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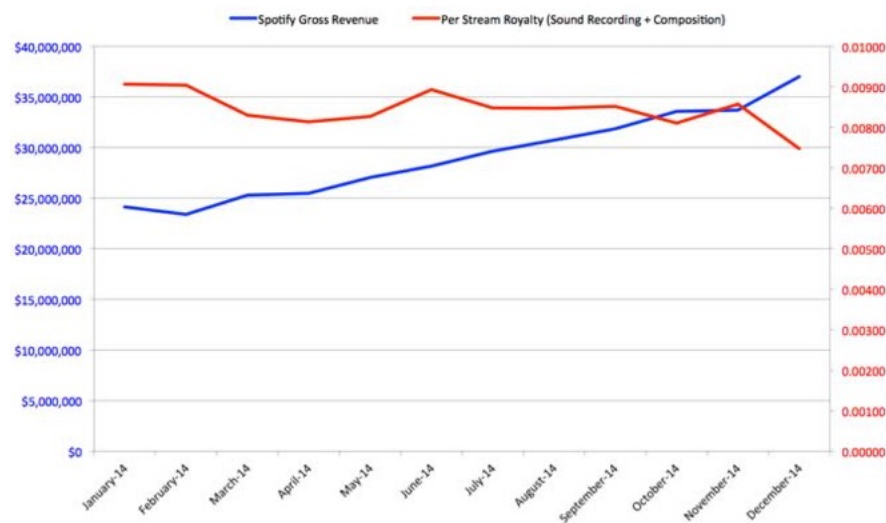
The More Money Spotify Makes, The Less Artists Get Paid...

 by [Jeff Price \(http://www.digitalmusicnews.com/author/jprice/\)](http://www.digitalmusicnews.com/author/jprice/) • June 11, 2015 • 60 [comments](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comments)

Spotify Gross Revenue vs. Per-Stream Artist Royalties

(Premium Accounts)

Source: Audiam Data.


[_ \(http://dmnrocks.wpengine.com/wp-](http://dmnrocks.wpengine.com/wp-content/uploads/2015/06/spotify_rev_vs_payouts.jpg)
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The following guest post comes from Jeff Price, one of the original founders of Tunecore and more recently, Audiam, a company whose mission is to gets rights holders paid from the digital use of their music.

Spotify just [posted a blog \(https://news.spotify.com/uk/2015/06/10/20-million-reasons-to-say-thanks/\)](https://news.spotify.com/uk/2015/06/10/20-million-reasons-to-say-thanks/) stating...

*"As we grow, the amount of royalties we pay out to artists, songwriters and rights holders **continues to climb faster than ever**. We have now paid more than \$3 billion USD in royalties, including more than \$300 million in the first three months of 2015 alone. That's good for music, good for music fans... and good for music makers."*

There is good news in their numbers. Unfortunately, that's only part of the story.

In 2014, as Spotify's Gross Revenue, subscribers and music royalty pool went up, the amount artists, songwriters, publishers and labels were paid went DOWN.

You can see this trend in the graph I posted at the top of this article. You can also see the decline across various metrics:

Some Notable Spotify Premium Statistics From January, 2014 to December, 2014.

- In January 2014, an artist receiving 10,000 streams in Spotify Premium and controlling the rights to their recording and composition made **\$90.64**.
- In December 2014, for the same number of streams the artist made \$74.72, this is a DECREASE of -17.56%.
- Due to the drop in the royalty rate, for the artist to earn the same amount in December, 2014 as they did 11 months earlier in January, 2014 the artist needed an **extra 2,131 streams**.
- The amount earned by the songwriter/publisher as a Mechanical Royalty each time a recording of their song was streamed in 2014 went DOWN -5.37% from \$0.00071961 in January to \$0.000681 in December.
- The amount earned for a sound recording each time it was streamed in 2014 went DOWN -17.39% from \$0.0074199 in January to \$ 0.0061296 in December.

Why Is this Happening?

The Spotify Premium monthly per-stream rates are calculated by dividing the money in the royalty pot (the Spotify Reported Gross Revenue) by the number of streams in that month. The decrease in the per-stream rate is occurring due to the number of streams per month growing at a more rapid rate than the revenue.

