

Written evidence submitted by Anna Neale

Music Streaming Inquiry

Introduction

Anna Neale: I'm a singer/songwriter, composer, session vocalist, producer, and lecturer in music. I've toured the world, released three albums and two EP's independently, to critical acclaim, written songs for other artists, radio and TV advertising, and provided vocals for many TV animations, songs, and adverts. I've worked in the music industry professionally for twenty years.

My most recent album *Wide Sky*, received a 5-star review in national music magazine *RnR*. (Rock n Reel). Much of my current commercial work is commissioned by Global Media (Capital, Radio X, Heart, and Classic FM). My co-writing credits include Dave Rowntree (Blur), John Wozniak (Marcy's Playground), Jez Larder (David Bowie, Estelle, Amy McDonald), and Canadian songwriter Justin Gray (Joss Stone, Avril Lavigne, James Bay).

As a music industry professional I'm an elected member of The Ivors Academy Songwriter Committee and The Equality, Inclusion, and Diversity Committee (EID) (formally the British Academy of Songwriters, Composers, and Authors / BASCA), and a member of the Writers Committee for the Musicians Union. I have also been part of Award committees for The Ivors Academy. In 2019 I was one of the first mentors for the SheGrows mentoring scheme in partnerships with the Musicians Union and SheSaidSo.

I seek to drive change in the music industry, utilising my networks to support and represent the Independent sector.

As well as my composing and performing credits I am also a lecturer in Music Business and Music Production at the University of Kent and a Post Graduate Researcher at Birmingham City University. I have lectured at the University of Cambridge, The British Museum, LIPA (Liverpool), BIMM (Brighton, Manchester & London), Canterbury Christ Church University, the Guildhall School Of Music & Drama, and the University of Hertfordshire.

Question one: what are the dominant business models of platforms that offer music streaming as a service?

As an independent artist and a rights holder, I use an aggregator to distribute my music across the various DSPs such as Spotify, Pandora, Deezer, and Apple Music (to name a few). The company I use takes a percentage commission on any money made from these sites. For songs I have co-written that have been released through other channels, I rely on the labels and publishers of those works to account for me and on royalty statements from PRS.

These platforms allow on-demand access to audiences globally and should allow for monetisation. The amount of money I receive via these platforms is relatively low, both as a rights holder and creator. If my current streaming numbers were downloads or physical sales rather than streams I would be making 96% more than I currently am from recorded music. As it stands I receive a pay-out approximately once a year. The income is so negligible that I consider these platforms more of a tool rather than a viable business model for sustaining my career as a recording artist.

PRS and MCPS collect royalties on my behalf, but the data received from these PRO's often doesn't correlate with the information provided by the aggregator. With regards to songs that I have co-written, the only statements I receive for these are from PRS or the designated label or publisher, and quite often I never see these songs on my statements. The impact of royalty value has also dropped due to Covid-19.

For this to improve for independent artists and composers such as myself, there needs to be an equitable, fair, transparent, efficient approach that recognises the contribution of the creator.

There also needs to be further investigation into interests held by major labels as stakeholders of these platforms. At the moment the grip of the major players has tightened, according to Music Business Worldwide this has led to profits that are akin to those reached by the major labels in the 1990s, with labels generating over \$1 million every hour from streaming (Ingham, 2020). There is plenty of space for everyone, artists should not have to sign away rights to a label when there is an infrastructure to support independents.

The current model of mismatched metadata is also a concern. PROS such as PRS are often unable to pay royalties to the writers of specific tracks who have multiple entries on the system or may be missing information such as CAE numbers or correct spelling in a writer's names or track title. I've lost out on income from songs I've written with other artists because of this, and have had to spend months, sometimes years chasing this income. This needs to be modernised.

As a nation, we are in danger of creating a Copyright 'Safe Harbour' with the removal of Article 17 (formally Article 13 – The Copyright Directive). As it stands the UK could fall behind on basic rights and protections in regards to creators' work.

Question two: Have new features associated with streaming platforms, such as algorithmic curation of music or company playlists, influenced consumer habits, tastes, etc.?

The study of my PhD research is concerned with consumer habits and what effect this has had on the craft and consumption of song. My current body of research indicates that the way songs are composed, the compositional process itself, and the way songs are received by the consumer have all been altered by streaming technology with song introductions virtually non-existent, and songs composed structurally to satisfy the 'Spotify skip rate', where 30 seconds of a track needs to be played to register a royalty (I have just finished an

academic article on this which is due to be published next year, I'm happy to submit this as supporting evidence if required but the document will need to be embargoed).

Streaming services are becoming tastemakers, much like radio was, but without the same royalty rate. The cost of pitching tracks from my album *Wide Sky* for inclusion on playlists outweighed the money I would receive from the platform. I used services such as Submit Hub to try and gain traction for lead singles from the album with little success. The necessity of playlisting in regards to guaranteeing the success of a song creates a culture of payola. Being featured on a playlist becomes a pay to play model to gain recognition and access to a wider audience.

With 40,000 tracks a day being released on to these platforms and huge competition for an already dwindling attention span, something referred to in academic circles as the 'attention economy', it is virtually impossible that any form of recognition can be achieved without some form of playlist support. Most of which is given to major label investors.

There needs to be an oversight of platforms so that algorithms are not biased, and provide equal access to the streaming market for all artists, songwriters, and performers regardless of whether they are signed or not.

There also needs to be full auditing and disclosure of the relationships between rights owners (music publishers and record labels) and streaming platforms to expose agreements, marketing partnerships, and non-license revenues.

