Breakdown: Music Streaming Monetization Flow

By Ava Roche and Samuel Smith

Introduction

Since their introduction, streaming services have grown to become the primary platform for music consumption within the North American and European music markets. Streaming services now account for 75% of total music industry revenue. According to the Recording Industry Association of America, over 70,000 different albums were released by the middle of the year, recorded music revenues had reached $4.6 billion, and music streaming revenues reached $3.4 billion.¹ There’s no denying that streaming has taken over as the dominant force in the music industry, but there is one question that permeates the industry: where is the revenue going, and how can it get into the hands of artists?

Spotify

Spotify is currently the top streaming platform, with 75 million users² and expected revenue of over $6 billion in 2018.³ With over 30 million songs already on the platform and an estimated 24,000 songs uploaded every day, Spotify continues to grow rapidly. The music industry is bursting with content, but countless artists frequently complain about not getting paid enough while Spotify claims to pay an average of $0.006-$0.0084 per stream to rights holders. With labels and publishers often getting 50-90% of that revenue, artists on average, make only 10% of their streaming revenue from the site. Out of the 2 million artists now on Spotify, the top 1% make 77% of all artist revenue.⁴ While this figure may not be surprising, as the top 1% of artists get millions of streams, the current system of dividing revenues places the other 99% of artists at a serious disadvantage.

Pro Rata Model

The Pro Rata model, currently used by all major streaming platforms, means that monthly revenue from premium subscription costs and advertisement revenues is collected into one pool of money. Spotify takes 30% of that revenue and distributes the rest based on artist’s total listening numbers, rather than the listening times of individual users. Meaning that, even if a user never listens to the most
EDITOR’S NOTE

We are so excited to publish our first edition of the Music Business Journal this year. Heavy influence from the technology industry and digital platforms are driving change for rights holders, copyright, and music marketing. Digital consumption of music is higher than ever, and brought with it is the development of new strategies for advertising, sharing, and engaging consumers, while legislatively copyright law struggles to adapt to digital advancements and protect creators.

Our debut article breaks down the monetization flow of streaming, showing step-by-step how artists are paid for their music when streamed on Spotify and what cut is paid to record labels and PROs. This is extremely applicable for any artist seeking to monetize their music from streaming or looking to breakdown how subscription-based models pay creators. Complimentary to that, we have an article in our tech section that examines data metrics on platforms like YouTube and Spotify and how artists can utilize that information for engaging fans, planning tours, and seeking song placements. In our business section, we look at how Generation Z is consuming social media and on what platforms they are most engaged on, as well as an interview with the co-founders of MUBUTV, an online music business insider channel.

In our law section, we have an article examining copyright liability on online platforms in the U.S. and European Union, and how legislation is affecting, or not affecting, infringement for creators. We also have an article looking at moral rights for artists in the U.S., and specifically how lack of those rights negatively impacted artists in the most recent presidential campaign.

Lastly, we are debuting an original podcast series on our website titled MBJ Cut Time, which will host interviews from industry experts and professors. Our first sequence will feature top entertainment attorney, Dina LaPolt, as well as an interview from industry specialist and professor, Ralph Jaccodine. Please visit our website to tune in, and we look forward to sharing this with you!

Thank you for reading!
Sincerely,

Ashley Cook
Editor-in-Chief

TABLE OF CONTENTS

Business Articles
- Breakdown: Music Streaming
- Monetization Flow
- Generation Z: Redefining the Business of Music

Law Articles
- Copyright Infringement Liability in the Music Industry
- Moral Rights and the Use of Music in Politics

Interviews
- MUBUTV Case Study: Advice from Industry Leaders

Technology Articles
- The Role of Data Metrics for DIY Artists

Sponsorship
- Berklee Media

Management
- Editor-In-Chief
- Content Editor
- Webmaster
- Faculty Advisor and Finance
- Layout and Photography Editor
- Social Media Editor
- Podcast Producer
- Podcast Host

Contributors
- Editor’s Note
- Business Articles
- Interviews
- Law Articles
- Technology Articles
streamed artists on the platform, a percentage of the money they pay will be given to the most streamed artists. Here’s how it breaks down: Drake’s “God’s Plan” was streamed over one billion times in 2018. If there were 20 billion songs streamed across the entire platform in 2018, then the rightful owners of “God’s Plan” would get five percent of the $9.99 you spend on your premium subscription, even if you as a user never listened to Drake.

This system becomes even more convoluted when royalty distribution is broken down further. For each dollar of revenue on “God’s Plan,” Spotify takes about 30 cents, 58 cents go to the sound recording owners, or Drake’s label and producers, 6 cents go to publishers and songwriters, and the remaining 6 cents will go to Drake, after his PRO takes their cut. ASCAP, Drake’s PRO takes 16-18% of performance royalties, so, in the end, Drake would only make 4 or 5 cents out of the dollar made by the song. Drake has over a billion plays on “God’s Plan,” and likely walked away with over $50 million in royalty revenue from this song alone, but most artists are not as lucky. A signed solo artist needs over a million streams on Spotify just to make the federal minimum wage, and an unsigned artist needs over 170,000 streams.

