

CHANGE IN THE MUSIC INDUSTRY? IN YOUR WILDEST DREAMS!  
ONE INDIE BAND'S EXPERIENCE

by

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## **ABSTRACT**

The music industry we see today has become the subject of a massive overhaul with the introduction of social media. Social media has amplified the presence of music in each person's everyday life, affecting how an artist navigates the music industry. Using present and past literature along with an interview with an amateur artist, I will attempt to create a guide for the new artist. The problems we see major artists go through are notable examples of how change in the industry is so big that it must come from the top of the pillar. These problems are universal, and new artists face these problems on a minuscule scale though the implications they have on their financial livelihood are greater. Social media has made an impact on the music industry, but has it benefited artists? These findings will educate music industry newcomers and will help them succeed.

## **DEDICATION**

**Para mi abuelito Chochy, sin el no tendria el amor por la musica que tengo hoy.**

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## **I. Introduction**

The music industry in no way has stayed the same in the past decades. It has been transformed by many factors along the way. Record labels' monopoly on the industry has shifted extraordinarily little, but there has been recent space made for independent artists. In the 2000s, the industry was constantly losing money from digital piracy, and it struggled to address that concern. To be clear, the internet was not kind to the music industry at first, but streaming came along and changed that. It has shifted the industry massively allowing all kinds of genres to connect to millions of people. Social media platforms such as TikTok has been actively participating in promoting music and making it commercially successful. This new tool has changed the position of independent artists and the ability to promote themselves without any help from a separate entity. Moreover, the independent artist experience has changed over the last few years, and this paper will attempt to cover that. I interviewed an independent artist from El Paso, Texas (referred to as the Band in this work), in an effort to see how they feel the industry has shifted and what new artist should expect.

## **II. The Music Industry of the Past**

The music industry in the 2000s was a completely different world compared to today's technologically advanced landscape. There are multitudes of effects that the climate of the music industry has had such as physical sales of music being the supreme factor of success and record labels being the titans of the music industry. Radio stations were the entryway to mass exposure in the music industry and without being attached to a record label, it was hard to gain any

exposure on radio. Times were tough for independent music artists who had to scrap for any kind of attention they could garner themselves.

### **A. Radio and Physical Sales were King**

The radio presence of an artist was a major factor in the success of their career. The average American listened to the radio for about 20 1/2 hours per week in 2007.<sup>1</sup> The music on the radio was the only option you had to hear a variety of music while you were in the car or at your house. This meant that the people on the radio had to have a connection to getting their music played through those music stations. This created a dynamic of power being placed on radio stations and their ability to decide if an artist or a label was going to find success on the airwaves. This power was so important to the success of the music industry that record labels or individuals were willing to pay publicists to promote their music on the radio. This form of payola was brought to justice in 2007 when the four major labels in the United States and the four biggest radio-owning companies had to pay court settlements to the United States government.<sup>2</sup> This example showed the importance that radio played for the success of a song or an artist, and record labels knowingly took this risk because of the end reward it might produce. Although radio was the largest format of music, it was not the only option for listening to music. Music was also released through CD and vinyl formats. CDs were key to selling music and gaining popularity across the industry. It was the act of collecting your favorite artist's albums and accumulating a library that popularized physical sales. In 1999, the music industry had

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<sup>1</sup> Krasilovsky, M. William, Sidney Shemel, and John M. Gross. *This business of music: The definitive guide to the music industry*. New York, NY: Watson-Guption, 2007.

<sup>2</sup> Percival, J. Mark. "Music Radio and the Record Industry: Songs, Sounds, and Power." *Popular Music & Society* 34, no. 4 (October 2011): 455–73.  
doi:10.1080/03007766.2011.601598.

peaked in valuation. During this time, an average CD buyer spent about \$40 to \$50 per year on CDs.<sup>3</sup> Before the age of digital music, the only way artists could distribute music on a large scale was through a distribution deal with a record label. One of the main factors of the music industry was the strength and importance that the record label had given itself.

## **B. Record Labels were Giants**

Record labels were the giants of the music industry in the past and are currently in the present. Around the time of the 2000s, the four major record labels were Sony BMG, Warner, Universal, and EMI.<sup>4</sup> These were the rule makers of the music industry and artists from around the world came flocking to them in great numbers for their help. Although most record contracts were meant to follow the agreements between the American Federation of Television and Radio Artists and the American Federation of Musicians, there was still a power dynamic that was presented with recording contracts. Record labels are business machines that must produce profit and be commercially successful to be viable. It is the mere size of these record labels and the importance of there only being four record labels that leaves little space for independent artists to be successful. Record companies pay retailers to publicly promote their artists' music. This can include pushing their music to the front of the stands or simply playing their music in stores. They were contingent on paying retailers only if they promoted what they wanted, and they received trouble from the FTC for this. The control they had over the retailers was so big that the

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<sup>3</sup> Passman, Donald S., and Randy Glass. *All you need to know about the music business*. New York, NY: Simon & Schuster, 2023.

