



CompleteMusicUpdate.com

THE DIGITAL MARKET TODAY

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DOWNLOAD STORES



PREMIUM STREAMING

GLOBAL
SERVICES



REGIONAL
SERVICES



FREE STREAMING



UGC / SOCIAL MEDIA PLATFORMS



ONLINE
RADIO

MUSIC
PODCASTS

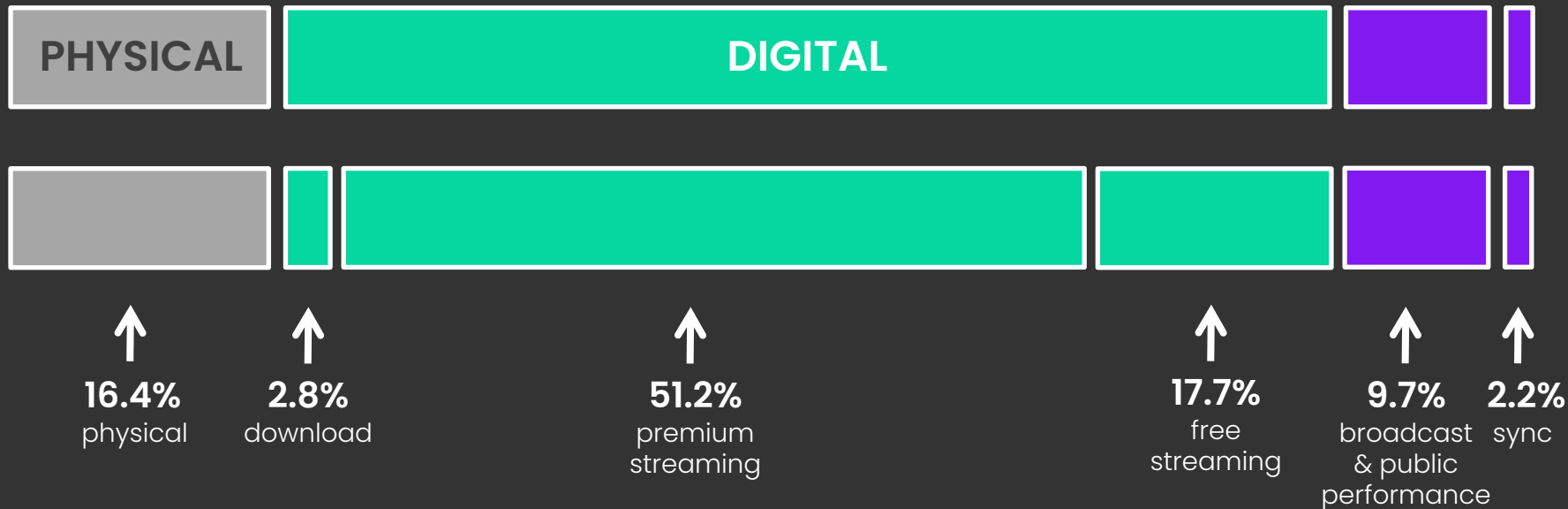
LIVE
STREAMING

FITNESS
APPS

GAMING
PLATFORMS

META
VERSE

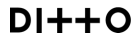
GLOBAL RECORDED MUSIC REVENUES



WHO DOES THE DEAL?

Streaming services negotiate deals with the music industry...

RECORDINGS

licensed by labels + distributors

SONGS

licensed by societies, publishers + hubs

HOW DOES IT WORK?

**REVENUE
SHARE
BASED ON
CONSUMPTION
SHARE**



streaming service
sells subscriptions



streaming service
sells advertising

HOW DOES IT WORK?

STEP ONE:
TRACK
ALLOCATION

STEP TWO:
REVENUE
SHARE

STEP THREE:
ARTIST
ROYALTY

STEP ONE: TRACK ALLOCATION



A play is counted at 30 seconds

Every month in each market service asks...

For each track in the system...

“What % of total plays did it account for?”

STEP ONE: TRACK ALLOCATION



Service identifies total income for that month

For each track takes % of total plays

Applies that % to the total money made

The track now has an allocation

STEP ONE: TRACK ALLOCATION – NEW RULES



Some services now apply extra rules

Thresholds are applied to artists or tracks

May get a boost above threshold – or...

