

Embracing change at Music Exchange 2010

Yoel Kenan, CEO of Africori and former senior vice president, international marketing, BMG, gave a brief run-down of world digital music consumption and how it affects the business model the music industry. Kenan delivered his presentation after lunch yesterday, 22 March 2010 at the Music Exchange conference currently taking place in Cape Town. The scariest part of his presentation was the fact that 95% of music worldwide is downloaded illegally.

 By [Sindy Peters](#) 23 Mar 2010



Yoel Kenan

It's clear that music-makers need to innovate and re-invent past business models if they are to survive the digital era. Most importantly, according to Kenan, is for the industry to "embrace change".

Key lessons from the Napster saga

Providing attendees with a breakdown of the key milestones in the evolution of music into the digi-age, he noted the following key lessons from the Napster saga of 1999 and the continuous legal battles it faced with irate record companies whose profits were declining rapidly:

- technology cannot be stopped
- more music is being consumed than ever before
- music must be more than a mere product; it must be relevant in adding value to its purchase giving buyers more reason to spend

Another dilemma Kenan tackled is how does one compete with content that users are consuming for free? He suggests that the focus needs to move from the content to the actual context: "You need to think of services around context that unlock the value of music...Understanding the value of content in a contextual environment is key to unlocking the value of copyright."

Another golden rule Kenan mentioned is that music-makers need to always put the customer first - artists should focus on building an audience and then look into building revenue: "Get the fans and connections and then monetise it."

He also advised that artists should be on all platforms of digital - using new services provides more option for customers.

In concluding, Kenan states that the industry is now better positioned in the market to embrace digital and able to redefine its role in a networked economy.

For more information, go to www.musicexchange.co.za.

[View gallery of the speakers at day one](#)

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