Resistance

Big name artists such as Taylor Swift and Thom Yorke have been very vocal about their discontent with the way in which royalties are distributed by Spotify. David Crosby told Rolling Stone that “they’ve rigged it so they don’t have to pay the artist… I used to make money off my records, but now I don’t make any.” Songwriters and publishers have been very critical as well. Wixen Music Publishing, which licenses music from artists such as Tom Petty, Missy Elliott, and The Beach Boys sued Spotify for $1.6 billion earlier this year, alleging that Spotify was using songs without the correct licensing. The company argues that Spotify has not made sufficient efforts to identify rights holders.

As you can see from the flowchart, there are many layers money has to go through before it actually reaches the artist or the songwriter. This may have been acceptable when streaming services were starting out, but many artists and other industry higher-ups are arguing that things need to change to get the artists what they deserve.

When Spotify first started, it took a little while to grow the user base. It was understandable that they had to make some cuts in places to grow the company, as does any company starting out. In 2013, Spotify had 36 million active users, 6 million being subscribers, but by 2018, Spotify has grown to 191 million active users with more than 87 million being subscribers. Even with all of the growth Spotify has experienced, they still use the same model they used in 2013 to pay their artists, the “Pro Rata” system. Many argue that this system is not fair to the artists, leading to new ideas on how the system should actually work.

User-centric Structure

One of the most popular suggested models is the idea of a “user-centric” payment structure. This method suggests that the users’ payments through subscriptions still gets collected monthly; however, instead of distributing the money based on popularity, the money gets distributed based on what each individual user listened to. So let’s say an individual subscribed Spotify user just jammed to John Mayer in the month of September. Instead of dividing up that user’s monthly payments to all artists on Spotify based on most plays, that user’s payment would just go to John Mayer. Fair, right?

Will Page, Spotify’s director of economics says otherwise. In an interview with Rolling Stone he explains how the user-centric model costs more to operate due to the costs that go along with maintaining and analyzing individual Spotify accounts. Despite this state-

Continued on page 14
Copyright Infringement Liability in the Music Industry

By Camran Ferrier

Introduction

In our digital age, companies that distribute and host content online run into constant conflicts with copyright infringement. Difficult questions arise: who is responsible for monitoring and removing copyright infringements? How does a service stop these infringing works from getting monetized? Who pays the damages? These questions prevail as copyright protections online need constant revision as technologies evolve and access to services predisposed to copyright infringement become universal. The music industry's top streaming services are guilty of hosting and participating in such infringement: Spotify has had a difficult time keeping up-to-date data collections and paying affiliated rights holders while YouTube has been on the defensive when it comes to the monetization of infringing material. These class action occurrences raise larger questions about our own system and what we can do to help end the ceaselessness and casualness of copyright infringement in the music industry.

Spotify

Spotify is facing major scrutiny when it comes to online copyright infringement in the music industry and has been bombarded with lawsuits because of their inability to compensate artists appropriately. While their responsibility is to pay songwriters a mechanical royalty for the use of their music—more specifically the reproduction and distribution of their work—they have been accused of administrating songs without the correct licensing and compensation. At the beginning of 2018, Wixen Music Publishing sued Spotify for $1.6 billion, citing that the streaming giant had been improperly using 10,000 of their songs.¹ Last year, the company paid $43.5 million to cover its unpaid mechanical royalties in a class action settlement brought to them by Melissa Ferrick and David Lowry.² That being said, they have made some attempts in the past to deal with this issue. Two years ago, Spotify tried to partner with a blockchain startup in effort to better identify rights holders.³ More recently, the Music Modernization Act was just signed into law and one of its provisions plans to create the Mechanical Licensing Collective, a centralized database of rights holders maintained by publishers that is designed to exclusively handle statutory mechanical licenses. This entity will collect mechanical royalties from streaming services and distribute them to copyright holders based on the ownership claims set forth in the database. These are claims that songwriters need to make on their songs in order to receive their proper royalty payments.⁴ Although this seems to be an overall benefit to the industry and to artists, some may argue that Spotify now has a “get out of jail free” card when it comes to identifying rights holders because they can now point to this database to denounce any claims of negligence.

