

CMU:DIY

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completemusicupdate.com

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MAKING MONEY FROM MUSIC

WHY MAKE MONEY FROM MUSIC?

- Why do we need to make money out of music at all?
- If artists want to work on their music full time, and to develop and distribute their work widely they need money to pay for...
 - Living costs.
 - Touring.
 - Producers, engineers, songwriters etc.
 - The creation and distribution of recordings.
 - Marketing and PR.
 - Someone to manage all this activity.

HOW DO YOU MAKE MONEY FROM MUSIC?

INTELLECTUAL PROPERTY

LIVE PERFORMANCE

FAN RELATIONSHIP

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INTELLECTUAL PROPERTY


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IP PRODUCTS

 Musical Compositions
Lyrics
PUBLISHING RIGHTS

 Sound Recordings
Music videos
MASTER RIGHTS

 Artwork
Photography
ARTISTIC RIGHTS

 Band Name
Band Logo
TRADEMARKS

IP PRODUCTS

© SONGS

© RECORDS

© MERCH

© MERCH & BRAND
EXTENSIONS

COPYRIGHT FACTS

- Copyright is a form of ‘intellectual property’.
- Copyright, Designs & Patents Act 1988.
- Copyrights are automatic.
- By default the copyright belongs to...
 - Creator (compositions, lyrics, artwork, photography).
 - Funder (sound recordings).
- Copyrights run out eventually...
 - Life of creator +70 yrs (compositions, lyrics, artwork etc).
 - 70 years after release (sound recordings).

MAKING MONEY FROM COPYRIGHT

Copyright law gives the copyright owner certain 'controls' over their 'works', including:

REPRODUCTION

DISTRIBUTION

RENTAL

ADAPTATION

PERFORMANCE

COMMUNICATION

MAKING MONEY FROM COPYRIGHT

**Someone wants a copy of
one of your recordings**

CD/VINYL

DOWNLOAD

YOU'VE MADE MONEY FROM YOUR COPYRIGHT!

MAKING MONEY FROM COPYRIGHT

**Someone wants to perform
your song in public**

Sing it on stage

Play it on radio

Play it at club

Give them permission to perform your song for a fee

YOU'VE MADE MONEY FROM YOUR COPYRIGHT!

MAKING MONEY FROM COPYRIGHT

**Someone wants to make
an adaptation of your song**

Remix it

Sample it

Rework it

Give them permission to make an adaptation for a fee

YOU'VE MADE MONEY FROM YOUR COPYRIGHT!

LICENSING

GIVING PERMISSION = LICENSING

LICENSE DIRECT

Sync deals
(maybe)

LICENSE VIA THIRD PARTY

Getting content into
iTunes and Spotify
via a distributor
(maybe)

LICENSE VIA COLLECTING SOCIETY

Live Performance
Cover Versions
Broadcast
Bars, cafes, shops
(usually)

COLLECTING SOCIETIES

The UK collecting societies are...



PRS For Music for ‘publishing rights’

so composers, songwriters, publishers
prsformusic.com



PPL for ‘master rights’

so recording artists, producers, labels
ppluk.com

HOW DO YOU MAKE MONEY FROM MUSIC?

INTELLECTUAL PROPERTY

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LIVE PERFORMANCE

- Monetisation of live performance easier to understand.
- Though live sector has multiple revenue streams.
- Different levels of the live sector rely more or less on different revenue streams.

Tickets

Ticket commissions / booking fees

Ticket resale mark-ups

Food & Drink

Other services (eg cloakroom, parking, VIP)

Sponsorship

LIVE PERFORMANCE

- An artist's live career goes through various stages...
- It only becomes profitable for the artist around theatre level.
- At grass roots the main income actually comes from copyright.

Self-promoted gigs, open mic nights

Gig & club-nights, festival new band stages

Pub/club venue touring, small festival stages

Theatre venue touring, bigger festival stages

Arena touring, festival headline slots

Stadium touring

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THE FAN RELATIONSHIP

- Once you have an engaged fanbase, you can start to sell them products and services directly online.
- This might include:
 - Premium products (records, merch).
 - VIP live experiences.
 - A subscription service (online fan club).
- If you build a sizeable fanbase, brands may want to partner with you to reach that audience.

YOUR FAN BUSINESS

you + your music + your shows

Recordings

Merch

Tickets

SELL THEM STUFF!

Premium Products

VIP Experiences

Subscriptions

your fanbase

MEET THE MUSIC INDUSTRY

MEET THE MUSIC BUSINESS

- The music industry consists of companies and individuals who work with artists to help them turn what they do into money.
- Most music companies specialise in one music revenue stream.
- This means the wider industry can be split up, commonly...
 - Those which work in music rights v those that work in live.
 - Those which exploit recording rights v those which exploit song rights.
- Artists usually have relationships with multiple companies, doing a different deal for each of their revenue streams.