<sup>4</sup> Krasilovsky, M. William, Sidney Shemel, and John M. Gross. *This business of music: The definitive guide to the music industry*. New York, NY: Watson-Guption, 2007.

FTC had to intervene. “The FTC says the music industry's practices were anti-competitive... The agreement prohibits Sony, Universal, Time Warner, BMG, and EMI, which together control more than 80 percent of the music market, from tying those co-op subsidies to pricing for at least seven years.”<sup>5</sup> The record labels were the biggest power players in the music industry at the time, and they made sure everyone knew that they were going to get their way.

### III. The Present Music Industry

Although the present music recording industry's landscape has drastically changed, what has not changed is the position of major record labels. The competition in major record labels also decreased when Warner Music Group acquired EMI.<sup>6</sup> The competition has become scarcer, and all these major record labels have moved to create distribution deals with independent record labels creating less diversity. Technological advancements and introduction of social media have transformed the position of an independent artist in the music industry's current climate. TikTok, an app that has transformed the lives of many Americans, and according to their data, reached over 150 million Americans in March 2023, has been a key factor in that newfound position.<sup>7</sup> Given the number of Americans that they have been able to reach, there is a case to be made on how important it is for the music industry to use this app. Moreover, the introduction of the streaming age had stifled the music industry initially and later blossomed into being one of the

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<sup>5</sup> Profile: Federal Trade Commission rules that record labels control retail stores too much; prices on CDs expected to drop." *Morning Edition*, May 11, 2000. *Gale In Context: Environmental Studies* (accessed October 28, 2023). <https://link-gale-com.libproxy.txstate.edu/apps/doc/A166114956/GRNR?u=txshracd2550&sid=ebsco&xid=b7dc4e8b>.

<sup>6</sup> Passman and Glass. *All you need to know about the music business*. 69

<sup>7</sup> TikTok. “Celebrating Our Thriving Community of 150 Million Americans.” Newsroom, August 16, 2019. <https://newsroom.tiktok.com/en-us/150-m-us-users>.

most profitable areas of the music industry. However, CDs did outsell vinyl in 2022 for the first time in our nation's music industry since 1987. Customers can access many more albums on their smartphones than they could ever have been able to buy in 1987. The thirst for nostalgia may have something to do with it though that is interesting.<sup>8</sup> Niche culture has transformed the industry with the ability to use smartphones to search any genre. This ability of everyone being able to find their own interest on streaming has taken record labels aback. Mainstream music isn't dictated by radio programming influenced by record labels but by the people listening to whatever they want on streaming services. These are some of the few factors that have shifted the music industry into what it currently is.

### **A. Welcome to the Streaming Era**

Before the streaming era, the digital age of music had been a far less successful one than music industry representatives would have liked. The industry was losing money constantly to online pirates who downloaded music illegally and shared it with others. According to *This Business of Music*, "IFPI's 2005 "music piracy data," global sales of pirated music valued to 1.5 billion units in 2004."<sup>9</sup> Although the industry had multiple lawsuits regarding piracy, little could be done to prevent the online theft of music. In 2008, Spotify launched a subscription service that had access to millions of songs and charged their customers a premium to access that music monthly. This was not accepted fully by the whole industry; multiple artists spoke out about the lack of transparency regarding how artists would be compensated for these streams.

Pop stars like Taylor Swift, who did not put her music catalog on Spotify due to the lack

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<sup>8</sup> Passman and Glass. *All you need to know about the music business*. 71

<sup>9</sup> Krasilovsky, William, Shemel, and Gross. *This business of music: The definitive guide to the music industry*. Page 10

of artist compensation until 2017, are concerned that artists are going to lose money when their music gets added to Spotify.<sup>10</sup> Similarly, Swift had a public dispute with Apple Music, which was giving out three-month free trials for their streaming service and would not pay artists for these three months of free trials. In return, Swift threatened not to release her *1989* album on Apple Music and pulled all her music from their streaming service.<sup>11</sup> An artist as big as Swift has the power to fight against these power players, but that is not the case for most artists. When concerns were brought about the artist pay regarding Spotify, major labels had the option to either ask for a higher royalty rate or receive equity in Spotify. Major record labels chose to receive a share of Spotify and left artists to negotiate deals with record labels on how much they would get paid per stream.<sup>12</sup> This was indeed a power play putting the control over how much an artist gets paid back into the hands of the record label. Artists must negotiate with their record label for higher royalty rates putting them at a disadvantage. Artists may be able to negotiate a higher rate; however, the usual pay-per-stream is around \$0.004 for Spotify. These rates may be higher on other streaming services such as Apple Music, Pandora, SoundCloud, Amazon Music, and more. Given the competition that has joined Spotify since 2008, these negotiations may be brought up again with an aim to give artists more equal pay.