YouTube

YouTube also has a problem with reuploaded videos and unidentified rights holders that infringe on an actual copyright holder’s exclusive rights. In YouTube’s case, they used to rely on a provision in the Digital Millennium Copyright Act which prevents them from being responsible for the copyright violations of its users as long as they remove the infringing content when notified by the rights holders. This is called the safe harbor provision, which “limits copyright infringement liability for online service providers that store information on systems or networks at the direction of their users if the service providers meet certain criteria.”⁵ This protected YouTube in 2013, when Viacom International Limited accused YouTube of hosting videos that infringe on the company’s intellectual property, such as MTV videos and TV shows like South Park. The court ruled in favor of YouTube, citing the safe harbor provision as a defense and put the $1 billion lawsuit to rest.⁶ However, YouTube still struggled with infringement issues. In October 2007, in an attempt to solve these problems, YouTube launched their Content ID...
System, a technology that analyzes and screens videos uploaded by users against a database of content known to be copyrighted, and any duplicate uploads are reported to the copyright holder who then decides what to do with it. Users can set Content ID to block the reuploaded content from YouTube when a claim is made, but they can also allow the video to get monetized through ads, and then partake in all of the advertising revenue. The algorithm has had mixed reception over the years, increasingly so as it begins to evolve. In 2016, YouTube reported that 99.5% of all copyright issues specifically related to sound recordings were automatically resolved by Content ID, and Google reported that it had “generated over $2 billion for partners since it first launched.” However, YouTube had to make some changes to a flawed algorithm, as it would typically not pay the rights holder or the creator while disputes were being examined. Another big problem is that there is no penalty for fraudulent claims against another video, meaning that the system can be abused by individuals claiming fair use without validating that first, and by companies trying to censor negative press.

**YouTube in the European Union**

More recently, YouTube have been encountering lawsuits in Europe. The company adheres to different laws in the EU, and the Austrian Commercial Court found that YouTube is in fact responsible for the copyright infringements committed by its users. In a preliminary decision, the court rejected YouTube’s defense that they are a “neutral intermediary” and that they are in fact responsible for the content they carry. YouTube’s “neutral intermediary” defense was that they are a “host provider” and therefore fell under the protection of the EU’s E-Commerce Act, which specifies that technical service providers are mediators and therefore not liable for the content posted by their users. The court rejected this argument, finding that by “sorting, filtering, and linking” content on its platform and “creating tables of contents according to predefined category,” it shows they are more than just mediators. YouTube is expected to appeal, but it shows that their solution to protecting the exclusive rights of its users is still not completely fixed.

**EU Copyright Directive**

YouTube’s case occurred in June of 2018, around the same time the EU Copyright Directive, a piece of legislation aimed at online copyright laws in Europe, was proposed. The initial vote went against it, but in September 2018, the European Commission approved an updated version of the Copyright Directive which was finalized in February for an upcoming vote. It aims to deal with the revenue disparity between rights holders and the platforms that host their content online. The legislation has even been supported by Sir Paul McCartney because of its implications for artists in the EU.

The most controversial part of the Copyright Directive is Article 13, which requires Information Society Service Providers (ISSPs) to take the appropriate steps to stop copyright infringement on their platforms by enforcing stricter regulations. Some of these can be seen as very beneficial to artists and other creative types. For example, it would make platforms like YouTube obtain licenses for copyright-protected content that users upload to their site, which could generate billions for the media industry according to the Hollywood Reporter. The European Parliament also says that it strengthens the ability of authors and performers to negotiate by enabling them to “claim additional remuneration from a party exploiting their rights.”

However, there is strong opposition to this bill due to its effect on the Internet as a whole. After the first proposal for the Copyright Directive was put forward during the summer of 2018, an open letter from more than seventy individuals was written to the President of the European Parliament warning against the implications of Article 13, and among the signatories were Tim Berners-Lee, Jimmy Wales, and the Electronic Frontier Foundation. One of the main concerns outlined in this letter is that the directive conflicts with the E-commerce Directive, which provides similar protection to platforms in Europe as the Safe Harbor Provision does in the United States. The main concern of the letter is that “Article 13 takes an unprecedented step towards the transformation of the Internet from an open platform for sharing and innovation, into a tool for the automated surveillance and control of its users.” Additionally, there are other concerns that “inverting this liability model” will have a negative effect on European business: the cost of implementing undeveloped and unreliable automating filtering technologies will be significant, and could potentially make European startups and SMEs less competitive because the burden falls more heavily on them.

**Safe Harbor in the US**

Just as this legislation has shown that there has been a push to go in the opposite direction to Europe’s E-commerce laws, the United States has recently seen a push to move away from Safe Harbor Provisions and similar protections for online platforms. The Recording Industry Association of America (RIAA) and the National Music Publishers Association (NMPA) recently...
Copyright Continued

Continued from Pg 5

drafted an open letter to Vishal Amin, the Intellectual Property Enforcement Coordinator (IPEC), putting forward their concerns that there is not enough legal protection for intellectual property online. Their proposed solution includes “fixing the DMCA, making it a felony to knowingly engage in unauthorized streaming of copyrighted works, and investigating the positive impact that website blocking of foreign sites has in other jurisdictions and whether U.S. law should be revised accordingly.”

If this seems somewhat familiar, that is because eight years ago, there were two proposals for dealing with websites in the United States that hosted or facilitated copyright infringement work, namely the Stop Online Piracy Act (SOPA) and the Protect IP Act (PIPA). The aim of these was to blacklist websites that hosted copyright infringement work with the intent of stopping online piracy, and the Recording Industry Association of America (RIAA) defended both bills on behalf of the music industry. Both SOPA and PIPA failed to pass in 2011, but if similar bills were to be brought to the Senate as a result of pressure from the music industry, it is important to examine both sides.