MEET THE MUSIC BUSINESS

THE MUSIC INDUSTRY

MUSIC RIGHTS

Record Label

Music Publisher

Merchandiser

LIVE INDUSTRY

Booking Agent

Promoter

Ticket Agent

FAN BUSINESS

Direct To Fan

Brand Agency

THE MUSIC RIGHTS INDUSTRY

THE MUSIC INDUSTRY

MUSIC RIGHTS

Record Label

Music Publisher

Merchandiser

← Label exploits sound recording rights.
Creates and distributes recorded content.
Works with studios, producers etc.
Traditionally leads on artist marketing.

THE MUSIC RIGHTS INDUSTRY

THE MUSIC INDUSTRY

MUSIC RIGHTS

Record Label

Music Publisher

Merchandiser

Publisher exploits song rights.
Handles licensing of songs and royalties.
May seek sync deals/song commissions.
Traditionally published sheet music.

THE MUSIC INDUSTRY

MUSIC RIGHTS

Record Label

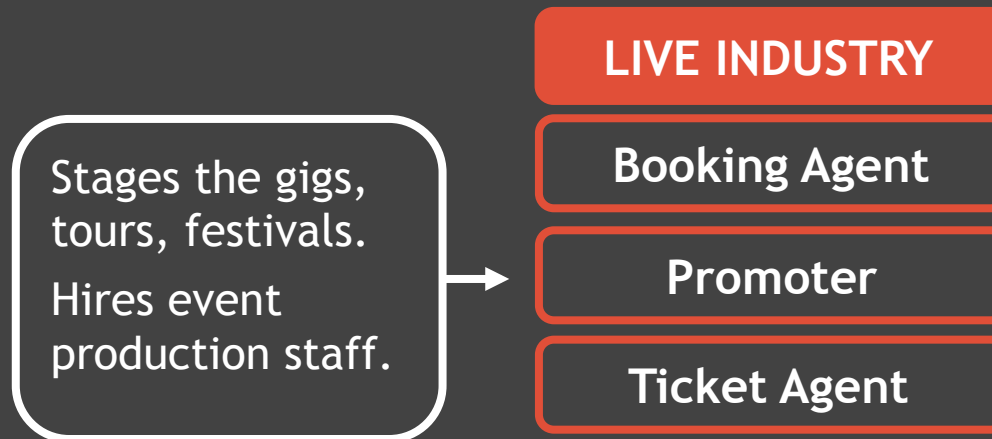
Music Publisher

Merchandiser

Production of merchandise.
Sales and distribution of products.
Maybe license artwork to third parties.
License trademark for product extensions.

THE LIVE INDUSTRY

THE MUSIC INDUSTRY



THE LIVE INDUSTRY

THE MUSIC INDUSTRY

LIVE INDUSTRY

Booking Agent

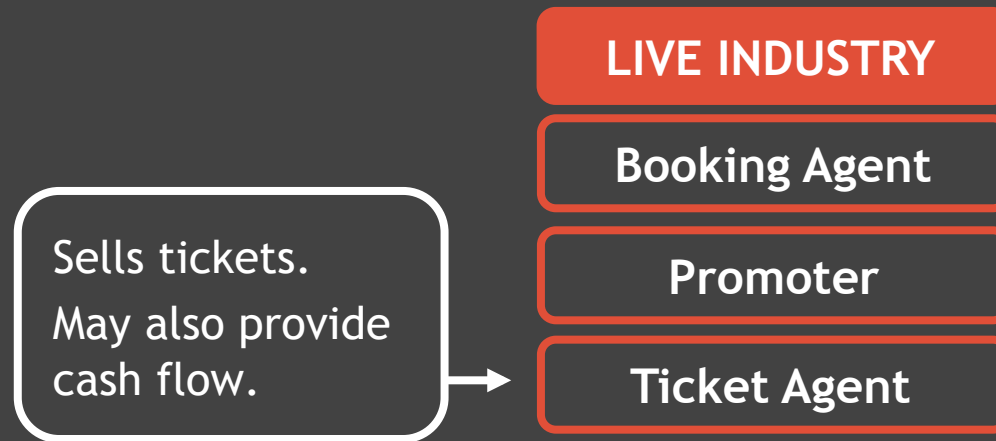
Promoter

Ticket Agent

Sits between
artists and
promoter.
Negotiates deals.

THE LIVE INDUSTRY

THE MUSIC INDUSTRY



THE MUSIC INDUSTRY

Newest part of the industry.
May provide online platform for capturing,
analysing and selling to fans.
Also need people to manage all this.

FAN BUSINESS

Direct To Fan

Brand Agency

THE FAN BUSINESS

THE MUSIC INDUSTRY

These agencies negotiate and manage brand partnerships for artists.
Labels and promoters also operating in this domain.

FAN BUSINESS

Direct To Fan

Brand Agency

THE IMPORTANCE OF ARTIST MANAGEMENT

THE MUSIC INDUSTRY

MANAGEMENT (+ lawyer and accountant)

MUSIC RIGHTS

Record Label

Music Publisher

Merchandiser

LIVE INDUSTRY

Booking Agent

Promoter

Ticket Agent

FAN BUSINESS

Direct To Fan

Brand Agency

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