

Building a platform posed a real chicken-and-egg problem. The platform had to build an online community of music-rights holders and, at the same time, provide the community with information and ideas about how the new economy works. Community willingness to try new music business models requires a trust relationship.

In July 2008, Tribe of Noise opened its virtual doors with a couple hundred musicians willing to use the CC BY-SA license (Attribution-Share-Alike) for a limited part of their repertoire. The two entrepreneurs wanted to take the pain away for media makers who wanted to license music and solve the problems the two had personally experienced finding this music.

As they were growing the community, Hessel got a phone call from a company that made in-store music playlists asking if they had enough music licensed with Creative Commons that they could use. Stores need quality, good-listening music but not necessarily hits, a bit like a radio show without the DJ. This opened a new opportunity for Tribe of Noise. They started their In-store Music Service, using music (licensed with CC BY-SA) uploaded by the Tribe of Noise community of musicians.¹

In most countries, artists, authors, and musicians join a collecting society that manages the licensing and helps collect the royalties. Copyright collecting societies in the European Union usually hold monopolies in their respective national markets. In addition, they require their members to transfer exclusive administration rights to them of all of their works. This complicates the picture for Tribe of Noise, who wants to represent artists, or at least a portion of their repertoire. Hessel and his legal team reached out to collecting societies, starting with those in the Netherlands. What would be the best legal way forward that would respect the wishes of composers and musicians who'd be interested in trying out new models like the In-store Music Service? Collecting societies at first were hesitant and said no, but Tribe of Noise persisted

arguing that they primarily work with unknown artists and provide them exposure in parts of the world where they don't get airtime normally and a source of revenue—and this convinced them that it was OK. However, Hessel says, "We are still fighting for a good cause every single day."

Instead of building a large sales force, Tribe of Noise partnered with big organizations who have lots of clients and can act as a kind of Tribe of Noise reseller. The largest telecom network in the Netherlands, for example, sells Tribe's In-store Music Service subscriptions to their business clients, which include fashion retailers and fitness centers. They have a similar deal with the leading trade association representing hotels and restaurants in the country. Hessel hopes to "copy and paste" this service into other countries where collecting societies understand what you can do with Creative Commons. Outside of the Netherlands, early adoptions have happened in Scandinavia, Belgium, and the U.S.

Tribe of Noise doesn't pay the musicians up front; they get paid when their music ends up in Tribe of Noise's in-store music channels. The musicians' share is 42.5 percent. It's not uncommon in a traditional model for the artist to get only 5 to 10 percent, so a share of over 40 percent is a significantly better deal. Here's how they give an example on their website:

A few of your songs [licensed with CC BY-SA], for example five in total, are selected for a bespoke in-store music channel broadcasting at a large retailer with 1,000 stores nationwide. In this case the overall playlist contains 350 songs so the musician's share is $5/350 = 1.43\%$. The license fee agreed with this retailer is US\$12 per month per play-out. So if 42.5% is shared with the Tribe musicians in this playlist and your share is 1.43%, you end up with $US\$12 * 1000 \text{ stores} * 0.425 * 0.0143 = US\73 per month .²

Tribe of Noise has another model that does not involve Creative Commons. In a survey with