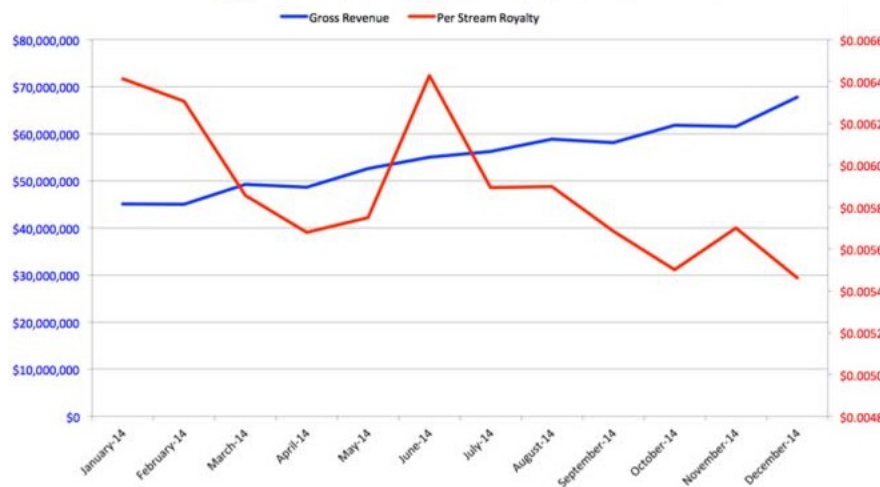
In other words, it appears anyone that pays \$10 a month for unlimited music streams a hell of a lot of music. In addition, as the rates drop, the money is being spread over a larger number of artists causing the money to spread more "thinly".

The end result in 2014 for Spotify's Premium service is an artist needs increased streams each month, at what appears to be untenable rate, to just stay even with were they were financially the previous month.

It also means that in many cases, they can have more streams than the previous month and **make less money**. But this isn't just limited to Spotify, it can be seen more dramatically across all music streaming services we track:

Overall Streaming Revenue vs. Overall Per-Stream Royalties

(source: Audiam data)



This model could work if people treated the streaming service like a gym membership. That is, pay for a service and only 10% of them truly use it. If this was the case, the royalty pool would be much higher but not diluted so drastically by streams.

It could also work if there were limits on the number of streams each individual could have each month.

In addition to the lowering per stream and the money being spread wider across more artists, **a significant percentage of the money earned by songwriters and music publishers is not being paid to them** due to Spotify (and all interactive streaming services) building no infrastructure to make the payments. Instead, they outsourced the job to third parties who cannot fulfill their obligations.

(Based on recovery of past mechanical royalties for its clients, Audiam projects that between 7% to 15% of all earned US streaming mechanicals are either not paid at all, paid in part or are paid to the wrong entity.)

If these trends continue, it will be a forever diminishing return for the music creators and copyright holders to the point where there may no longer be an economic business model that generates any real revenue for the music creators and copyright holders.

A possible alternative business model may be to pay for the specific streams on a more direct basis. That is, if someone pays \$10 a month, and only streams songs from the album Broken Boy Soldiers by the band The Ranconteurs, the money from these streams would only be paid for the use of these songs and not impact/dilute the royalties to another rights holder.

Finally, the launch of the Apple streaming service at the end of the June, 2015 could catalyze a quick en-masse shift of consumers from buying music to renting/streaming it. When this shift occurs (and it is a “when,” not an “if”), the impact on the artist, songwriter, label, publisher and the music industry as a whole will be significant.

It's vital we address these issues now before we are left with more money being generated from the use of music than at any time in civilization with less and less of it going to the artists, songwriters, labels and music publishers.

The end result could be a strip-mined music industry in the wake of Silicon Valley IPOs and trillion dollar market caps.

