

MUSIC INDUSTRY NOTES

Charlie Bertini, president of AppleJazz Records will discuss the challenges of navigating in today's music world. Topics will include marketing, publishing, ticketing, performing. Q/A to follow.

MARKETING

Social media. Email. Live streams. YouTube. SoundCloud or other free listening services. Subscriptions with concert or media presenters. (Beware of scams.) Quality artwork and photos. Constant contact with your audience.

PUBLISHING

Publish your own music if possible. Copyright your work with US Copyright Office. There are also third party companies but the cost is high. If you are doing covers, you may have to cover IP costs.

TICKETING

See article.

Selling your own tickets online or through a vendor. Vendors save you a lot of headaches. Eventbrite, TicketLeap, TicketSpice, many more.

PERFORMING

Need venue. Sound and lights. Be rehearsed and ready. Bring your audience. Everyone is competing for eyes and ears. Have another concert to tell your audience about. Don't suck!

YOUR FUTURE

Invest in yourself through saving funds for more gear, advertising, and higher wages. Save your money for the future. Join the AFM, SoundExchange, MLC, HFA, if working for a corporation like Disney, get involved in pension program, profit sharing, automatic stock purchase from paycheck, whatever you can do to preserve revenue.

STREAMING

The amount a stream pays varies by streaming service and other factors, such as the type of subscription and where the music is being played:

- Spotify: Pays between \$0.003 and \$0.005 per stream, but the exact amount depends on the subscription type, location, and agreements with artists.
- Apple Music: Pays an average of \$0.01 per stream.
- YouTube: Pays between \$0.005 and \$0.007 per stream for official content, depending on whether the listener is a paying subscriber or a website visitor.

- YouTube Music: Pays \$0.00164 per stream for streams on the artist's own channel and \$0.002 per stream on YouTube Music.
- Pandora: Pays \$0.00133 per stream.
- Napster: Pays \$0.019 per stream.
- Tidal: Pays \$0.01284 per stream.
- Deezer: Pays \$0.0064 per stream.
- Amazon Music: Pays \$0.00402 per stream.
- Soundcloud: Pays \$0.0019 per stream.

The amount an artist makes from streaming can also be affected by the number of streams, the total revenue pool of the streaming service, and the global payout negotiated as a percentage of that revenue. Record labels and distributors may also take a cut of the profits.

Spotify payout:

1 million streams @ \$.005 equals \$5,000.

1 billion streams @ \$.005 equals \$5,000,000.

Apple Music payout:

1 million streams @ \$.01 equals \$10,000.

1 billion streams @ \$.01 equals \$10,000,000.

Edited dialog from Lefsetz Letters reader's responses regarding streaming.

Complainers are either not popular or have deals with a label or publisher that is either still recouping the advance or is an old school deal taking most of the pie.

The real injustice in streaming is the 4 or 5:1 ratio of the value of the master vs publishing. That's a travesty and hopefully unsustainable. There is no fundamental legal or economic reason why it shouldn't be 1:1, it's just the result of an historic industry power imbalance favoring the record labels.

Streaming royalty payments vary according to the arrangements artists have with their labels and distributors, not with the streaming services. Pretty simple. Blame your team, not the streaming services.

Streaming companies retaining 30% to pay for technology / UX (user experience) development and upkeep, servers, employee compensation, office/building rent, health insurance, taxes, etc.

Everyone keeps blaming Spotify for an existential problem in the music industry. There's too much supply and not enough demand. Musicians used to make money from royalties when record sales were driven by listener demand. Nowadays, there's so much music and listeners don't want more.

Indie musicians made the mistake of believing that if they released enough product, they could stand out in a crowded marketplace. One song a month. One song a week. But since everyone is doing it, the effects are minimal.

Streaming is like an advertisement for your project. Not an income source. We're entering an era where streaming is the result of demand, not the driver of it. Playlists used to be a ticket to a larger audience on Spotify. Not anymore. Now you have to build your own audience, build your own fanbase, play shows, build community, and make people give a sh*t before they'll even think about streaming your songs. Streaming is for the fan's convenience, not your pocketbook.

The pinch artists are feeling is amplified because many of us were supplementing streaming income with sync placements and brand deals. But when TV production stopped and advertising budgets have been cut, so did the payouts.

Music is no longer "culture." It's not interesting enough on its own to move the needle. The future is in the niches, not the mainstream.

Before mass media, most musicians made their living by singing for their supper. It's the illusion of possibility that causes everybody with a stream on Spotify to think they are entitled to more.

When you stood on a corner or sang in the local bar you made a couple of bucks in tips and felt good about it. With Spotify it feels like you're standing on the World stage right next to Taylor Swift and somehow it doesn't seem right you're only making a dollar.

Nobody is *entitled* to make a living from music.
First, find your audience.

Nobody who signed a deal 30 years ago should expect to be still making a living from their recordings in 2024.

But because streaming makes their music available again, they complain about streaming rates.

Well: first, find your audience.
Again.

Just like when you did the club and bar circuit back in the day, today's recording artists find their audience online. And they work hard at it.

And if they get the numbers, they get the streams.

Success is about communication with an audience.
First, find your audience.

I DJ, and I ask myself how can I get paid like the big time DJs.
It's about demand.
If I can't create the demand for people to see me, I can't command high fees.

How do I create the demand?
Make music that people want to hear.
Even if I can out-spin someone, it doesn't mean that I deserve more money.
But if they are less skilled as a DJ, but out-demand me and sell out a show, they deserve the money they ask for.

Create something people want; learn about and register your works with PROs
(performance rights organizations), The MLC, Sound Exchange; play live gigs; have merch.
Repeat. But most people won't succeed, something that sobers me when I (weekly) hear
something fantastic and it hasn't ever gotten traction for whatever reason(s). Sad, but it
has always been - and always will be - true.