Though the fight for streaming rights does not stop there, Onika Tanya Maraj, aka Nicki

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<sup>10</sup> Puri, Meera. 2016. "The Implications of Pop-Star Practices on the Future of Intellectual Property." *Penn State Law Review* 121 (2): 505–27. <https://search-ebscohost-com.libproxy.txstate.edu/login.aspx?direct=true&db=lgs&AN=121490988&site=eds-live&scope=site.520>

<sup>11</sup> Puri "The Implications of Pop-Star Practices on the Future of Intellectual Property." 522-525

<sup>12</sup> Swanson, Kate. 2013. "A Case Study on Spotify: Exploring Perceptions of the Music Streaming Service." *MEIEA Journal: Journal of the Music & Entertainment Industry Educators Association* 13 (1): 207–30. <https://search-ebscohost-com.libproxy.txstate.edu/login.aspx?direct=true&db=ram&AN=A852740&site=eds-live&scope=site>.

Minaj, had publicly expressed concerns that the Recording Industry Association of America was not counting streaming numbers toward their certifications. The RIAA handles certifying the units sold by each song or album in the United States. Before the concerns brought about by Minaj, the RIAA did not recognize streaming numbers for platinum (records selling over 1,000,000 units) or gold (records selling over 500,000 units) certifications. Artists such as Minaj, who produce and release music in the rap or hip-hop category, tend to overperform in streaming numbers and underperform in pure album sales. This disadvantages certain artists when their album has been streamed many times and is not reaching a certain certification because of this inequity. In response to these concerns, the RIAA stated that 1,500 streams will now equal one album sale.<sup>13</sup> This was a major win for artists who specialized in streaming rather than pure album sales and further advanced the growth of streaming.

Looking past all the legal troubles that the streaming services have given the music industry, it has continuously risen and even given the industry its most profitable year yet in 2023. It has transformed the music industry that was hurt by digital sales and lifted it back up to reach \$15.9 billion (about \$49 per person in the U.S.), the highest peak that the music industry has ever reached.

### **B. TikTok: Is it Good or Bad?**

Since its launch, TikTok has become a top social media platform and a tool for musicians to connect to their fans and engage with them before or after music releases. The popularization of

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<sup>13</sup> "Nicki Minaj Argues That Album Sales Should Count Streaming Numbers." *Vulture*, 18 Dec. 2015. *Gale General OneFile*, [link.gale.com/apps/doc/A508432520/ITOF?u=txshracd2550&sid=ebsco&xid=7ff921dd](https://link.gale.com/apps/doc/A508432520/ITOF?u=txshracd2550&sid=ebsco&xid=7ff921dd). Accessed 29 Oct. 2023.

social media has garnered the attention of record labels and has become part of their marketing strategy.<sup>14</sup> Record contracts limit social media presence and image control and that can hinder the ability of an artist creating a personal connection with fanbase. Though some musicians do have access to their social media accounts and connect with their fans over their music, it allows them to engage with them where they previously could not. An artist can now have a one-on-one conversation with a fan without being bombarded by other people. The level of connection an artist can have with fans through social media can be astronomical. Musicians use it to decide which of their songs they are going to release next or catch up with their fans after a day out in their lives. It allows their fan base to feel personally connected and even though they may be miles apart; they feel a parasocial<sup>15</sup> connection. Swifties (fans of Taylor Swift) and Barbz (fans of Nicki Minaj) alike are both equally obsessed with their musicians.<sup>16</sup>

TikTok has taken the music industry by storm sending multiple songs to the Billboard Hot 100 chart, just by the songs going viral on TikTok. As people post videos on this platform with the song attached to it, this creates buzz for this song leading to a rise in streaming and purchasing of that song. Moreover, TikTok also pays the artist according to how many videos the song generates and how many times the song is used. According to TikTok's data in 2022, of the 14 No. 1 songs that peaked on the Billboard Hot 100 that year, 13 of them were launched commercially by TikTok. TikTok has used this to generate more videos for their platform, and

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<sup>14</sup> Passman and Glass. *All you need to know about the music business*. 181-182

<sup>15</sup> Parasocial: Designating a relationship characterized by the one-sided, unreciprocated sense of intimacy felt by a viewer, fan, or follower for a well-known or prominent figure (typically a media celebrity), in which the follower or fan comes to feel (falsely) that they know the celebrity as a friend. (Oxford Dictionary)

<sup>16</sup> TRIBULSKI, EMILY. 2020. "Look What You Made Her Do: How Swift, Streaming, and Social Media Can Increase Artists' Bargaining Power." *Duke Law & Technology Review* 19 (1): 91–121. <https://search-ebscohost-com.libproxy.txstate.edu/login.aspx?direct=true&db=lgs&AN=154407827&site=eds-live&scope=site>.