The potential consequences of site-blocking on this scale has been seen before, for example, in 2011, when Homeland Security shut down 84,000 non-infringing websites in a widespread effort to stop piracy.

16 Similarly, the Australian Securities & Investment Commission took down 250,000 “innocent” websites in 2013, of which 99.6% were said to have hosted “no substantive content.” This articulates some of the criticism around broad-brush site blocking, arguing that the state having power over the Internet Service Providers goes against freedom of speech, or that it only gives copyright infringers more incentive to find alternate routes. Federal Affairs Manager at the R Street Institute, Sasha Moss, goes as far to say that this method may be completely ineffective, and that “the only way to combat piracy is to create legal and accessible options for sharing content online.”

Conclusion

It is certainly a turbulent time for intellectual property infringement, but slow progress is being made towards a better system, especially in the music industry. Copyright revision is taking place internationally, which tells us that the music industry is capable of bringing about change, but we must keep pushing.

Works Cited:

Moral Rights and the Use of Popular Music in Political Campaigns

By Ashley Cook

Moral rights in the context of music are the legislation that protects the right of attribution, right of anonymity, and the right of integrity for artists and musicians internationally. However, in the United States, Congress has not yet adopted the use of such rights despite their prominence worldwide, most notably in France and Germany. Even while moral rights are recognized by the Berne Convention, an international copyright agreement that dictates a universal, worldwide copyright code for literary and artist works—an agreement that the U.S. signed onto in 1988—they were never solidified into U.S. legislation. The lack of such statutes, more precisely translated as “personality rights,” has caused much turmoil with public performance licenses and the use of popular music in recent, large political campaigns. This confliction accentuates the pressing need for adaptation to our legislation in order to protect more than just the economic rights of American musicians and artists.

In practice, artist rights associated with personality and image in the U.S. music industry have never been heavily protected. Most contracts, namely publishing ones, require artists to automatically consent to the use of their music for scenarios the publisher often exclusively controls. This means that the publisher does not have to obtain prior, individual approval from artists or songwriters for use of their music in association with things that might be morally conflicting for the writers; it is all signed over with the publishing contact. However, creative control clauses can still be written in contractually, and songwriters with enough clout can gain control to govern what use and placement warrants prior artist approval. For example, artists may request that the publisher gets consent before making substantial changes to their music, changing the English lyrics, adding foreign lyrics, making changes to the title, granting synch licenses, and using the song in commercial and print advertisements. Although not all of these permissions may be possible to obtain, especially for smaller artists, the more creative controls in a contract, the more sovereignty an artist has over their name, likeness, and association. These aspects are essential to artists, especially considering commercial music success is highly individualized, and fans often need to agree morally with an artist’s views and ethics in order to support their music.

For high profile artists, creative controls are especially important because so much of celebrity personal beliefs are broadcast to the public eye. Recently, lack of these controls, or rather lack of moral rights, led to what several artists are claiming as false association with President Trump’s political campaigns. In November, Rihanna’s attorneys sent a cease-and-desist letter to the Trump campaign after hit song “Don’t Stop the Music,” was repeatedly played at Trump rallies while free Trump T-shirts were being distributed. Rihanna’s team claimed that such an act falsely implied that the singer endorsed President Trump and his political motivations. Furthermore, Rihanna is not the first artist to demand such a termination; artists Neil Young, Pharrell Williams, Steven Tyler, and the Prince estate have also taken action to prevent the public performance of their music during Trump political rallies. While it may seem obvious why artists should have a say in such associations, legally, musicians have less control than one would think, especially in connection with public performance.

For example, the right to publicly perform a copyrighted composition is one of the six exclusive rights transferred to a publisher when a songwriter signs a publishing deal. Publishers then grant blanket licenses to performing rights organizations such as ASCAP and BMI for use of their catalog in public spaces, granted the licensees (i.e., venues, restaurants, stores, etc.) pay royalty fees. This is ideal for consumers and licensees because instead of seeking out individual licenses for every song publicly broadcasted, they can instead pay a flat fee to a PRO, who will in turn collect the royalties and distribute them accordingly to their affiliated song-
Introduction

Consumer commerce has long emphasized marketing to millennials due to the peak of purchasing power this young demographic has reached; however, after years of research and marketing, companies must now adjust their advertising objectives due to the emergence of a new generation’s stake in the contemporary marketplace. Generation Z is known as “young millennials,” born 1995 or later (those currently between the ages of thirteen to twenty-four, roughly). While millennials were the first to be exposed to social media and apps such as Facebook, Spotify and Netflix, they are no longer the target audience for the latest technological trends. Shifting focus to the succeeding generation, advertisers must find new ways to cater to generation Z, who is currently consuming apps like Snapchat, Instagram and YouTube.2 Generation Z’s media habits differ from any preceding generation, given that for much of their lives, access to information is on demand or just a click away from their fingertips. They are the first generation to grow up with the Internet as a regular part of their everyday routine. For music marketers, it is important nowadays to not only know where to find this target audience, but to truly understand their behavioral characteristics and attitudes, especially in terms of social platforms and trends.