You can view the vast amount of data and analysis that we've collected on Spotify and other streaming services here:

ANALYSIS OF MUSIC STREAMING SERVICES FOR 2014 (GOOGLE PLAY, RDIO, SPOTIFY US, SLACKER, RHAPSODY, BEATS US)													
	January 14	February 14	March 14	April 14	May 14	June 14	July 14	August 14	September 14	October 14	November 14	December 14	2014 totals
MONTHLY GROSS REVENUE													
The % Change From Last Month In The Gross Revenue	-	-0.26%	9.45%	-1.26%	8.18%	4.59%	2.16%	4.72%	-1.24%	6.34%	-0.41%	10.12%	
AVERAGE OF SUBSCRIBERS IN THE MONTH													
The % Change From Last Month In The Average Number Of Subscribers	11.23	5.42	4.11%	13.77	9.92	14.28	9.58	14.95	5.81	16.04	4.64	16.44	9.3
TOTAL NUMBER OF STREAMS FOR ALL SONGS IN THIS MONTH													
The % Change From Last Month In The Number Of Total Streams	4.68	39.29	2.99	83.70	98.44	283.38	5.87	343.75	6.01	846.68	5.08	292.10	8
THE TOTAL AMOUNT OF MONEY EARNED BY MUSIC RIGHTS HOLDERS (SOUND RECORDING + COMPOSITION)													
The % Of Gross Revenue That Is Paid To Music Rights Holders	66.28%	67.15%	65.03%	67.57%	66.04%	66.38%	67.41%	68.09%	68.76%	68.34%	69.62%	67.87%	67.47%
The % Change From Last Month In The Money Earned By Music Rights Holders	-	1.05%	5.99%	2.60%	5.73%	5.14%	3.76%	5.77%	-0.27%	5.69%	1.46%	7.36%	
THE NET EARNED BY THE MUSIC SERVICE													
The % Of Gross Revenue That Is Paid To The Music Service	33.72%	32.85%	34.97%	32.43%	33.96%	33.62%	32.59%	31.91%	31.24%	31.66%	30.38%	32.13%	32.53%
The % Change From Last Month In The Money Earned By The Music Service	-	-2.83%	16.51%	-8.43%	13.30%	3.53%	-0.98%	2.56%	-3.32%	7.77%	-4.46%	16.47%	
HOW THE MONEY OWED TO MUSIC RIGHTS HOLDERS IS SPLIT													
THE TOTAL AMOUNT OF MONEY EARNED FOR THE COMPOSITION (MECHANICAL ROYALTY + PUBLIC PERFORMANCE)													
The % Of Gross Revenue That Is Paid For The Composition	11.90%	12.03%	11.65%	12.02%	11.87%	11.87%	12.02%	11.66%	11.78%	11.78%	11.86%	11.86%	11.86%
COMPOSITION (MECHANICAL ROYALTIES) (PART 1)													
Of The Total Amount Of Money Earned For The Composition, How Much Is For Mechanical Royalties	\$2,821,828.76	\$2,872,738.98	\$2,969,957.40	\$3,085,779.44	\$3,290,655.82	\$3,378,830.08	\$3,494,959.87	\$3,642,225.36	\$3,772,242.40	\$3,844,036.35	\$3,954,029.46	\$4,374,639.11	\$4,158,918.1
How Much Is Earned By The Songwriter/Publisher as a Mechanical Royalty Each Time A Recording Of Their Song Is Streamed	0.000605109	0.00030941	0.000543025	0.00053194	0.000544648	0.000594659	0.000543445	0.000593926	0.000596472	0.000600484	0.000595777	0.000599127	0.000595992
What % Of The Gross Revenue Is For Mechanical Royalties	6.25%	6.38%	6.03%	6.35%	6.25%	6.14%	6.22%	6.19%	6.49%	6.42%	6.45%	6.29%	6.29%
What % Of The Composition Money Is For Mechanicals	52.55%	53.04%	51.74%	52.78%	52.43%	51.75%	51.74%	51.45%	55.65%	53.60%	54.49%	54.42%	53.03%
The % Change From Last Month In The Mechanical Royalty Pool	-	1.80%	3.38%	3.90%	6.64%	2.68%	3.44%	4.21%	3.57%	1.90%	2.86%	10.64%	
COMPOSITION: PUBLIC PERFORMANCE (PART 2)													
Of The Total Amount Of Money Earned For The Composition, How Much Is For Public Performance	\$2,547,879.81	\$2,541,048.02	\$2,769,959.92	\$2,760,300.97	\$2,985,447.39	\$3,150,288.36	\$3,259,930.82	\$3,437,338.85	\$3,600,678.32	\$3,327,932.28	\$3,302,128.85	\$3,664,536.35	\$3,675,573.3
How Much Is Generated By The Songwriter/Publisher as a Public Performance Royalty Each Time A Recording Of Their Song Is Streamed	0.000546344	0.00058139	0.000506456	0.000476954	0.000494138	0.000504342	0.00050898	0.000505778	0.000437611	0.000433294	0.00043905	0.000434803	0.00049587
What % Of The Gross Revenue Is For Public Performance	5.65%	5.65%	5.62%	5.68%	5.67%	5.72%	5.80%	5.84%	5.17%	5.38%	5.36%	5.40%	5.57%
What % Of The Composition Money Is For Public Performance	47.45%	46.96%	48.26%	47.22%	47.57%	48.25%	48.26%	48.55%	44.35%	46.40%	45.51%	45.58%	46.97%
The % Change From Last Month In The Public Performance Royalty Pool	-	-0.19%	8.92%	-0.35%	8.16%	5.52%	3.48%	5.44%	-12.53%	10.68%	-0.78%	10.98%	
SOUND RECORDING													
The Total Amount Of Money Earned For The Sound Recording	\$4,536,685.71	\$24,802,106.65	\$26,289,187.17	\$27,044,629.57	\$28,466,592.62	\$29,998,072.48	\$31,444,335.47	\$33,006,445.78	\$33,898,330.81	\$35,080,630.23	\$35,022,836.28	\$37,983,944.45	\$36,713,900.72
How Much Is Generated For The Sound Recording Each Time It's Streamed	0.005261184	0.009574705	0.004806697	0.004667876	0.004711572	0.005278636	0.004842756	0.004866556	0.004721336	0.00456744	0.004793077	0.004307452	0.004307452
What % Of The Gross Revenue Is For Sound Recording	54.38%	55.11%	53.38%	55.55%	54.11%	54.51%	55.40%	56.06%	57.10%	56.74%	57.84%	56.02%	55.62%
The % Change From Last Month In The Sound Recording Royalty Pool	-	1.09%	6.00%	2.76%	5.37%	5.38%	3.82%	5.98%	0.58%	5.67%	1.52%	6.66%	
MONEY NOT BEING PAID OR PAID TO WRONG ENTITY													
MONEY NOT BEING PAID	\$310,401.36	\$316,022.99	\$326,695.32	\$339,485.74	\$361,972.34	\$371,671.30	\$384,445.59	\$400,644.83	\$414,946.67	\$422,841.78	\$434,943.34	\$481,210.30	\$4,565,211.03
Assumption Amount Not Being Paid	\$225,746.30	\$219,802.31	\$237,596.49	\$246,862.36	\$263,252.47	\$270,306.40	\$279,996.79	\$291,878.06	\$301,779.39	\$307,521.29	\$316,302.36	\$349,917.13	\$3,320,151.45
MONEY BEING PAID TO WRONG ENTITY OR WITH WRONG SPLITS													