record labels use it to create more hype for their artists' music. Following the multiple hit songs being sent to Billboard by the promotion of TikTok, Billboard acknowledges the power that they have become in the music industry. They created a separate weekly chart solely based on the data of how many times a song was used on their platform for the week.<sup>17</sup> In a study done analyzing the rollout of Rosalia's album release using the platform TikTok, they found that TikTok allows artists such as Rosalia to establish a brand identity that they would not be able to do without other forms of media.<sup>18</sup> She recorded a concert movie that would stream live for an audience on TikTok rather than choosing to air the movie for cable television. In recent years, there has been a decline in the usage of cable television and that has led to historic lows for major sporting events and major award shows.<sup>19</sup> With many more people having access to a smartphone rather than a TV, artists are bypassing networks and using social media to perform and extend the reach of their music. A music award show stage has now been replaced by a TikTok live event for everyone to see. Donald S. Passman, author of *All you need to know about the music business*, said, "TikTok is a, if not the, major source of music discovery and can massively drive success."<sup>20</sup>

Being an artist in the age of social media has become a more demanding position to be in

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<sup>17</sup> TikTok. "TikTok and Billboard Partner to Launch the TikTok Billboard Top 50 Chart." Newsroom, August 16, 2019. <https://newsroom.tiktok.com/en-us/tiktok-billboard-top-50-chart>.

<sup>18</sup> Pérez-Ordóñez, Cristina, Andrea Castro-Martínez, and José Luis Torres-Martín. 2023. "Nuevas Estrategias de Promoción En Las Industrias Culturales. El Lanzamiento En TikTok Del Álbum Motomami de Rosalía." *Zer: Revista de Estudios de Comunicación/Journal of Communication Studies* 27 (53): 189–211. doi:10.1387/zer.23811.

<sup>19</sup> Valinsky, Jordan. "For the First Time, Cable and Broadcast Makes up Less than Half of TV Viewing | CNN Business." CNN, August 15, 2023. <https://www.cnn.com/2023/08/15/media/cable-broadcast-tv-decline-nielsen-report/index.html>.

<sup>20</sup> Passman and Glass. *All you need to know about the music business*. 77

than before the presence of social media. The fan base of an artist may want round-the-clock content for them to be happy with their artist. Moreover, being on social media is “part of the job” and a refusal to be on social media has led to fame fading away.<sup>21</sup> It is the act of keeping the customers engaged and making them loyal. Being an artist creates and maintains a fan base, and this can allow artists to present their personality that they would not normally be able to do without interviews. There is no releasing music and disappearing for a few years like many artists used to do before. Except for a few people such as Beyoncé or Adele who are not fond of using social media for their personal use, artists are constantly on social media. Their job does not end after they finish recording an album. They must now sell the album to their fan base. As social media grows, the desire for more content from singers and musicians grows as well.

Independent artists can connect with fans without the use of a major record label though it is a tool that cannot be forgotten. This is examined in *Does social media pay for music artists?* “As such, it can be argued that ‘the entrepreneurial opportunity independent artists have to add value to their projects and careers, comes with the responsibility of using digital platforms effectively and advantageously.’”<sup>22</sup> Social media has become a tool for success for record labels and independent artists alike. There is no success anymore in the music industry without social media being involved.

### **C. What’s your Niche? Or, What is a Niche?**

A major concern that was expressed by many industry executives with the release of

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<sup>21</sup> Watson, Allan, Joseph B. Watson, and Lou Tompkins. 2022. “Does Social Media Pay for Music Artists? Quantitative Evidence on the Co-Evolution of social media, Streaming and Live Music.” *JOURNAL OF CULTURAL ECONOMY*, September. doi:10.1080/17530350.2022.2087720.

<sup>22</sup> Allen, Watson, and Tompkins “Does Social Media Pay for Music Artists? Quantitative Evidence on the Co-Evolution of Social Media, Streaming and Live Music.” 35.

streaming services was the inability to direct the audience to listen to particular music. Now customers have access to so many songs with the creation of streaming. The difference in them expanding their musical taste is a simple search on Spotify. Prior to this you had to physically buy a new CD or hope a new song comes on the radio. This newfound access massively expands the windows of success for many genres, not just popular music. This is the creation of “niche culture,” a culture that is only shared by a small amount of people and information that is only relevant to that small amount of people. Whether it is an indie rock band that collects up to 1,000,000 streams a year or a small pop musician that only receives 10,000 streams per year, they have collected fans who found them through their own niches. Given the use of Spotify and major subscription services that collect the data of a customer and recommend artists or genres to the customer, niche singers can now create a fan base that is loyal to them. Customers can now pick which artists they like to get recommendations or which artists come up on their radio stations based on their data. In *Identifying Niche Singers in Online Music Streaming Services*, the authors concluded that niche singers can now build a loyal fan base and can grow that fan base to allow them to gain exposure. This growth that niche artists can build expands their audience and may allow them to break through to mainstream media fame.<sup>23</sup>