Social Media

According to the Pew Research Center survey conducted in 2018, 45% of teens say that they are online “almost constantly,” meaning nine out of ten teens are online multiple times a day.6 The report also shows that Gen Z spends an average of eleven hours per week on mobile devices along with twenty-three hours of video content on streaming sites per week.6 Gen Z is filled with independent learners who often turn to the Internet to learn and watch DIY tutorials. Therefore, an upcoming artist that caters to fifteen to twenty-year-old girls may want to consider advertising on a platform like YouTube for makeup/hair tutorials or for influencers like Emma Chamberlain.

Also recently, Mark Mulligan of MiDiA Research conducted a study in the UK giving an insight into music and social media habits of young adults aged up to nineteen in order to predict the changes the music industry may potentially face. With 97% of sixteen to nineteen-year-olds in the UK possessing smartphones and well over half using some form of social platform, it is clear that online media is an important cultural reference to Gen Z, and it has the potential to reach millions.4 The Statistics Portal showed that in 2019 it is estimated that there will be around 2.77 billion social users around the globe up from 2.46 billion in 2017.5 Music marketers can find these target audiences online, but must furthermore understand how to effectively advertise on popular platforms.

Is Snapchat Dead? Far from it.

According to Fanbytes who partnered with DMN to deliver marketing intelligence on Gen Z and Snapchat, Snapchat holds the largest portion of thirteen to nineteen-year-olds’ attention in the US, UK and more, of any online platform.3 Snapchat provides its users with the ability to add facial filters, provide visuals and narratives of their lives instantly, and more of-
ten than not, incorporates music or embeds preloaded music in its filters. It is still a growing platform and over the last four years, has seen the largest usage increase out of any major online media. When the Pew study was conducted in 2014, 71% of teens said they used Facebook, 52% used Instagram, and 41% used Snapchat. When the study was conducted again in 2018, Facebook usage decreased to 51%, Instagram increased to 72%, and Snapchat increased to 69%. While apps like Facebook and Twitter are certainly still relevant in terms of advertising, Instagram and Snapchat are more appealing to the younger set of Gen Z, and therefore hold more marketing potential. Advertising is not just about informing users anymore, but rather entertainment. Snapchat partners up with artists getting their songs played in a creative, fun and engaging way that marketers should fully take advantage of.

The Key to Generation Z Marketing

It is apparent that Generation Z sees most of their ads through social media, but to follow up, it is important to understand the amount of time they spend on these apps as well as the attention span. Gen Z has multiple outlets of information being thrown at them everyday; more information than any other generation has ever had. Therefore, they can quickly detect which ads are relevant to them or not, and decide which videos they want to watch or skip. For music marketers, it is important to quickly grab their attention before they move on to something else. The key is the time limit. Music tends to be the common denominator for Gen Z given that they average four hours a day listening to music, remaining as a powerful tactic to capture their attention. With that information, Pandora decided to promote their new Thumbprint Radio feature with user-generated content. Knowing how interactive Gen Z is, Pandora launched a “#nofilter” reaction campaign where users showed their own personalities with humor and dance moves reacting to when their favorite music came on Pandora. This marketing tactic not only engaged young adults with their platform, but also made their post shareable, an important element for Gen Z.

Where Does Generation Z Listen to Music?

Although Pandora is still a largely used platform for music consumers, YouTube and Spotify serve as the two largest entertainment platforms for Gen Z. YouTube serves as a video destination, music app, and educational resource all in one; however, Spotify has replaced YouTube as the number one music app among young adults in the UK with 53% weekly usage of Spotify compared to 47% of YouTube. While it is clear that streaming has become the main thoroughfare for music consumption, it also is changing the way artists release music. 74% of sixteen to nineteen year olds prefer to stream singles as opposed to albums, while 85% say that music is an important part of their life. This shows the influence young listeners have on contemporary music models, and conversely shows the potential reach music marketers have to the youngest generation. However, as earlier noted, Gen Z can quickly differentiate which ads are relevant and which are not, thus understanding their behaviors, expectations, and attitudes towards social media and listening to music are of utmost importance.

Streaming Marketing

Once music marketers understand where Gen Z listens to music, they must put their ads in places that build brand awareness and get users to listen to the message. Spotify offers advertisers tools to track audiences that can be narrowed down to target based on age, gender, geographic location, listening activity, etc. Gen Z can be exposed to ads via audio, video or display, offering advertisers an effective way to measure success. Pandora takes this format a step further by partnering with third party data providers who segment audiences even more based on information such as their purchasing habits, travel behavior, education, profess-
MUBUTV Case Study: Advice from Industry Leaders

By Kaley Bonett

The music business is a fleeting industry. The minute we feel as if we’ve grasped the latest trend, another arises. This presents issues for training up new industry members. How do you teach students about a business in flux without providing outdated information? MUBUTV is working to educate others on the topical issues and technologies being utilized by the Music Industry.