May be allocated nothing below threshold

STEP TWO: REVENUE SHARE



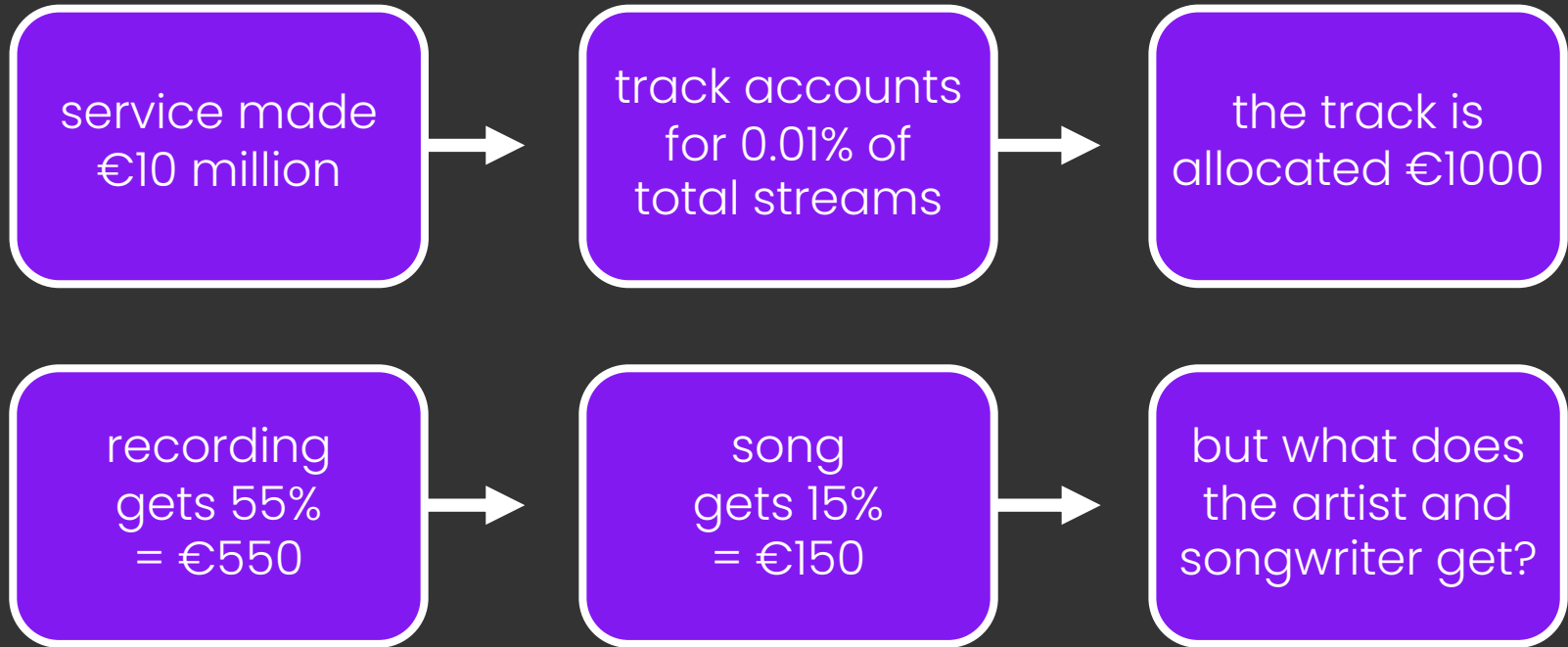
Service takes the track allocation

Pays 50–55% to the recording rights

Pays 10–15% to the song rights

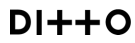
Service keeps 30–35%

TRACK ALLOCATION + REVENUE SHARE RECAP



STEP THREE: ARTIST/WRITER ROYALTY

RECORDINGS

licensed by labels + distributors



SONGS

licensed by societies, publishers + hubs



artist/writer royalties depend on label/distributor/publishing deals + society rules

STEP THREE: ARTIST ROYALTY

100%

< DIY distributor

70–80%

< distribution deal

50%

< full artist services deal
< indie profit share deal

20–25%

< modern label royalty deal

5–15%

< legacy label royalty deal

QUESTIONS



Do the services generate enough revenue?

Is the streaming service's split fair?

Are the track allocation rules fair?

Is the song/recording split fair?

QUESTIONS



Is the label/artist split fair?

What about for artists stuck in old deals?

What about for session musicians?

How can that be addressed?

QUESTIONS



How is music discovered + recommended?

Do major players have an advantage?

What about UGC + social platforms?

What about other digital services?