Streaming services may allow independent artists to gain exposure to multiple audiences

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<sup>23</sup> Hung, Chih-Cheih, Chun-Yu Kuo, Hui-Huang Hsu, and Yian Chen. 2018. “Identifying Niche Singers in Online Music Streaming Services.” *2018 IEEE 16th Intl Conf on Dependable, Autonomic and Secure Computing, 16th Intl Conf on Pervasive Intelligence and Computing, 4th Intl Conf on Big Data Intelligence and Computing and Cyber Science and Technology Congress(DASC/PiCom/DataCom/CyberSciTech), Dependable, Autonomic and Secure Computing, 16th Intl Conf on Pervasive Intelligence and Computing, 4th Intl Conf on Big Data Intelligence and Computing and Cyber Science and Technology Congress(DASC/PiCom/DataCom/CyberSciTech), 2018 IEEE 16th Intl, DASC-PICOM-DATACOM-CYBERSCITECH*, August, 338–42.  
doi:10.1109/DASC/PiCom/DataCom/CyberSciTec.2018.00065.

without the need for a record label. These artists can post their music onto this platform and receive royalties for their play. Although the pay for artists may be little, it is a risk many artists take because of the ability to cross genres and audiences.

#### **IV. The Experience of an Independent Artist Through Their Lens**

There is constant data and many research papers done on the experience of an independent artist. The rarest form of data that is most valuable is the experience that an artist describes for themselves. That was the objective when I interviewed a local independent band from El Paso, Texas. I will refer to the Band under that pseudonym as I wanted them to remain anonymous. The anonymity was a choice made to allow them to speak freely without having a fear of repercussions from industry participants. They will go under letters for individual band members to allow discussion to go freely between band members. The Band members' answers are a connotation of how independent artists have been treated in the music industry and how they believe the industry can be improved for more artists to transpire.

##### **A. The Come Up**

The importance of an artist being able to identify themselves and create a brand identity for their music is vital to their success. When questioned regarding how their band transpired, these artists answered:

“We come from different scenes ourselves, too. Me and Z came from the heavier music scene, and A came from a different scene as well. It is a good middle ground for people to come in and see something different but see people that they are familiar with as well.”

The ability for independent artists to find their own niche and cross genres because of the

rise of preferences across customers is important.<sup>24</sup> The recognition of being able to come from different music scenes and finding your own sound together was important to them and their band dynamic stemmed from it. This band had 10 years of work in the El Paso rock scene and was halted due to the COVID-19 pandemic, which in part hurt independent artists at a higher rate than signed artists. It is no surprise that independent artists struggled financially more than signed artists with one article saying, “Many popular mainstream artists continue being pampered during the pandemic, while independent musicians go broke, hungry and ignored.”<sup>25</sup> While many independent artists do not just make music for a living, some independent artists work to sustain themselves financially and create music as a hobby. That is the situation when it comes to the band that I interviewed.

“Me and Z still have regular jobs. So, D has kind of taken on more of like a full-time position. He pretty much does all the merchandise, social media, (and) writing. He [has] kind of, taken on this full-time position.”

Members of the band must take the commitment to this role seriously, at least one of them, such as in the example of this band. Musicians must be active on social media or constantly engage with their fans to expand their audience as they grow. As one of the band members put it, it is a “full-time position,” especially if they are an independent artist. The artist oversees designing their merchandise while also means putting the merchandise for sale on their website. The artist is also in charge of their social media and must time their social media to

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<sup>24</sup> Hung, Chih-Cheih, Chun-Yu Kuo, Hui-Huang Hsu, and Yian Chen. 2018. “Identifying Niche Singers in Online Music Streaming Services.”

<sup>25</sup> As A Troubled 2020 Ends, Independent Musicians Struggle to Keep Music Alive." ABNewswire, December 29, 2020, NA. Gale OneFile: Health and Medicine (accessed October 30, 2023). <https://link-gale-com.libproxy.txstate.edu/apps/doc/A646877585/HRCA?u=txshracd2550&sid=ebsco&xid=e58d4f78>.

market their next music release. The artist oversees much of what the record label would have done. Social media has given independent artists massive tools that were previously unavailable. This extends their responsibility. Independent artists are now entrepreneurs and the product that they are selling is their music. It becomes a hustle that artists must conduct to expand their audiences, and social media has become a principal factor in that. It has presented massive changes to the industry by allowing artists to record music on their own, being able to promote that music without the need for funding and being able to analyze their data to make informed decisions.<sup>26</sup> It not only affects the way independent artists release music, but it has also affected the globalization of music. These artists are influenced by other music being released on the internet, a connection that was not there previously without physical movement. the Band notes this in their introduction to the local indie scene in El Paso:

“It is a good middle ground for people to come in and see something different but see people that they are familiar with as well. I mean, I think a lot, like all three of us, obviously with El Paso being, I would say vaguely small.”