Question three: What has been the economic impact and long-term implications of streaming on the music industry, including for artists, record labels, record shops, etc.?

As already discussed in question 1, the money I make from recorded music is negligible. Below is a screenshot of my most recent distribution for August for songs I own the master rights to on Spotify:

DIGITAL COLLECTION SUMMARY BY PRODUCT						AGREEMENT: AWAL Distribution Agreement		
ARTIST	PRODUCT	PRODUCT DOWNLOADS		TRACK DOWNLOADS		STREAMS		TOTAL AMOUNT
		QUANTITY	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT	
Anna Neale								
	Can You Read Me [Single]	0	0.00	0	0.00	72	0.02	0.02
	Ear Drum [Single]	0	0.00	0	0.00	2	0.01	0.01
	Free Falling [EP]	0	0.00	0	0.00	27	0.02	0.02
	Handle With Care [EP]	0	0.00	0	0.00	84	0.05	0.05
	January: Live From The Living Room [EP]	0	0.00	0	0.00	94	0.05	0.05
	River Man [Album]	0	0.00	0	0.00	316	0.38	0.38
	Wide Sky [Album]	0	0.00	0	0.00	119	0.20	0.20
Anna Neale feat. Jack Light								
	Anarchy [Single]	0	0.00	0	0.00	6	0.03	0.03
Grand Total								0.75

I appreciate that these numbers will pale in comparison to my colleagues, but the time and monetary investment need to gain any sort of traction on DSP's such as Spotify is not worth consideration for independent artists such as myself.

My initial review for September shows 218 full streams of my album 'Wide Sky', which equates to 35p. If this was downloaded at the old £7.99 per album rate which applied to iTunes these numbers would have equated to: £1,741.82. If a physical product such as a CD was sold at £10, I would, after manufacturing costs of £4 per CD, have generated a profit £1308.00. The current market share model used by streaming services is not sustainable.

As the rise of streaming services has accelerated I have in the past seven years relied on patronage models such as Pledge Music, and fan contributions to projects as well as direct CD/vinyl/download sales to cover costs and make some profit via recorded music. Up until recently this has been relatively successful in sustaining my artistic career.

I have survived in this industry as an independent artist and songwriter for twenty years. I am now questioning my ability to keep recording my material, and work on others, without reaching negative equity. The majority of songwriting sessions are conducted on an 'on spec' basis, meaning most of the work of writing, producing, and the studio time, is unpaid unless one of those songs is released commercially. Even then the pay back is so little that my studio costs are hardly ever covered.

The model as it is, is unsustainable without support from live performances. This inability to tour has had a considerable impact on the business viability of recording, which now seems to be viewed as a promotional tool much like music videos.

If the music industry in its present form is to survive then there needs to be an equitable model that enables greater value to be placed on the song and a fairer model where the major music corporations do not dominate the marketing, licensing, and distribution of streaming royalties.

Question four: how can the Government protect the industry from knock-on effects, such as increased piracy of music? Does the UK need an equivalent of the Copyright Directive?

Without some form of copyright legislation, the UK risks being a Copyright 'Safe Harbour' for technological companies, further devaluing creative content. These technological giants, such as YouTube, are generating significant income from other people's copyright under an outdated model which was created at the inception of the internet.

The industry was too slow to react to the threat of piracy and content sharing in the early 2000s. This lack of acknowledgment has led to a collapse of income in the recorded product for those who produce and make it.

To fix streaming and keep music alive there needs to be:

1. Better or equivalent copyright protections for creators to those awarded elsewhere.

2. Greater transparency amongst record labels, music publishers, streaming platforms, and other licensing entities so that creators can effectively use their right to audit music companies they are signed to or who administer royalties for them.
3. **Enshrine the liability of online platforms in UK law**; this means that platforms, including those that host user-generated content, will be liable for hosting unlicensed music.
4. Contracts between music creators and companies tasked with exploiting their works should always ensure that all creators will be paid appropriately and proportionally to their music's success.
5. Be able to renegotiate contracts if the remuneration originally agreed under a license or transfer of rights turns out to be disproportionately low compared to revenues generated by a creator's music.
6. Assignment of rights to a music company should have a maximum term, after which the rights should automatically return to the creator, who could decide to extend or place their rights elsewhere.

Question five: do alternative business models exist? How can policy favour more equitable business models?

For streaming to work for every creator there needs to be greater transparency over how streaming rates are calculated, a re-negotiation of what constitutes a stream for royalty rates, and better copyright protection to stop the exploitation of works on platforms that are monetising user-generated content.

The streaming service *Deezer* has been investigating the 'user-centric' model. While this would not enable a situation where there is enough money to sustain artists and writers through recorded music alone, it would allow greater transparency and pay money to those artists whose music is being listened to, rather than as a market share in current models.

I receive more money for content I produce for radio than from anything I have ever had streamed. Consequently, I am moving into recording more music for radio and TV as the process of writing a song is nothing more than a folly.

Organisations such as The Ivors Academy, the Featured Artists Coalition, and the Musicians Union has been instrumental in driving this forward and in supporting their composers and musicians.

Current market distortions can be exposed and reformed. This will only happen with greater transparency. Ethical business models must become the norm to enable a level playing field. Not all platforms are the same, and not all music companies are the same; some are demonstrating that more equitable business models can be adopted.

As mentioned previously reclassification for performers of streaming as a 'communication to the public' rather than 'making available' (for songwriters, streaming already has this classification). This would generate royalties to be paid through a collection society such as PPL (like radio does), help unrecouped artists as it would generate new royalties for them

that they wouldn't get direct from a label, and generate an income stream for session musicians who currently receive no streaming royalties.

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