

Written evidence submitted by Isaac Anderson

Select Committee Inquiry on Music Streaming - Evidence

Introduction

My name is Isaac Anderson, and I am a singer, guitarist and songwriter based in Nottingham. I have been earning a living as a musician for the entirety of my professional life (eight years). I receive an income through a mixture of revenue streams – performance/touring fees, song-writing royalties, production/recording commissions, and royalties from streaming.

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

As a music creator, I have seen an income from my songs from the following streaming platforms –

- iTunes
- Apple Music/Beats 1 Radio
- Spotify
- Pandora
- Deezer
- Beats
- Tidal
- YouTube
- Groove
- Google Play
- Amazon
- Beatport
- Napster
- iHeart Radio
- TikTok

I have been earning money through streaming via these platforms for eight years, through various different bands and creative outlets.

I have never confidently been able to rely on streaming revenue as a sole source of income, and do not predict it will be something that is achievable for myself in the near future. I consider streaming revenue as something of a supplementary income on top of my touring work, and this situation has been highly problematic considering the lack of events throughout the covid-19 pandemic.

As an artist who does not have a 'professional' means of distribution – I do not currently have a record label or publisher – the options available to me in getting my works on to streaming platforms are limited in their capabilities. The two main aggregators that I have

experienced – TuneCore and DistroKid – are not always accurate in their reporting of data. As an example, statistics of plays on particular songs on Spotify through DistroKid are often misaligned with the data shown on Spotify’s native Spotify-for-Artists platform. Furthermore, these stores often operate on a two-to-three month delay in paying out royalties, which is often difficult and inconvenient where cash flow is considered. Lastly, both aggregators I have mentioned are American-owned and operated, so pay-outs are handled in dollars – penalising creators by way of foreign taxation, and currency conversion. I am fairly experienced at self-distribution of my works, but the complex foreign tax forms that one is made to sign and submit could potentially be a cause for confusion for anyone new to using the aggregators.

I strongly feel that the streaming services and aggregators must uphold to the following framework far more effectively than they are at present -

1. The streaming model must be equitable, fair, transparent, efficient, and pro-creator.
2. It must value the songwriter and performer contribution to streaming more highly.
3. It must include checks on the dominance of major music corporations on streaming marketing, licensing and distribution of streaming royalties.
4. It must stop information being hidden that enables conflicts of interest and prevents creators and performers understanding what they’re being paid and why.
5. It must include modernised royalty distribution systems to stop bad and missing metadata, and mis-allocated payments.
6. It must create the strongest environment for UK creators and ensuring UK songwriters, composers and performers do not fall behind on basic rights and protections.

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

I’m going to address Spotify in particular here, as this is the dominant platform of which I’ve seen experience of algorithmic influence.

Spotify is somewhat of a battleground for smaller, unsigned artists. When a track goes live, the first seven days are essential in ‘training the algorithm’ – in other words, directing as much traffic as possible to your new release, in order for Spotify to recognise the plays and favour any chances of it being placed in an algorithmic or editorial playlist.

For artists that do not have the marketing might of a large profile or a record label, this is often achieved by way of paid social media advertising. Personally, I have spent a lot of money on marketing campaigns in order for a track to be ‘picked up by the algorithm’ and placed on a playlist, to increase the profile of my work and also increase the amount of streaming income through Spotify. When budgeting for this, I never expect any sort of ROI from the streaming income at the back end – these campaigns are always run with an assumption that the money spent to promote the song will never be recouped due to the poor pay-out from Spotify and other streaming platforms.

We need to see evidence of the following in order to improve this –

1. 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.
2. 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-licence 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.?

I'll address my personal financial experience with streaming. At the time of writing (14-11-20), I have received **nothing** from YouTube royalties, despite amassing 84,434 combined views on content from the start of 2018. This is due to ineligibility for the YouTube partner programme, which is the only way you can monetise your YouTube channel. Eligibility for this is based on a subscriber count for your channel and 'hours watched', which is not a fair representation of an individual music creator's right to monetise – especially when there is a discrepancy between 'plays' and 'hours watched' – with anything up to thirty seconds being classed as a 'play'. To put this in context, a work could be receiving many 30-second 'plays' – which should each count as a royalty – but be unable to monetise these as they are not hitting the target 'hours watched' criteria for the YouTube partner programme.

On Spotify, I have received a total of **308,730** combined plays on works since 2018. For this, I have received a total royalty pay-out of **\$949.62**, which was then taxed and split between fellow band members and co-writers.

Here are three things we need to see happen to fix streaming and keep music alive:

1. An equitable model that enables greater value to be placed on the song.
2. A fairer model where the major music corporations do not dominate the marketing, licensing and distribution of streaming royalties.
3. Greater transparency to stop information being hidden that enables conflicts of interest and prevents creators and performers understanding what they're being paid and why.

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?

As a smaller, lower-profile artist/songwriter, I do not personally believe I have lost out on money to piracy to a damaging extent. I also believe that piracy is not as much of a threat as it was when music downloading was introduced back in the 00s – this is because Spotify and other streaming services charge a very affordable fee for their monthly subscriptions, minimising the risk of people seeking the works elsewhere.

However, it is my belief that if any hikes in price are introduced to the cost of streaming subscriptions in order to remunerate artists fairly, we will inevitably experience a rise in piracy,

even if these price increases are small. Therefore, adjusting the price of subscription in order to increase the pay-out to artists will not work as a solution.

In addition to this, as I am not registered with a publisher, my works are not picked up by YouTube's autorecognition software (for example – when I upload a video of a cover by an artist with a publisher, I receive a copyright claim due to the work's metadata's existence within YouTube's autorecognition software). So if anyone did decide to cover one my works, this would not be picked up within YouTube, and I would not be remunerated.

Here are six things I would like to see happen -

1. Better or equivalent copyright protections for creators to those awarded elsewhere, particularly in Europe.
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?

I am not aware of an alternative business model that has received cultural acceptance in the same way that Spotify, Apple Music and the other big streaming players have. Moreover, for independent artists, aggregators such as DistroKid and TuneCore exist as a subscription service – therefore, they do not 'represent you' as an artist, and are definitely not looking out for your interests. This puts independent artists at a huge disadvantage against artists on records labels, or those represented by publishers.

We need the following steps implemented -

1. More transparency and opportunities for scrutiny, so that current market distortions can be exposed and reformed.
2. Ensuring a level playing field through regulation can enable ethical business models to become the norm. 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.
3. The 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.