Usually, this leaves independent artists stagnant because of their previous inability to reach audiences in multiple states or countries without touring. Touring was a problem for many independent artists in the past and looks like it continues to be a problem.

“ Certain things are locked away towards people directly in the industry under a label, such as like festivals, certain events, certain shows, certain tours, certain venues even, and Spotify playlist, things like that. They are kind of locked away strictly for people in (the) industry.”

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<sup>26</sup> Walzer, Daniel A. “Independent Music Production: How Individuality, Technology and Creative Entrepreneurship Influence Contemporary Music Industry Practices.” *Creative Industries Journal* 10, no. 1 (March 2017): 21–39. doi:10.1080/17510694.2016.1247626.

Labels provide an artist with a way into the industry, and they still hold the key to the kingdom. Independent artists such as the Band must face the question of when, not if, they are going to sign to a record label? It can depend on what they value more: their success or their commitment to their music.

### **B. Recording Contract or Not?**

Being a signed artist is a dream for many aspiring musicians when they begin to make music for themselves. However, it is obvious that the record label does an enormous amount of work for the artist and takes much of the load from them. It is important to understand how much of the recording contract delegates the power to the record label for taking much of the responsibility in the making of the music. A recording contract is described to be an “agreement that the artist is engaged to render his or her personal services as a recording artist on an exclusive basis for the purpose of making recordings for which records can be derived.”<sup>27</sup> In return, the record label agrees to pay all recording costs including artist advances and other recording costs that record labels recuperate from royalty rates.

Royalty rates have become a big topic of discussion in the music industry, from streaming services to physical album sales, the percentage that an artist takes home from their commercial success has changed. The little money they receive from streaming services is still deducted from the portion of the royalty rate that the record label gets, leaving the artist with a smaller percentage.<sup>28</sup> When asked about this discrepancy that Spotify rates give artists and the controversy behind it, the Band responded:

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<sup>27</sup> Krasilovsky, William, Shemel, Gross. *This business of music: The definitive guide to the music industry*. 14

<sup>28</sup> Passman and Glass. *All you need to know about the music business*. 82

“I feel like that's kind of what's needed for musicians that want to be compensated fairly for multi-millions of streams and things of that nature. Obviously, you got people like Taylor Swift who are able to have that pool and renegotiate it, but by and large, most people on there are not able to be in that position. But it would be nice to have some sort of weight to throw around and ask for some better pay in that regard, especially considering that they are just facilitating and not really producing anything. I think the artists should be compensated a little bit more.”

In the era of the streaming age, there is little support for pure sales, which leaves many artists with little income coming from streaming services such as Spotify, Apple Music, etc. The Band's top song has a little over 50,000 streams. Using the average rate of 0.004 cents per stream, they would have accumulated about \$200.

Though artists are not just looking for a good payout at the beginning of their record label contract, the importance of the long-term value of their music has become a recent priority for many artists. As previously mentioned, Taylor Swift has become a big advocate for artist rights and more specifically the right for an artist to own their master recordings.

### **1. It is Nice to Have a Good Contract (Taylor's Version)**

Master recordings have become a hot topic in the music industry. The term master refers to the original mixing and recording of a song or track. Following the record's commercial release, the master recording is collected in the artist's catalog, adding valuation to record labels. Most of the time, record contracts have stipulations for artists who want to rerecord their albums after leaving their previous record label. After multiple attempts to purchase the masters of her first six albums from Big Machine Records, her former label, Taylor Swift set on an excursion to rerecord her music. Many artists do not own the master recordings to their albums, but few are able to rerecord their albums like Taylor Swift. A major moniker in Swift's career was her consistency in writing all her songs throughout her career. Being a singer-songwriter, she owns

the musical composition of her songs and therefore she is free to rerecord her previous albums again after her contract expired in 2020.<sup>29</sup>

Although Taylor Swift did not invent the idea of re-recording music to gain ownership of her master recordings, we know *All Too Well* to give her credit for creating buzz around the idea of owning your master recordings recently. Many artists have publicly denounced the record labels and have shared the importance of owning master recordings of your music such as Jay-Z and Prince.<sup>30</sup> Prince famously showed up to a performance with the word “SLAVE” written on his cheek to signify his grievance with his current record label at the time, Warner Records.<sup>31</sup> Taylor Swift rerecording her music was not expected to produce commercial success or diminish the value of her original recordings at all, though as of October 30, 2023, she has released three of her previous six albums to record-breaking numbers. Moreover, she is expected to outsell the original recording of her album with the new recording of her album *1989 (Taylor’s Version)*.<sup>32</sup> This has created a massive buzz in the music industry and has resulted in record labels pushing back on recent movements for artist rights in terms of ownership of masters and property rights. In response, the music industry has seen a massive increase in contractual stipulations that