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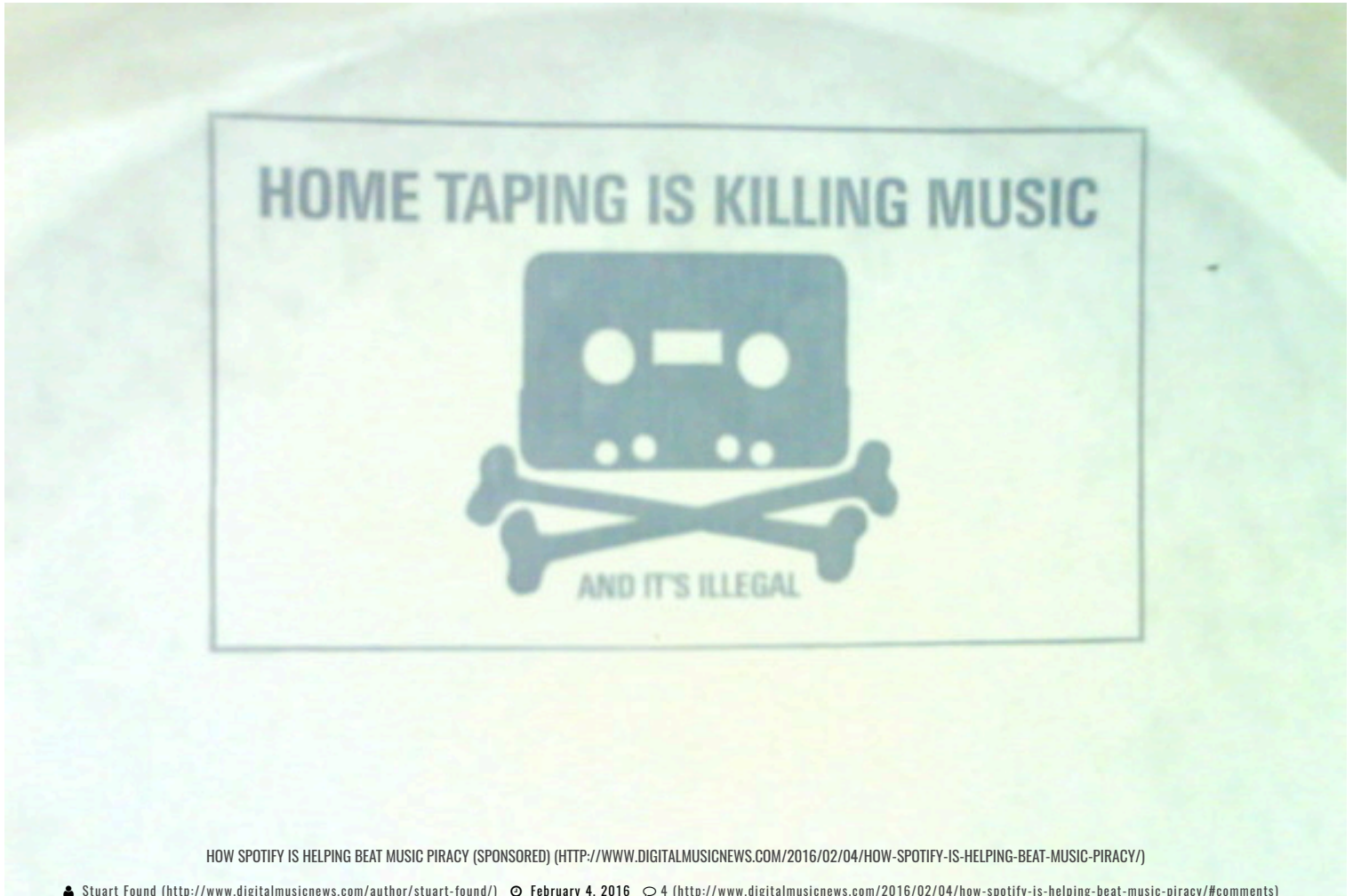
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60 RESPONSES

