

Written evidence submitted by Kadian Foster

16th November 2020

Economics of music streaming

I am a singer/songwriter from South East London giving evidence on the claim of economics in music streaming, I am submitting evidence as it's time for there to be answers in regards to how artists, songwriters and performers are paid in the digital era of streaming and to demand change by increasing the royalty rate and providing fairness and transparency with streaming companies and record labels in how royalty payment are carried out.

The dominant business models of the platforms that offer music streaming as a service are:

- Spotify
- Apple Music
- Amazon Music
- Deezer
- Tidal

The streaming platform I use is Spotify and how it works is by giving artists a platform to place their music for audiences to consume, discover new music and the artist to monetise so they get paid for their works. I used to use Apple Music but discontinued as I preferred the design model of Spotify because it's easier to navigate.

As an emerging artist I use Spotify to share and monetise my music alongside other streaming services e.g. Apple Music, Amazon Music, Deezer.

Streaming has become a vital part of the music industry and a way to consume music, however it fails artists when it comes down to monetisation; the level of transparency in how artists are paid is nonexistent and unfair.

The fact is that streaming companies keep 30% of earnings and divide the 70% to record companies which is supposed to be fairly shared with artists, however there is no open discussion to the reasons behind why artists only receive 13% of that income and what's disgustingly worse is that record companies don't even have an obligation because of the deals being made behind closed doors.

As it stands being an emerging artist, it is very discouraging towards my future and the possibility to make a steady income from streaming directly, even if it doesn't end up being a

large portion of my income there still needs to be transparency and a fairer turn out in the amount we receive as artists mirroring the amount of streams we generate. Even being an independent artist there is no significant difference in the income we receive.

Currently due to the global pandemic the issues raised are becoming harder to ignore, the live industry has been down since the beginning of the year and has largely affected musicians from all over in every sector making it difficult to earn an income because we can't go out and perform. Publishing is on it's way if this doesn't get solved fairly, we are left to sync deals which are already very competitive and donations from fans. Streaming has changed the whole trajectory of the music industry and needs to be looked into so that we can ensure a decent and fair pay for all musicians/artists.

Daniel Eck can continue to drive around the issue and offer solutions that are not helping the artist, but make it worse hence the new conversation about Pay for Play tools which only offer a lower royalty for exposure that still won't pay the artist; the promotion for this isn't even free but taking a cut from our royalty rate which still makes us absolutely nothing.

New features associated with streaming platforms always influence consumer habits, however as an emerging artist I don't feel we benefit from this unless we develop a solid fanbase outside of the platform and build relationships with editorials so that we stand a chance to be considered in these features. For me this has not changed the way I manage my music and so far in my journey playlist and auto-recommendation has yet to impact the success of my music.

However in this case it's important to make sure that algorithms are not biased and provide equal opportunities to the streaming markets for artists, songwriters and performers especially emerging regardless of their choice to sign to a label or not. The decision should be based on the quality of the music and brand, not the credibility of being signed because ultimately the artists should have the right not to sign and still receive placements with Spotify on the primary basis of their music and brand, not who their in relationship with; not everyone wants to be tied with a label or should be to receive these opportunities.

To level the playing field in this area, openness to the relationships between rights owners and streaming platformers to expose agreement, marketing partnerships and non-license revenues should be displayed.

From my point of view the impact that streaming has on the music industry economically is wide, we are in the digital era so the way music is consumed has changed drastically, with that the system also has to change. It's not fair to draw up contracts on artists but then not explain how the money is being distributed with streaming companies and the reason behind the splits.

We deserve full transparency and to be paid for our art, it is no longer an excuse to fight against us because without us you would not have a company or making revenue.

For any emerging artist just starting to release music like myself can easily be disheartened by this and choose not to have a career because you fail to see the value of the artist and that is reflected in how low you pay us. Music is not a hobby, it's a job and any job needs to be paid fairly by increasing the royalty rate.