



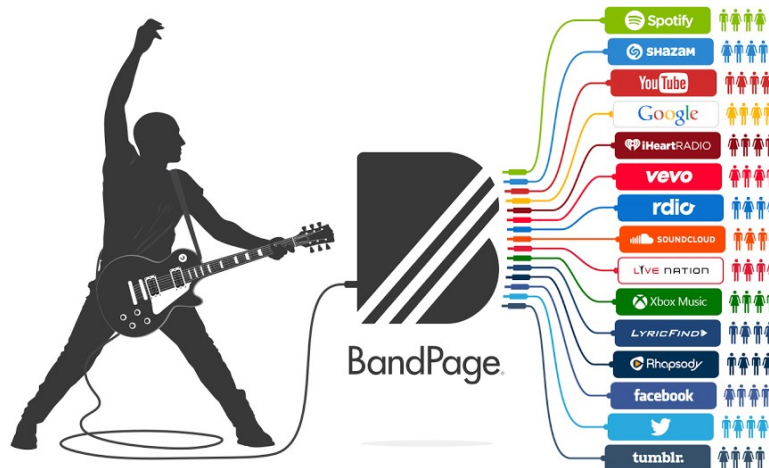
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The Beat Report: I cover the business of music & entertainment.

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For Musicians, A Way To Turn Streams Of Pennies Into Streams Of Dollars

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BandPage: One path toward greater monetization of music.

Over the past 18 months, much of the conversation about streaming has revolved around the tiny royalty rates paid out by services. That's part of what prompted [Taylor Swift](http://www.forbes.com/profile/taylor-swift/) (<http://www.forbes.com/profile/taylor-swift/>) to pull her music from Spotify—and Radiohead frontman Thom Yorke to dub the Swedish company “[the last desperate fart of a dying corpse](http://www.nme.com/news/radiohead/73026)” (<http://www.nme.com/news/radiohead/73026>).”

Indeed, per-stream rates are usually just a fraction of a cent, derided by many as “a stream of pennies.” Spotify [pays](http://www.spotifyartists.com/spotify-explained/) (<http://www.spotifyartists.com/spotify-explained/>) rights holders an average between \$0.006 and \$0.0084 for every spin, meaning a song would have to be played about 100 times to equal a digital download.

But to limit one's view of streaming to such comparisons is to ignore ancillary benefits that can add up to a fair bit of cash. Proponents have long touted streaming as a way to boost exposure for acts, though they've been short on

data. That's starting to change, most recently with numbers released by BandPage.

The San Francisco-based company—which has raised (<http://www.crunchbase.com/organization/rootmusic>) over \$27 million in venture funding since its 2009 inception—allows musicians to create a central profile that’s used across platforms from Spotify to YouTube. And today, BandPage revealed some fascinating data on items artists put up for sale via those platforms.

“ What we’re finding is that these streaming services have created an environment that’s extraordinarily conducive to selling to your customers (<https://twitter.com/intent/tweet?url=http%3A%2F%2Fonforb.es%2F1AkYrPL&text=Streaming%20services%20have%20created%20an%20environment%20that%20is%20extraordinarily%20conducive%20to%20selling%20to%20your%20customers>),” says Sider, a **FORBES 30 Under 30** alum (<http://www.forbes.com/pictures/eeel45ldjm/james-j-sider/>). “We’re seeing that there’s statistically significant proof that your customers on these services have a higher likelihood [of buying].”

There are over 500,000 musicians on BandPage—including superstars from Beyoncé to **Toby Keith** (<http://www.forbes.com/profile/toby-keith/>)—and according to Sider, they get click-through rates about five times higher than industry norms when they advertise merch, tickets and VIP experiences via services like Spotify. Some artists are making over \$1,000 per day.

This sort of monetization is only possible because of scale. When musicians plug their information into BandPage's network of platforms, they garner ten times the number of daily impressions they'd get from their own websites.

“As instant access to music is becoming more and more compelling to the fan, that access brings opportunities to artists that didn’t exist before,” said Red Light Management (<http://www.forbes.com/management/>)’s Bruce Flohr in a statement. “BandPage helps make that access not only a better experience for the consumer but also allows the artist to have a direct connection to their fans and increase revenue.”

BandPage's business model is fairly straightforward. Artists can sign up for free and post items for free as well. If an item sells, BandPage takes a 15% cut. This represents just one way musicians can monetize their online presence; companies like Mobile (<http://www.forbes.com/mobile/>) Roadie and Topspin (acquired by Beats earlier this year) offer others.

More broadly, the intriguing part for artists is that better ways of targeting customers are emerging—and when married with popular services like Spotify, where consumers who already like a particular artist's work are spending time, the result can be a much-needed increase in revenues related to streaming.

Of course, there are plenty within the industry who are quick to point out that these developments are still far from an ideal solution.

“Artists are being forced into using their recordings as a giveaway item; and the recordings are in turn used to promote live concert ticket sales, merchandise sales, and other methods of cobbling together enough money to make a living,” says veteran entertainment lawyer Bernie Resnick. “Until the day comes when streaming payments are more than fractions of a penny ... artists will have to devalue their recordings, and relegate them to loss leaders.”

For his part, Sider admits there's more to be done.

"We're just at the beginning of what this means," he says. "These proof points are real, from real artists and real streaming services. We just need to continue to scale that up."

For more about the business of music, check out my Jay Z biography [Empire State of Mind](http://mjinc.co/) (http://mjinc.co/) and my new book [Michael Jackson, Inc](http://mjinc.co/) (http://mjinc.co/). You can follow me on [Twitter](http://www.twitter.com/zogblog) (http://www.twitter.com/zogblog) & [Facebook](https://www.facebook.com/zack.greenburg) (https://www.facebook.com/zack.greenburg).

World's Highest-Paid Musicians 2014



The World's 30 Highest-Paid Musicians of 2014

The ten top earners in music combined to earn \$1.4 billion pretax last year—nearly half of it courtesy of Dr. Dre. Read on to see the entire Top 30.

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