MUBUTV is an online music business insider channel featuring news and original programming designed to inform, educate, and empower artists, bands, and musicians in addition to music industry professionals and fans about all areas of modern music, tech, and the business that surrounds them. Episodes air weekly centered on interviews with producers, A&R, entertainment lawyers, film music supervisors, independent artists, artist managers, and more. I had a moment to chat with Eric Knight and Ritch Esra, the co-founders of MUBUTV to get further details on the series.

Q: What inspired you to create MUBUTV?

Ritch: “What inspired it is that I’ve been in music business education for 30 years. I started teaching in 1985-86. What inspired this is wanting to take education out of the classroom. This is the kind of information that is behind locked doors. The idea was to give people an inside look of how the business operates today. Another aspect was an understanding that I’m still a student of music business. The world we’re living in today is radically different than 5-10 years ago. The new music business systems, platforms, and criteria that artists need to know today wasn’t readily available. It’s a different reality today than it was ten years ago, all the infrastructure is gone and we are overwhelmed with options every single day. We felt there was a need to get the information out there and that we would do that from the point of view of knowing the questions on behalf of artists that may have difficulty getting to them on their own. We live in a world today where there is so much free information and where artists, like every other facet of American business, can have a job in music for life. There is a new condition: in order to have the job for life, you have to be a student for life. You have to be willing to constantly update yourself, it’s not someone else’s responsibility. You can’t just be an artist and write the songs anymore.”

Q: Where and how do you find people to interview?

Ritch: “Sometimes we know them or of them and we reach out via email and invite them to be on the show. Basically, we reach out to them directly. It depends on who the person is and the relationship we have with them. We can’t get everybody exactly when we want them. When we’re shooting, we’ll reach out to them and give them an understanding and reason why we’re coming to them. Because maybe they’re a manager or they did something or their philosophy or attitude or education we want to articulate.

Eric: “We wanted to build this organically. Now as it’s getting bigger, we get people contacting us. This season has been the biggest.”

Ritch: “The other great thing is that the guests we are getting are in the business now and doing it now. It might not be coming from a school where the teachers were musicians before. These are the people that you want to get the attention of. To get the awareness and insight for their philosophies and values.”

Q: Where do you see MUBUTV going in the future?

Eric: “We want this to turn into a much bigger entity. In 2019 we are introducing new content besides the Insider series. We want to branch out and drill down even more offerings of content. We’re going to launch a podcast around April and have courses available to take online. The ultimate goal is to make this the next CNN of the music industry. We want it to become 24-hour content with what happens in the news, cutting edge trends, and bringing in guests.”

Ritch: “A full-service information network for artists, bands, and professionals for news and information that pertain to their world and are of interest. It doesn’t exist in a visual format. It’s the first of its kind. Being that we’re in one of the music centers of the United States it’s easy to draw artists. Music can come from anywhere; we are one of the hubs. Artists and bands don’t necessarily have to live here anymore. New York, Boston, and LA aren’t what they were anymore because of the internet. The infrastructure might be in these locations but with tech we’re seeing that expand. It doesn’t matter where it came from. There’s a new band who after four albums has finally broken out of Columbus, Ohio—They’re called Twenty One Pilots and they made a scene for themselves.”
Q: What’s the most useful piece of information you learned from a MUBUTV interview?

Ritch: “Probably the most valuable piece of information that is reiterated is preparedness and having faith in yourself. Know who you are as an artist. Another aspect emphasized that often gets lost in the tech talk and new platforms and streaming and internet is that it all starts from the music. If you don’t have good music, none of it matters. The more MUBUTV you watch, you’ll see that fact gets emphasized over and over. It comes down to writing the songs and keeping them strong. Otherwise you’re polishing turds. Study your craft. We all want an easy answer and we think ‘if I just get enough followers…’ I met an artist who had 7 million YouTube views and was signed to Puff Daddy’s label, but it went nowhere. The music wasn’t strong enough. I’m not saying everyone has to write hit songs, but it has to connect with the audience. That’s a very important factor.”

Q: Why do you think this series is helpful to students? What can they expect?

Eric: Where do you start? With the platform that we’re creating we really try to figure out what the audience wants via feedback from comments on the videos. We’re always asking what they want and that’s what we’ll provide. I think at this point it’s drilled it down to a science of what we ask the guest. We don’t want these to be puff pieces, it gets into the nitty gritty of what you want to know. What’s unique is that Ritch and I bring the 360-degree all-encompassing view that we want to provide since I’m more on the artist side and he’s seen plenty of the business.”

Ritch: “We’ve always come from the place that the viewer is not the casual viewer. We all know music can be a wonderful hobby, but we’re more geared towards education for people who want to do it for life. The professionals will be answering knowing that this is what you want to do for life, not just six months or the next year. It’s so difficult to break through the clutter and noise. If you’re not in it for a career, it’s hard to make an impact. It’s a commitment.”

Endnotes:

Gen Z Continued

Continued from Pg 5

In a similar way to Spotify, ads are created via audio, video or display. This truly allows marketers to understand users’ behavioral characteristics and attitudes.