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<sup>29</sup> Desai, Saval. “Look What You Made Taylor Do: Copyright Law Explains Why Taylor Swift Is Re-Recording Her Music.” Caesar Rivise, PC., November 18, 2021. <https://www.caesar.law/news-resources/look-what-you-made-taylor-do-copyright-law-explains-why-taylor-swift-is-re-recording-her-music/>.

<sup>30</sup> Herman, Ann. 2021. “You Belong with Me: Recording Artists’ Fight for Ownership of Their Masters.” *Northwestern Journal of Technology & Intellectual Property* 18 (2): 239–63. <https://search-ebshost-com.libproxy.txstate.edu/login.aspx?direct=true&db=egs&AN=149565470&site=eds-live&scope=site>.

<sup>31</sup> Forde, Eamonn. “Record Breaker: A Brief History of Prince’s Contractual Controversies.” *The Guardian*, August 10, 2015. <https://www.theguardian.com/music/2015/aug/10/history-prince-contractual-controversy-warner-paisley-park>.

<sup>32</sup> “Swift’s Latest Version: Gigantic or Massive?” *HITS Daily Double*, October 30, 2023. <https://hitsdailydouble.com/news&id=338202&title=SWIFTS-LATEST-VERSION%3A-GIGANTIC-OR-MASSIVE%3F>.

prevent artists from recording their music. Attorneys are reporting that record labels are making these stipulations from 15 to 30 years, while the normal previous rate was two to five years after contract release.<sup>33</sup> Artists' ownership has become an important topic for many young artists, especially those who are witnessing the release of Swift's re-recordings. This recent move by record labels may inhibit newer artists from seeking out a record contract. It can lead to newer artists being more welcome to the idea of starting off as an independent artist rather than going directly to a record label. Being an independent artist means you do not have to worry about who owns the master recording of your music because you are your own boss.

### **C. Indies For Now!**

Although the presence of a record label contract increases an artist's exposure and ability to release more music, the Band is completely fine with where they are and do not have a desire to seek out a record contract currently:

“Independent makes the most sense. Everything has just been very organic, again, because we are not having to compromise with anybody else's ideals.”

This compromise of artistic direction is something that signed artists give up to record labels when they decide to exclusively release music under them. Artistic direction is important to all artists. Music is art and the ability to direct where that art will go is valued, an ability cherished by many artists. The values of the artists that makes the music and the record label that is going to distribute that music are going to be different with differing priorities. While being

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<sup>33</sup> Knopper, Steve. “Labels Want to Prevent 'Taylor's Version'-like Re-Recordings from Ever Happening Again.” *Billboard*, October 31, 2023. <https://www.billboard.com/pro/taylor-swift-re-recordings-labels-change-contracts/>.

independent, these musicians can dictate this situation for themselves. The authors of *Independent Music Production: How Individuality, Technology and Creative Entrepreneurship Influence Contemporary Music Industry Practice* further explain this: “The multifaceted relationship between independent musicians working towards completing a shared goal is often dictated by personal preference and financial necessity.”<sup>34</sup>

An independent artist does not have a second party that they need to split the profits of their commercial success with, and the Band believes that this position helps them:

“But as far as staying independent financially, it is a lot better. We do not have any restrictions as far as that. We've kind of seen benefit of that. Yes.”

This movement to see independent artists to keep their financial situation exclusive to the members of your artistic group is a strategic point.<sup>35</sup> Independent artists feel that they are in power of their financial success and feel empowered that they do not have to answer to anyone about the content of the music. The music industry's digitalization has decreased direct revenue to independent artists and has allowed independent artists to cut many distinct roles that they would need to make music. The independent artist has much they can do themselves now, but unfortunately for them, the money they make directly has decreased. It is contingent that artists would like to be able to completely focus on their music and outsource management that takes care of the background work for them. When the Band was asked if they were going to completely stay independent or if their end goal was getting signed, they responded:

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<sup>34</sup> Walzer, Daniel A. “Independent Music Production: How Individuality, Technology and Creative Entrepreneurship Influence Contemporary Music Industry Practices.”

<sup>35</sup> Schwetter, Holger. 2019. “FROM RECORD CONTRACT TO ARTREPRENEUR? Musicians’ Self-Management and the Changing Illusio in the Music Market.” *Kritika Kultura*, February, 183–207. <https://search-ebSCOhost-com.libproxy.txstate.edu/login.aspx?direct=true&db=hus&AN=133470045&site=eds-live&scope=site>.

