulatory burden of traditional financial institutions (French and Leyshon, 2004), although as crowdfunding grows in

⁴ One indication on this enduring loyalty meant that 50 years after their formation, in 2015, it was estimated that the Grateful Dead earned more money per show than the tour that earned the highest amount of gross income (by Taylor Swift) (Nick Paumgarten, "The Glorious Inconsistency of the Grateful Dead," *New York Times*, 26 June 2015.)

importance so more of its activities are brought within the purview of financial regulators (Langley, 2015). This analogue of the financial sector is by far the largest part of the market, accounting for over 98% of the total. At the other end of the crowdfunding spectrum, activities are able to unfold unhindered by the gaze of the regulator, for the investments made at this end of the market are much smaller (around £6m in 2014 (Baeck, et al., 2014)) and not made for financial returns but as gifts or donations or in exchange for some kind of reward. It was this kind of transaction that evolved into crowdfunding, a means of funding creative and innovation-related projects by tapping into the enthusiasms and passions of motivated fans and enthusiasts (Bennett et al, 2014). In this respect, crowdfunding seeks to take advantage of the internet's long tail (Anderson, 2006), by aggregating geographically distributed sources of supply and demand to form markets with viable critical mass.

Crowdfunding has the potential to inculcate long-term relationships between borrowers and lenders/donators through the intermediation of the P2P platforms on which they are based. Borrowers have the opportunity to develop narrow but potentially temporally deep and repetitive sources of funding, particularly where lenders/donators provide money for motivations less to do with rate of return than social concern (e.g. green technology), interests or enthusiasms (e.g. cycle product innovation) or fandom and affect (e.g. musicians and entertainers). As such it mobilises what Michael Lewis (2001) has memorably described as “interest group” economics.

A range of crowdsourcing platforms have emerged to act as intermediaries between investors and borrowers to realise a range of projects that might not otherwise be funded through traditional financial intermediation (cf. French and Leyshon, 2004). Within the music and entertainment field, a number of crowdfunding

sites have come to prominence, a product in part of the crisis that beset the musical economy in the early 21st century. Indeed, it was in this field that the principle of crowdfunding emerged, as in the late 1990s the out-of-favour progressive rock band Marillion used an incipient network of dedicated fans to raise \$60,000 needed to fund a US tour when the band realised that such was their precarious financial state that they did not have the funds available to underwrite the costs themselves (Lewis, 2001). Emboldened by this fundraising success, the band turned again to its fans to provide investment for a new record. Estimating that they needed an advance of \$100,000 to pay for recording costs, the band raised £200,000 in weeks from 16,000 fans (*op. cit.*, page 132).

The record industry's indifference towards Marillion in the late 1990s was soon extended to a host of other artists in an environment that made it difficult to enforce the intellectual property rights contained within sound recordings . The loss of revenues and profits faced by record companies reduced the levels of investment available for musical creativity. In this milieu, crowdfunding platforms emerged as valued sources of new funding.

It took almost a decade for the ideas forged by the likes of Marillion to be formalised into crowdfunding platforms that would attract funds to support the musical economy. SellaBand was established in 2006, followed by Slicethepie (2007), Indiegogo (2008), and Pledge Music (2009). However, the best known crowdfunding platform in this field is Kickstarter, established in New York in 2009, and which expanded its operations into the UK in 2012. Kickstarter allows artists of all kinds to make appeals for money to fund their “projects,” with the donor’s reward being the successful completion of a project to which supporters were committed or at least interested in seeing bear fruit and even – although this is not obligatory –

obtaining a copy of the output of the project or, in the case of performance art, for example, participation in it. An examination of the music section of Kickstarter quickly establishes that the activities for which artists seek funding are those formerly undertaken by record companies. These include the recording, mixing, and mastering of new songs, album artwork design, the manufacturing and printing of CDs, promotion and publicity, and website design. The amount of money requested varies, from relatively modest amounts to levels of investment that even record companies at the height of their financial powers may have hesitated to approve. For example, a former member of the band Dresden Dolls, Amanda Palmer, used Kickstarter to raise \$100,000 to record her first solo album . The appeal period for all artists is strictly limited – if artists do not raise the target fund in a maximum of 90 days all investments are returned to supporters – Palmer managed to earn more than ten times her target figure, generating a total fund of \$1.2million. The ability of artists like Palmer to leverage the affect and loyalty of fans into investment capital was particularly impressive given that she was seen as having only a relatively narrow market appeal. The money raised was used to record an album, which sold enough copies in its first week to make the Billboard top 10. In addition, Palmer hoped to bank \$100,000 of the \$1.2m as pure profit (Lindvall, 2012).

However, while this form of fund raising may enable some artists to circumvent the gatekeeping role of record companies, obtaining money this way is not without its own cost. The rewards that generate the highest investments tend to be those through which the artists give more of themselves through personal appearances and engagements, often in small scale or relatively intimate settings. For example, two fans paid \$10,000 for an “art-sitting” and dinner with Palmer (Lindvall, 2012). Anecdotal evidence suggests that artists find these quite challenging, due to the high

level of social and cultural capital required to manage them, and the potential unpredictability of the event.ⁱⁱ As Hracs and Leslie (2014) reveal in their study of independent musicians in Toronto, direct interaction with fans in person and even via social media requires considerable emotional labour as they seek to cultivate and build relationships that might be economically sustaining (Morris, 2014). In this regard, such investments may be seen as more complicated exchanges that take on elements of the gift in as much as they have long-lasting social obligations and implications, and lack the degree of separation that traditionally accompanies transactions based on exchange .