Conclusion

Already making up a quarter of the U.S. population and accounting for 40% of all consumers by 2020, Generation Z should be of utmost importance to not only music marketers, but to advertisers everywhere. Consumers hold much power and are no longer just receiving information; they are participating in it. The future of the music industry is filled with virtual reality and artificial intelligence, enhancements to live performances, and even new social media platforms to come. In order for the music industry to remain innovative in a time where technology is advancing rapidly and trends are changing, companies must stay up-to-date and understand the fast-paced, hyper-connected needs of Gen Z.

Endnotes
Moral Rights Continued

Continued from Pg 7

By seeking prior approval from artists directly, campaigns can avoid false confliction and copyright infringement as well as prevent public scrutiny from artists for using music without consent.

Despite preemptive actions that can be taken by campaigns to clear music, American artists are still not fully protected from misleading public performance associations. For example, as long as a venue hosting a campaign has a cleared license, an artist from that catalog can be played while both the venue and electioneer are complying with copyright law. This stresses the importance of moral rights adoption in U.S. as artists elsewhere in the world are given the option to be associated or not associated with even mere levels of political agendas. Furthermore, this also stresses the need of neighboring rights in the U.S., as when such songs are broadcast publicly for campaigns, only the composition rights holders are getting paid, not the sound recording copyright holders. This leads to even less control for artists who do not write their own music, as they will not be paid a royalty for the playback of their sound recording in accordance with U.S. copyright code.

There is slightly more regulation for music used in television campaign advertisements, as there are no blanket licenses for synch licensing, and both a synch license and master use license must be obtained when placing a song in a television advertisement. Synch licenses are negotiated on a song-by-song basis in terms of price, use, and exclusivity, and are not to be confused with public performance licenses. For example, in 2008, John McCain infringed upon Jackson Browne’s exclusive rights by using his song “Running on Empty” in a politically motivated television and online advertisement. McCain’s campaign did not obtain the proper clearance, and Browne’s attorneys filed suit and won, settling with an undisclosed amount of money for the infringement. While it can be easier to recognize and veto synch and master use licenses because they are done on a case-by-case basis, American artists and their image are still not fully protected. For instance, if McCain had obtained a synch and master use license from the publisher and record label, and Browne had no creative controls in place, McCain would have been in full accordance with the U.S. copyright code, underlining why moral rights for American musicians are in dire need of recognition. Other examples of artist-campaign associations without direct consent include Barrack Obama’s use of “Hold On, I’m Comin” by R&B group Sam and Dave, President Trump’s use of “Rockin’ in the Free World” by Neil Young, and Ronald Reagan’s 1984 use of “Born in the USA” by Bruce Springsteen. It is important that larger artists like these use their influence to bring moral rights to light as they have the power and clout to veto such use, while smaller artists are not granted the same rights and controls contractually.

In conclusion, moral rights in the United States are long overdue for musicians. In an industry where success is so personalized and influenced by moral association, artists should be granted the rights of attribution, anonymity, and integrity. Association or disassociation should not be solely in the hands of the licensee or publisher, but up to the artists themselves to protect their music and personality rights preemptively.

Endnotes
Introduction

Since the rise of social media and other online platforms like YouTube and Facebook, artists have been able to reach their audiences with more ease and efficiency than ever thought possible. While social media platforms have emerged as the predominant mediums for artists and businesses to advertise directly to their target demographics, the information that these platforms can provide its advertisers is much more than what meets the eye. Built-in metrics that detail the frequency of a page’s visits, the age ranges and cities in which audiences are from, and other numerous insights can be invaluable for things like tour routing and advertising for independent artists. Before the advent of these platforms and their competitors, artists were incapable of accessing this kind of information. This was what gave major labels and talent agencies the edge that has been crumbling in the age of information.

Data Metrics

Social media’s rise in popularity granted its users and advertisers a voice which can only be mediated by them. Naturally, this created a lot of noise through which it is profoundly difficult to be heard. According to Meltwater, a prominent media intelligence company, Facebook averaged over 2 billion monthly users in 2018, each of which were subjected to countless ads every time they used the site. While there have been several attempts by advertisers and DIY artists to find a way to stand out amongst the crowd, a majority of these attempts boil down to simply paying some sort of premium to whatever platform they wish to engage on, in exchange for a wider audience. This has led to a concentrated focus on the number of views your content is earning, known as vanity metrics, rather than the impact it’s having on people, known as actionable metrics. Many content creators have taken to literally buying views, a practice that involves paying third parties for fake profiles across several platforms to engage with the buyer’s content, simulating an organic interest in their content and/or presence. It’s worth noting, however, that music marketers and agencies are more than capable of determining whether or not engagements with online content are organic, especially when looking to place songs on playlists or for synchs. While vanity metrics may appear to reflect large amounts of engagement, more important data such as number of returned views, average watch time, and continual playlisting reflects a healthy fanbase.