“But going back to what A said, there's a certain plateau you end up hitting. So maybe once we hit that point, it would be nice to have some big name backing us or bankrolling things or whatever.”

There is a fear of peaking as an independent artist and the inability to grow forward from that peak that pushes these artists to look for record labels. Even though independent artists have seen a recent rise in streams and placement in charts, there is no current big artist who has completely pushed themselves without any help from a record label.<sup>36</sup>

#### **D. Advice From the Band to Future Independent Artists**

Given the multitude of changes that have faced the industry in the last two decades, the industry can feel overwhelming. To address this, I asked the Band, what they would have liked to have known or was there was some guidance they could offer newer independent artists:

“People do not care like you care. You are going to be the only one that cares about your art. No one else is going to care that much for you. So just do what you want to do. Do not let anything or anybody influence you. They do not care as much as you. You know the vision. You trust yourself.”

Being true to yourself is a common characteristic of independent artists and their commitment to authenticity is commendable. Record labels will not care about the music as much as the artist does. They will care about the commercial part of music since it is their job, too. Though music is art, and many people take different pathways, the path of being independent is different, but it is still challenging. Independents do not answer to anyone, and

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<sup>36</sup> Schwetter, Holger. 2019. “FROM RECORD CONTRACT TO ARTREPRENEUR? Musicians’ Self-Management and the Changing Illusio in the Music Market.” 201

freedom is worth everything to them.

The reach that social media has given independent and small artists compared to before the introduction of social media is tremendous. The band speaks on this tool that can be used at their advantage and give them access to millions of people that they wouldn't have been able to reach before.

“So, we weren't able to play shows and we ended up doing a lot of recordings and things of that nature at the time. And because of social media and things like that, when we put out the recordings that already kind of gave us a jumpstart, as opposed to having to play shows and build our way up in that sense.”

They recommend taking advantage of these tools that weren't previously there before and understanding the importance that social media plays in the success of a new artist. Previously one would have to perform shows across the world or the nation to be able to connect with a multitude of audiences. Now an artist can post a video and connect with a vast amount of people at the same time without travel expenses and tour necessities. It is a “jumpstart” as the band says, the term going viral has birthed a new wave of artists that will be heard on the radio or at the Grammys the following year. Social media is a big part of our lives, and the band recognizes that one must use it to benefit from it as other artists have done.

The term popular music has changed over the past decade, where rap has become a dominant force in the streaming industry and pop has sustained its position as well. It can become challenging for artists, especially newer independent artists, to take the leap and trust their gut. Many find it challenging to go against a system where their genre of music is not going to succeed and will not be sustainable. However, the Band has not let this phase them and recommends to artists to not let fear hold them back.

“And it's so easy to get caught into, like, the instant gratification of, like, those numbers and people at shows and, you know, Instagram followers, all that stuff. It's easy to get caught up in it and like only care about that, and you kind of lose focus

of things. I think what J was saying is like, just what you personally want from it and doing the things that you want to do, playing with bands that you want to play with, making the music that you want to do and, like, kind of not compromising to things that you necessarily don't want to do.”

It is a message that your space is going to be valid, and you will find your audience in some way, especially with the expansion of streaming and how that has allowed many genres to come to the forefront of the music industry that weren't previously able to. the Band simply wants to say, do not compromise on your musical image in order to conform with the rest of the industry. Success will simply follow if it is authentic.

## **V. Conclusion**

Social media has become a vital tool for independent artists to promote their released music. However, record labels have become aware and started promoting music within social media as well. Paid promotion tools across many forms and across all social media apps have been integrated. Smartphones have become the new TV for ads. Independent artists can connect authentically without pressure from their labels to post certain content. Artist rights have become a strong movement across signed and independent artists with household names leading the fight. Streaming has revolutionized the way artists get compensated for their music and has decreased their income from music releases alone. Moreover, top executives have made moves that will affect small independent artists' income. Spotify has created a threshold for artists to get compensated for their streams affecting non-established artists such as the Band beginning in 2024.<sup>37</sup> Record labels have been pushing back against these movements with recent updates to

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<sup>37</sup> “Spotify Reportedly Plans to Pay Even Less in Royalties to Less-Popular Artists.” Stereogum, October 25, 2023. <https://www.stereogum.com/2240332/spotify-reportedly-plans-to-pay->

contractual stipulation norms across the industry. Independent artists have become empowered with new tools for them to use, though top industry executives are attempting to take the power away. The music industry has changed in the past two decades, and it will change in the next five years. The independent artists' position will stay stagnant for now, as record labels strip and invade their newfound spaces repeatedly.

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[even-less-in-royalties-to-less-popular-artists/news/](#).

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