# Amazon Prime Music Direct – A Future Press Review by XNN.com

Amazon the world leader in self-publishing of books has come up now with a self-publishing platform for the music business. Victor Hugo said, ‘Nothing is more powerful than an idea whose time has come’ and the ecommerce-to-publishing-to-software services behemoth has, in the opinion of this reviewer, once again come with the right product (a self-publishing and distribution platform) for the right customer (the independent artist and songwriter) at the right time (the era of streaming).

To understand why let us look at where the music industry stands today. After years of being victim to piracy, the industry has turned a corner with the arrival of subscription and ad-based streaming platforms like Spotify, Apple Music and Amazon Prime Music. Streaming revenues grew 24% y-o-y in 2019 to touch $11.9B and a 56% share of global recorded music revenues. However, this growth in profitability has not lessened the woes of artistes and songwriters who still labour with their creative craft under the tyranny of big record labels and publishers. Under prevalent recording and publishing deals in the industry, songwriters typically receive only 50% of compositional royalties under full-publishing deals with publishers. Artists typically receive 15% of recording royalties under standard deals with recording labels. Thus, even when streaming has turned the music industry overall profitable, few artists and songwriters make any real money.

Small wonder, then, that more and more independent artists are seeking the direct route towards distributing their music to audiences in the streaming era. This segment, collectively labelled as ‘Artists Direct’, has seen the highest growth of 32.1 % in revenues in 2019 to represent 4.1% of the total music market. In the lockdown scenario brought about by COVID-19 in 2020, while traditional studios and big artists might struggle to release new music, the independent ‘garage band’ artist is only expected to record more. A robust distribution platform like Amazon Prime Direct, which enables such artists to bypass industry intermediaries and distribute their music to major streaming platforms and at the same time retain the lion’s share of recording and song-writing royalties can only fulfil a long-perceived need for creative talent in the music space to receive its just dues.

There are already several open distribution platforms (CD Baby, Tunecore, etc.) that cater to the need for independent artists to distribute their music online for a relatively small percentage of royalties as commission or for an annual or one-time subscription fee. The differences that Amazon Prime Direct brings to this space are however several. These include association with the Amazon brand name, nominal fees for those availing of the plain-vanilla services, CDs distributed through the world’s largest ecommerce store and a robust payment system powered by blockchain technology that ensures that royalty payments happen in a timely manner, from all possible sources that a song can generate royalties from and ensures that artists and songwriters receive the appropriate splits. With an easy-to-use technical interface that enables artists to upload their music and album artworks in standard formats the app should be a delight to use. There is also a premium offering for the really talented user. Based on sales records and other factors the platform also provides them the opportunity to become members of Prime Music Select – the exclusive content tie-in arrangement that leads to a selected artist’s music to be exclusively streamed on Amazon Prime Music with all the additional benefits of marketing support, syn-licensing , playlist-plugging, etc. that established artists enjoy today.

Amazon has been a trailblazer and a disruptor in many areas it has entered so far. We are excited that the self-publishing platform the company is now bringing to the field of music will be no exception and will soon enable the company to establish a vigorous presence in the industry. More importantly it will give the ambitious independent artists of today a real opportunity to enjoy success on their own terms. And that can only work to the interest of the industry as a whole in the long run.