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Ralph Gomory Best Industry Studies Paper Award First Runner-up: The Song Remains the Same? Technological Change and Strategic Positioning in the Recorded Music Industry

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The Industry Studies Association (ISA) is pleased to announce the winners of its 2016 Best Industry Studies Paper Award, selected from nominated journal articles published in calendar year 2016 in seven top academic journals. The Best Industry Studies Paper Award is newly named after Ralph Gomory, who as president of the Alfred P. Sloan Foundation initiated and steadfastly supported the Industry Studies Program that helped launch so many academic careers and important research projects. *Strategy Science* is pleased to announce that the work of Benner and Waldfogel (2016) on the impact on technological change on the recorded music industry was recognized as first runner-up in this competition.

Among the criteria of the selection committee is that the work must explore and provide insight into issues of significance at the industry level of analysis and that the authors demonstrate their understanding of the workings of the industry in a grounded, contextualized way. The recorded music industry has been upended by technological change associated with the digitization of music and what that in turn has implied for the means of distributing music both through paid and unpaid means. However, this technological shock has not led to the displacement of one class of industry participants with another. Rather, as Benner and Waldfogel show in their careful and detailed analysis, the impact is far more nuanced. The strategic approach of the established major labels and the independents is not disrupted, but rather their distinct approaches of focusing on established artists in the case of the majors and a strategy of producing a large number of generally low-volume artists of the independents is amplified by digitization of recorded music. Their work employs an extensive data set of more than 63,000 U.S. music releases between 1990 and 2010. Further, the authors documented the extent to which record companies issued work by artists with an existing track record of recorded music versus “new to the world” artists. The work is both fine-grained with its use of rich, detailed data and, at the same time, systematic with its inclusion of the full population of commercial record producers. This combination of granularity and breadth allows Benner and Waldfogel to illuminate how a firm’s existing strategic position and resources importantly shapes their reaction to technological change. Moreover, the work shows that the response to technological change should not simply be viewed as a contrast between established firms and entrants, but rather a contrast of the specific economics of the manner in which firms in an industry compete.

The research project came about by combining the perspectives of an economist (Waldfogel) who had been studying the effects of digitization on market outcomes and consumer well-being in the creative industries with those of an organization theory-oriented strategy scholar (Benner) interested in how firms deal with technological change. The authors are delighted to learn that the fruits of their collaboration have been recognized by the ISA.

Reference

Benner MJ, Waldfogel J (2016) The song remains the same? Technological change and positioning in the recorded music industry. *Strategy Sci.* 1(3):129–147.