How to Utilize Data

Ultimately, your content has to be able to grab and hold onto a user’s attention immediately and resonate with them, but before even that can happen, content must be found, which is where search engine optimization, meta data, and tags come into play. For example on YouTube, which is the second largest search engine in the world, users can use several different components to make their content searchable: title, tags, description, file name, and playlist. Setting up this data on the backend is vital in order for your music to be found, suggested, and viewed again—all of which accounts for actionable metrics. After this is set up, creators can see their viewer data (i.e. watch time, average view duration, shares, etc.), and use that to adjust their content accordingly.

Other data-essential platforms are Spotify and Instagram, which keep track of user engagement thoroughly. On Spotify, analyzing which songs are most liked, added to playlists, and more importantly, continually streamed by returning listeners, is highly informative for artists trying to reach fans, plug music, and set long-term goals. With Instagram, business pages for artists account for consumer interest and demographics, which is informative for tour routing, album promotion, and overall fan engagement. Knowing which platforms are most advantageous for your audience and understanding each platform’s formats and strengths is essential for independent artists. Additionally, understanding already successful campaigns can help give artists an idea of what they can do to stand out and find the same kind of success. Ask questions like - What kind of incentives are they offering? Are they targeting the same audience as me? How can I implement the same methods without simply recreating their business model? This is not to downplay the incredibly nuanced nature of finding ways to stand out as a DIY digital artist or crowdfunding campaigns, but there are ways to pinpoint what’s working on these platforms and to build off of that success.

Continued on page 14
Data Metrics Continued

Continued from Pg 13

Digital Strategy

Recently, companies like Ingrooves, who were acquired by Universal Music Group on February 12th of 2019, have developed a deep understanding of how these platforms work and have built a market around this knowledge. Independent artists and record labels can work with these companies to find out how to effectively navigate these platforms and use their algorithms to their advantage. Companies like Ingrooves can offer independent artists and record labels a personalized plan of action that can further assist them with widening their audience more effectively and efficiently based on the platforms they’re using, their content, and their target demographics. In addition, other websites like Chartmetric can provide artists detailed analytics showing them who is listening to their music, what streaming platforms their audiences are using, and in what cities they’re based. Universal’s acquisition of Ingrooves proves that the momentum behind these platforms is growing and has major labels wanting to understand how to effectively tap into these markets and grow with them.

As an artist, it can be difficult to come to terms with the notion that your artistic values and goals might not resonate with as many people as you had expected. At a time where it’s never been easier for people to have access to a platform for their creative voice, it’s important that artists manage their expectations starting out and learn how to read the data they’re collecting from platforms in order to set goals accordingly. What cities are your songs getting the most plays in? How many people from those cities follow your social media pages, and how old are they? These are all important metrics that can make all the difference when setting goals for growth and development that are attainable. Defining expectations and setting short-term and long-term goals for yourself that are attainable can also help prevent artists from feeling like they’re not finding success. It’s important that you have the ability to look back and see the progress you’ve made and also understand that building and growing a fan base is not an overnight process.

Conclusion

Artists have never had access to as much information as they do now, and developing a keen understanding of how to build your career through this information is what will make all the difference. Follow the trends. Find out what’s working for you, and use the data you’re collecting in the meantime to understand what isn’t working, and why it isn’t. Gone are the days of major labels and talent agencies being the “gatekeepers.” In the age of information, and ubiquitous artistry, DIY musicians have been given the ability to build their own careers and at their own discretion. Simply put, there has never been a better time to be an independent artist.

Works Cited:

Music Streaming Continued

Continued from Pg 3

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The MMA

The Music Modernization Act simplifies how streaming services pay artists, changes law deals for
music recordings made before 1972, and helps producers get more royalties. Before the MMA, streaming services just had two options to start off with. Companies such as Apple, Google, and Amazon kicked off their streaming platforms slowly, getting all of the legalities sorted out before making it available to the consumer on the streaming platform. This obviously is great way to start out a streaming platform. However, companies such as Spotify and Pandora took another approach. They just put music up, even if they didn’t have the legal means to do it, creating a very large catalog right out of the gate, and eventually got sued by artists and publishers for doing so. But why didn’t they just take the steps companies like Apple and Google took?

The main reason why is because they couldn’t afford to. Apple, Google, and Amazon have been around for a while and have other forms of income. They can afford to take a slow approach because they can subsidize until the services become a profit. Streaming services like Spotify couldn’t afford to do this. If they wanted to make a profit, they had to go all in. They did, making a huge catalog of songs available to stream very quickly. The Music Modernization Act changes things by making only one clear step. A board of major publishers say what each company has to pay to get a majority of the copyrights using a “blanket license.” This makes it fair to everyone from the consumer to the artist.

Conclusion

It’s reassuring to know that people are continuing to think of new ways to make streaming music fair to everyone so that the artist gets paid and the consumer has easier access to music. With support from the U.S. government and major artists for the Music Modernization Act, there will definitely be upcoming growth in the music industry, hopefully the near future.

Endnotes
6 McKenna, Brittney. “How Many Songs You Have to Stream to Pay a
Copyright Continued

Continued from Pg 6

Moral Rights Continued

Continued from Pg 12

Music Streaming Continued

Continued from Pg 15