Chris H

June 11, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-219936>)

This has been the flaw of streaming all along. It's just never gotten enough traction for it to even be a factor. Another reason why we need another model or at least a revision of this one. I'm open to both.

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=219936#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-219936))

Old News... Lowery Nailed It Last Year

June 11, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220003>)

November 17, 2014... Eventually everyone catches up to David Lowery... I suppose being a quant helps at math. DMN Should give him a weekly guest column...

<http://thetrichordist.com/2014/11/17/breaking-spotify-per-stream-rates-drop-as-service-adds-more-users/> (<http://thetrichordist.com/2014/11/17/breaking-spotify-per-stream-rates-drop-as-service-adds-more-users/>)

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Troglite

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220423>)

+1

More broadly, I think a series of guest posts and a dedicated discussion board would help create more of a coherent community.

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220423#RESPOND)

Anonymous

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220408>)

I believe the flaw is with the one price unlimited subscription. For many people (e.g., people who only sporadically listen to music, or listen to a handful of songs per week during workouts) the \$10 subscription is too high – they just don't listen enough, so they don't pay at all.

But the people who do pay for \$10 Spotify subscriptions – those are generally the heaviest users, and they are thrilled with Spotify because they're getting an amazing deal: most of them are underpaying based on amount of use and the value they place on it. It isn't surprising that the people who pay for Spotify tend to absolutely love it – most of them are getting amazingly good deals.

So the single \$10 subscription has two results:

1. The majority of consumers don't pay anything because – even though they'd pay something – the \$10 price is too high based on the way they consume.
2. The small group of consumers who do pay \$10 are mostly the heaviest users, who both consume the most content and place the highest value on that content; they should probably be paying more than \$10.

