

## Study Research Paper 2: Revenue Streams for the Musical Artist

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I believe there are a lot of misconceptions around the main ways music artists make money in the new, internet-powered music industry, and even more misunderstandings about how to create a sustainable lifestyle off of music alone. In this paper, I am going to explore some of the lesser-known opportunities for revenue for the music artist, especially those independent. Many times, the public may generally think that streams equate success, and further, streams equate good revenue. Yet, every recording independent artist knows that the streams from your last album might be able to buy you one meal, if not an ice cream cone, after several months of being on platforms - so I will explore the options of revenue that aren't usually considered, an example of a success story of one of these revenue, streams, and the practical application for a smaller independent Musician, trying to focus their energy on making a sustainable career in music.

### **Part A**

There are a few different areas of potential revenue: the music catalog, fan experience, and musical services. I will begin with the music catalog: the complete list of an artist's music and how they make revenue from it. As stated prior, most people consider streaming as the only way to make revenue from the discography, though, when you actually do the research, artists can be paid as little as \$0.0033 per stream on a platform such as Spotify, for example (and it depends on licensing agreements due to their “streamshare” revenue model). It’s not enough, even for the midsize artists. Few people consider opportunities like the YouTube Partner Program, where a musicians catalog can be delivered to YouTube database as the artists’ / labels’ intellectual property as the YouTube Content ID artificial intelligence will scan user-generated content (UGC) across the platform and will then monetize that content in alignment with the advertising revenue policy (meaning if a content creator is monetizing their content and uses your intellectual property, from your catalog, you are entitled to part of that monetization share). Becoming a participant in the YouTube Partner Program can help you claim those shares of revenue within the YouTube ecosystem, and other Content Management Systems like it exist for other platforms (TikTok, Meta, etc.) Also under the music catalog umbrella is sync. Sync (short for synchronization) is the term for when music is “synced” with motion pictures, like in TV and movies. This process usually happens between a music publisher and a client, which can usually be a music supervisor or a film producer. There is a lot of money to be made here — larger

productions are willing to pay big amounts for usage in their productions. My most recent experience hearing of this was about \$8,000 for a 30-second use of a song as background music in diner on-screen. This not only includes entertainment based content such as movies, but advertising and commercials as well. I'll explore this more in Part B.

The second category is fan experience: live shows and merchandise. I've written a focused reflection paper on the live music and performance industry — revenue here obviously includes ticket sales (which are necessary and can't be pirated like music files can) and licensing fees paid from PROs (Performing Rights Organizations) that are paid by venues and shared to rights holders of the music. Branded merchandise is often found at these live shows — creating brand loyalty to the artist themselves is the name of the game, and this is a larger topic around marketing strategy, because to make money and drive people to buy with both of these options is to gain trust and loyalty through a convincing persona fans are drawn to. Creating a sub-brand or catchy tagline that fans can relate to or associate with creates a strong demand for merchandise. There is a larger conversation that the music industry has entered the era of loyalism. Fans want to represent a brand, rather than just transactional sales. Also, that hunger to be loyal to brands drives new, innovative revenue streams such as Instagram subscriptions, Facebook stars (a donation feature for content creators), and Twitch subscriptions. I expect to continue to see new subscription-based features released on current and upcoming platforms for creators and artists.

Third: musical services. These services may be right in alignment with the overall artist main brand or may be personal services less associated with the artist brand, often overlooked by smaller independent artists because if it isn't pushing their own music, it might seem invaluable. That can't be further from the truth. One of the more glamorous services is producing. Of course, there are full-fledged producers who have full time gigs producing, but to those artists who can't afford a producer of that level, they may be looking for someone who might have good expertise and experience in engineering, producing, and recording. This is especially true in hip-hop genres, as a beat is usually produced for another recording artist who can add their lyrics to it. These producers often make publishing royalties for being composers of the piece themselves, which leads me to my second revenue stream in this category: publishing. Being a songwriter adds value to other's pieces and creates revenue for you through royalties after the song is

finished. In addition, looking for other options such as teaching music lessons and working as staff as a venue or company in the music industry are all great ways to create income around your skills while staying within the music industry. All of these options create incredible opportunities to network and meet people in close and far social circles within the industry, which are immensely valuable, if not necessary, for survival and success for a sustainable career within the music industry for the musical artist.

## **Part B**

I am going to explore the sync revenue stream — because I think it is a great opportunity that many artists and fans aren't considering, that has big potential for income. Tommee Profitt is a producer originally from Grand Rapids. He went to Grace Christian and created these same connections locally that I've been speaking about — one of them being NF, also from Michigan, and when NF signed to Capitol, Profitt's work came to the spotlight, solidifying him a deal with Capitol Records as well. This is how sync works: Someone (a freelancer, agency, or employee at a label) pitches your music to those who are placing (the music supervisors on the TV/film end). They categorize by mood, energy, tempo, and style, and a website such as [Disco](#) can be helpful for this kind of process. Private links can be sent with stems of your tracks and full descriptions and pitches to help these supervisors match your song to their search. There are two distinct clearances one will need for a sync from your team: the clearance from the publishing (or the song as a composition) and a clearance for the master recording (the actual audio track(s) to be used). In Profitt's case, Capitol Records (under subsidiary of Universal Music Group) is pitching on behalf of his publishing, and he hired a private company called [Resin8](#) in Nashville to pitch and manage his master recordings ([cinesamples.com](#)). The most recent sync was for Michael Jordan's *Creed 3* which was found in a similar process to what's described here. Though I wasn't able to find information around the specific royalties for this specific sync, I can imagine with the level of production for *Creed 3*, it was a hefty amount. Sync!

## **Part C**

For my last section on the suggestions for an independent artist, I would overall say: consider all of the aforementioned revenue streams! And then, consider how you might be able to add value to your fans' lives in the midst of a digital age of noise. How can you provide content that adds

value, joy, and safety to your audience's lives? Then, consider how each potential revenue stream might be able to fit into your marketing strategy to meet those goals. First, make sure you are spending an appropriate amount of time perfecting your craft: continue to create and network by taking risks every chance you get. Try crowdfunding to kickstart a project. Several platforms can be helpful and people want to be part of doing something cool. By offering them value upfront with BTS footage of your process or exclusive private shows and more, you can create incentives that make people feel valuable and important — because they are participating in creating something new with you! Consider the deep work of what value you can add to their life by your story, and help them be drawn into that. Start a Twitch channel to stream and talk with your audience. Provide rewards in exchange for subscriptions. Listen! Listen to what they want, ask for feedback on music publicly (the A&R of Reach Records decided on what beat to use for Lecrae's new album by posting it on his Instagram stories and seeing which one people liked the most)! It's the age of interaction, and if you aren't interacting, you're losing. Start getting out in your community or region and *play shows!* Give people tangible experiences that they are going to remember long after they might just stream your song online. Once you have the resources, educate yourself on how to pitch your music (and your brand) to musical directors in sync and build a team who can begin to manage your content on your behalf. Hire the right people to help you look for distribution deals that may get you further than being independent, and when the time is right, pursue the opportunity to become a YouTube Partner to manage your assets with Content ID. Be sure you are registering your music with Luminate Data and getting your publishing royalties registered with a PRO. If nothing else: be consistent, add value to others, and network every chance you get. These will help create a much better chance of success when the opportunity arises to step up to it.

## Works Cited

Heckman, Chris. "Tommee Profitt: Cinematic Songs." *Cinesamples Magazine*, 20 July 2021,

<https://cinesamples.com/magazine/tommee-profitt-cinematic-songs/>.