5. Conclusions

It seems to us that there are two possible interpretations of these developments. The first, more positive gloss is that they are part of a new technological democracy which allows for more public deliberation on products and services and, indeed, more input into their design, funding and realisation. Like democracy, this does not mean that everyone participates, or participates equally. Some consumers want to build, drive, and even fund the communities into which they are hooked and are orbiting around in tighter circuits and at faster speeds; this is the deep end of fandom. As we have noted, recent technological developments have enabled them to do this more fully. Indeed, as we have seen in some of the examples above, they have even moved into the funding and building of versions of products and services of which they are fans. Other consumers want a fleeting encounter according to the circumstances in which they find themselves.

Of course, a consumer community differs from a democracy because members must have a certain level of expertise to be able to participate fully. Whereas it is more or less possible to turn up and vote, it is not possible to simply become an expert programmer, make a film in digital format that can be downloaded from the internet, or launch a crowdfunding campaign without having some – often considerable – level of expertise and resources of social and cultural capital (Davidson and Poor, 2014). Therefore, while the field of open source or open innovation might appear to resemble a democracy, it has also been described as “a Darwinian meritocracy” which is “egalitarian at the contributor level” but “elitist when it comes to accepting innovations” , which is revealed by the often complex organisational structures underlying open source project (Weber, 2004) and also helps explain why only a few successful products and innovations have so far been winnowed out of a mass of collaborative projects.ⁱⁱⁱ Nevertheless, according to Leadbeater and Miller (2004) the level of “amateur” expertise is in any case increasing in the population, to the extent that they identify a category which they describe as “pro-ams” (that is, professional grade amateurs, who perform a range of activities to a very high standard, but who are not formally employed to do so) . If this is indeed true, it will only hasten the level of participation in consumer communities, as well as making it much easier for firms and consumers to communicate about matters like design. The rise of crowdfunding, across a range of different areas and not just music and entertainment, opens up the possibility of a more democratic engagement with decisions about which kinds of projects might be funded, although this is of course controlled by the extent to which individuals have disposable income for such investment.

The second and less optimistic point of view to this is that all that is happening is that firms have found new models of drawing consumer knowledges and enthusiasms

into their orbit from which they are able to derive a profit at remarkably little cost, or are able to raise venture capital without paying the going rate of interest or necessarily having to transfer an equity stake in their venture through donation and rewards based crowdfunding. Further, they are also able to bolster their brands and reputations, which they police with the utmost vigour through copyright and other intellectual property rights. In the case of the music industry, it is possible to see crowdfunding as a costless incubator site, which provides a proof-of-concept test and brings new talent to the market, which record labels can then sign and channel recording to streaming sites in which the record companies are heavily invested and divert very little money back to artists. In other words, the creative commons that some commentators want to see may be simply a new form of ownership, little more than the latest phase in the commodification of consumer desire. This is a way in which capitalism can extract value from resources that are more or less free and easily accessible; moreover, it is difficult to describe such value extraction as exploitation, if such resources are not only given freely but also with enthusiasm. Nevertheless, such exchanges can be seen as deeply asymmetric given the ways in which they enable firms to use such processes to harvest profits and accumulate capital. Moreover, it is also a process that is deeply socially divisive, for it is one to which participation is highly dependent upon high levels of cultural capital and no little degree of economic capital, given the economic costs of gaining access to the internet.

Whatever the case, it seems certain that the co-creation of value represents a significant overflow and reframing of the market. This reframing has been generated by a powerful coalition of producers searching for extra profits, consumers searching to satisfy their desires and the blandishments of the cultural circuit of capital. In other words, it comes from within the current market system rather than from without.

However, this “trade in affect” is not without its dangers for producers: while fans might seem like ideal customers, as the regular, affect-driven consumption of their objects of fandom bleeds into the iterative consumption of goods and service in the market, fans can all too easily fall out of love with their objects of affection. As Sandvoss has observed, fans can express “fierce resistance ... to transformations of their object of fandom” (2005, page 162). Indeed, the act of falling out of love in response to such transformations can lead not to indifference but to outright hostility. Artists who fail to deliver on the rewards promised in their crowdfunding campaigns are particularly vulnerable to such backlashes.

The general developments outlined in this chapter indicate, we believe, movements towards might be described as a general economic model of enthusiasm. This can be seen as a response to a motivation crisis in the core capitalist countries, as an attempt to overcome consumer cynicism caused by overexposure to marketing, and earlier attempts to understand and communicate with consumers. However, while crowdfunding is helpful helps structure a market for affect and fandom, it is unlikely that it is sufficient in overcoming the problems facing the musical economy. For one thing, as the novelty of crowdfunding fades and becomes a more ubiquitous way of raising funds, linked to marketing, then crowdfunding may enter the same cycle of demotivation and cynicism observed elsewhere. For another, the nature of crowdfunding is rapidly changing, and its growth is now largely driven by mainstream investment looking for higher than average returns on investment (Langley, 2015). Although this investment is mainly being directed to crowdfunding platforms that replicate the financial system, rather than the rewards and donation based platforms that are focused on funding the creative industries, the incorporation

of this alternative funding model into the mainstream with all the risks inherent within the financial system (Rogoff and Rheingold, 2012), means that crowdfunding as a whole is exposed to the contagion of a broader financial crisis, and so a threat to its long-term future.

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Endnotes

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- ⁱ This section of the chapter draws in part on Chapter 7 in Leyshon (2014)
- ⁱⁱ As revealed in and Q&A session involving both administrators of Crowdfunding platforms and artists on a panel at the MusicTank conference, 'Easy Money?', London, October, 2013.
- ⁱⁱⁱ For example, The Economist reveals that while around 130,00 open source projects were listed on SourceForge.net which helps to co-ordinate such activity, 'only a few hundred are active, and fewer still will ever lead to a useful product' (The Economist, 2006).