So you get less money from each group than you actually should. In fact, except for the very small number of people who pay \$10 and get only \$10 or less of value from the service, **almost every single consumer – subscriber or not – is paying less than they should pay and less than they would be willing to pay.**

Music consumption and the value placed on it varies too wildly amongst consumers (even for the same consumer over time) for the “ad-supported or single price subscription” to be an optimal business model.

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Jeff Robinson

June 15, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-221049>)

No clue why you can't buy product directly from Spotify.

The product should not be the stream.

The player should be capable of 24-bit, 192 kHz files or better.

You should be able to buy a full-length file in the resolution of your choice at the going market (er, higher than iTunes rate considering cost of living increase).

These services need to clue in about scaling their product line and pricing accordingly.

If we all understand Spotify just to be a streaming service, then I'm sure a majority thinks it blows as just that. If we saw a more sophisticated, tiered business model evolve from them, then I think we might change our minds. Personally, I'd rather build a collection of high-res files of my own rather than listening to poor quality (yes, Tidal, your audio quality blows too) files. But then again, I'm an idiot who puts vinyl on CD with CD Architect...

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=221049#RESPOND)

The ARPU Doesn't Work...

June 15, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-221137>)

You have to understand ARPU to understand why ad-supported streaming doesn't work at all, and why \$10 a month is unsustainable. It's just math.

<http://thetrichordist.com/2015/04/23/why-digital-execs-arpu-is-bad-math-and-bad-philosophy-for-artists/> (<http://thetrichordist.com/2015/04/23/why-digital-execs-arpu-is-bad-math-and-bad-philosophy-for-artists/>)

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jw

June 11, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-219983>)

Is this not related to the \$.99 promotion? I wouldn't be surprised if those plays pay out much less, not very different from Apple paying \$0 for trial period streams on Apple Music. Looking at the graph, that seems like a very obvious factor.

According to the graph, before Nov '14 (when the \$.99 promotion launched), the gross revenue (a loose correlation to total plays) seems to be growing MUCH faster than per-stream payouts are slipping. So one would assume that maintaining growth would actually be easy. If an artist's total streams growth isn't keeping pace with Spotify's growth, this would indicate, to me, a slip in popularity. That is to say... if Spotify had no revenue growth (or, as a correlation, growth in total plays or growth in total users) from Jan-Dec 2014, & if the payout rate therefore stayed the same, the artist would actually be looking at far fewer plays in Dec than Jan & would still be looking at roughly the same drop in revenue. Perhaps, then, it's time to plan a tour or record a new album.

I think another huge factor to consider is that Spotify received a huge bump in coverage late last year thanks to Taylor Swift, which put the platform in front of a lot of mainstream music listeners, which is to say fans of top 40, mostly major label output. If Spotify is taking on mainstream listeners who are diluting the payout, this is terrific for the majors & difficult for the indies, but this is not a trend that's going to stop any time soon. Not until streaming is eventually adopted by those very casual listeners who don't listen to as much music. And that's still a long ways off.

So the bottom line is that, since the payout rate is a percentage of total revenue, indie artists who are seeing less revenue are either experiencing a drop in popularity or are losing listener share to more mainstream artists. If Spotify brings on a ton of new users who stream the hell out of Maroon 5 or Ariana Grande, I'm not sure that indie artists should be compensated disproportionately in order to maintain their revenue because they're not generating that revenue. In that scenario, I'm not sure that Maroon 5 or Ariana Grande would be complaining about a lower per-play payout because they'd have more plays to offset it & therefore more revenue.

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=219983#RESPOND)

hansh

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220122>)

Exactly. The key is popularity not the rate per stream

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220122#RESPOND)

Versus

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220228>)

"I'm not sure that indie artists should be compensated disproportionately"

The point is that their payments should not go down, if their works are receiving the same (or greater) number of spins as before.

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220228#RESPOND)

jw

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220279>)

If more songs are being played on Spotify overall & an artist's plays is accounting for a smaller percentage of the whole, then yes, they should be paid less. There is no economic reasoning that says they should be paid more.

A band's total payout is a function of their share of all songs listened to over the course of 1 month. The per-play payout is just a function of how many songs were played in total (accounting for different account types) divided into the month's total revenue, minus the 30% Spotify takes off of the top.