MUSIC LICENSING + CMOs

THE CORE MUSIC RIGHTS

RHYTHM

LYRICS

MELODY

SONGS



THE SONG RIGHTS

*aka the publishing rights
or author rights*

PERFORMANCE

PRODUCTION

MASTERING

RECORDINGS

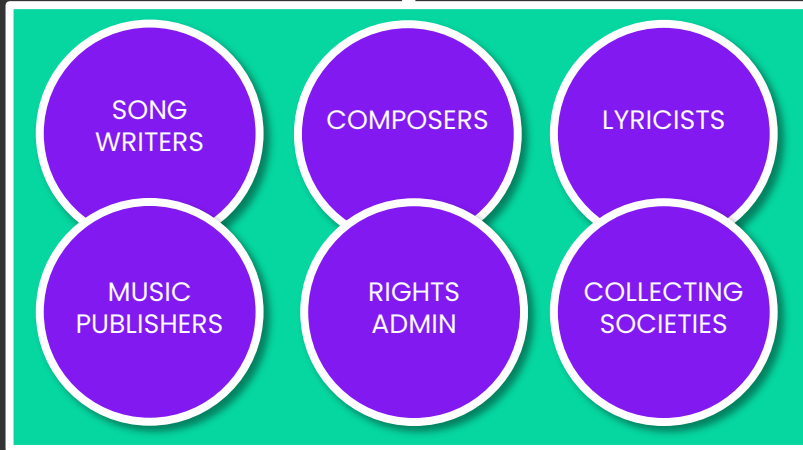
THE RECORDING RIGHTS

*aka the master rights
or neighbouring rights**



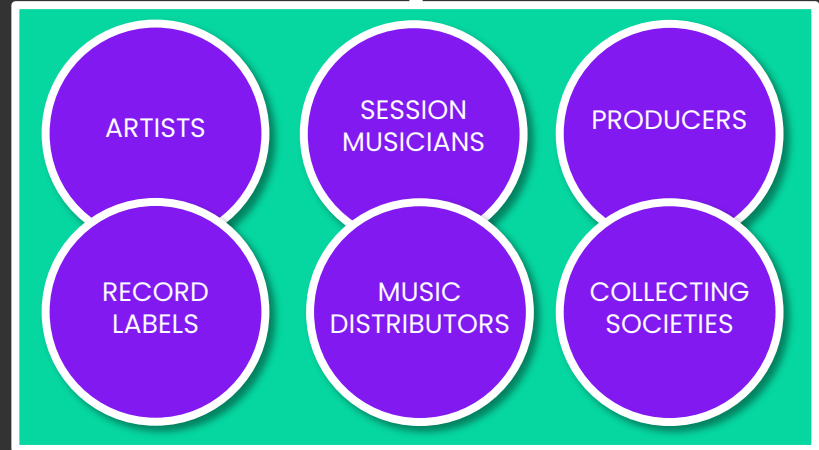
THE MUSIC RIGHTS INDUSTRIES

SONGS



MUSIC PUBLISHING SECTOR

RECORDINGS



RECORD INDUSTRY

COPYRIGHT CONTROLS

REPRODUCTION

DISTRIBUTION

RENTAL

ADAPTATION

PERFORMANCE

COMMUNICATION

COPYRIGHT CONTROLS

REPRODUCTION

DISTRIBUTION

RENTAL

ADAPTATION

PERFORMANCE

COMMUNICATION

MAKING AVAILABLE

COPYRIGHT CONTROLS

MECHANICAL RIGHTS

REPRODUCTION

DISTRIBUTION

RENTAL

ADAPTATION

PERFORMANCE

COMMUNICATION

PERFORMING RIGHTS OR NEIGHBOURING RIGHTS*

COPYRIGHT CONTROLS

ECONOMIC RIGHTS

REPRODUCTION

DISTRIBUTION

RENTAL

ADAPTATION

PERFORMANCE

COMMUNICATION

MORAL RIGHTS

**WHEN A THIRD PARTY WANTS
TO EXPLOIT YOUR CONTROLS**

THEY MUST GET YOUR PERMISSION

YOU USUALLY CHARGE FOR THAT PERMISSION

=LICENSING

WHEN A THIRD PARTY WANTS TO EXPLOIT YOUR CONTROLS

DIRECT LICENSING

DIRECT DEAL

You do a deal
with licensee

THIRD PARTY DEAL

An agent does
deal with
licensee

COLLECTIVE LICENSING

COLLECTING SOCIETY DEAL

You allow a collecting society
to license on your behalf

COLLECTING SOCIETIES



ALSO KNOWN AS...

Collective Management Organisation (CMO)

Performing Rights Organisation (PRO)

Music Licensing Company

COLLECTING SOCIETIES



Usually member-owned not-for-profit

Usually issue blanket licences

Collect money + distribute to members

Also manage the industry's main databases

DIFFERENT COLLECTING SOCIETIES

RHYTHM

LYRICS

MELODY

SONGS

WHAT ARE WE LICENSING?

performing rights
mechanical rights

PERFORMANCE

PRODUCTION

MASTERING

RECORDINGS

WHO ARE THE MEMBERS?

rightsholders (labels)
performers (ER rights)

WHEN DOES COLLECTIVE LICENSING APPLY?



With recordings – broadcast + performance

With songs – most uses of music

Exactly when differs country to country

According to copyright law + conventions

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