For instance, say Spotify is generating \$100 in a given month, with 10 listeners each paying \$10 per month & listening to 100 songs per month. That's \$.10 per play. Perhaps Artist A receives 20 plays in that month, totaling \$2, & so does Artist B. Well maybe the next month Spotify adds 10 more listeners, doubling the total payout pool to \$200, but the total songs played jumps from 1,000 to 3,000 because these new listeners just listen to more music. This means a payout is now \$.07 per play, & the new listeners are disproportionately affecting who gets what by simply listening to more songs. Perhaps Artist A's popularity among new listeners is identical to it's popularity among the early adopters, so it's plays grow to 60 (perfectly proportionate to the overall increase), netting \$4 (perfectly proportionate to the increase in subscribers, despite the lower per play payout). If Artist B proves to be less popular among the new subscribers (compared to the early adopters), they might receive 28 plays in month two, but only receive \$1.88. The explanation for this is that new listeners may be concentrating their disproportionate listening hours (compared to the early adopters) on Artist C, who might have had 0 plays in month one, but may have racked up hundreds in month two.

The variables artists really need to be concerned with is overall share of listenership & total revenue. The per play payout is largely incidental.

My prediction is that per play payouts will continue to trend downward as free streaming becomes mainstream, but will tick back upwards as premium subscription adoption occurs over time. Eventually casual music fans will subscribe, & this will usher in the "gym membership" effect, but that's a long ways away.

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220279#RESPOND)

djg

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220305>)

"but that's a long ways away"

How long? 5, 10, 20 years?

How long does it take the masters of industry to build a business that not only rewards themselves (they have that part down) but also rewards the people who supply the content?

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220305#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/?replytocom=220305#RESPOND))

jw

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220312>)

Well that depends on your definition of "reward[ing] the people who supply the content." Clearly there are content suppliers being rewarded. At the top, the ubiquity afforded to artists by free platforms like Spotify & YouTube have lead to huge opportunities to partner with corporations for artists at the top like Jay Z & Kanye & so on & so forth. I mean it used to be that to hear the latest Kanye gossip you'd have to go out & purchase a magazine, or tune into Entertainment Tonight. Now you can't escape, you're inundated with branding messages. Maybe this doesn't translate directly to sales & royalties, but it does translate into corporate partnerships, ticket sales, merch sales, etc. And they're also getting a solid bit from Spotify & Pandora.

At the lower rungs, some artists just will never make money. They wouldn't have in the '90s, they wouldn't have made money in the '70s, & they won't today. Perhaps they could've gotten an advance, & sat pretty for a bit based on the profits of the label's more successful artists, but most artists didn't recoup even towards the turn of the century. And the internet gives these artists a platform to scapegoat Spotify & Pandora & whomever is the punching bag of the day.

For the rest, it's a combination of waiting patiently for mainstream format adoption & making the most of the exposure afforded by technology to create new revenue streams.

If you're just waiting for streaming to replace '90s CD revenue, if that ever happens, it won't be any time soon. Your entire approach to monetizing your art has to change.

For instance, just yesterday I ordered a hat from a band who has no shows booked in my area, based entirely on a photo they posted to Instagram.

djg

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220352>)

I agree that making a living selling recorded music has always only been possible for a very small minority of recording artists and never expect that overall income will return to the profits made on CD sales.

I guess my question should have been phrased a different way and make it rhetorical.

When will digital streaming payouts (premium or freemium) equal or surpass the recording sales (large scale or small scale) that it cannibalizes? Answer: never

jw

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220422>)

It remains to be seen if we've hit bottom, but streaming has brought us closer to a growing recorded music industry than we've been in a long time. Honestly, if Spotify were advertising as aggressively as Pandora, payouts could be considerably more, but they seem more focused on premium subscriptions.

Personally, I think that the combination of Spotify, Pandora, & Apple Music offer a much brighter future than the contraction brought on by the singles mentality of digital sales.

Sam Page

June 11, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220007>)

"The amount earned by the songwriter/publisher as a Mechanical Royalty each time a recording of their song was streamed in 2014 went DOWN -5.37% from \$0.00071961 in January to \$0.000681 in December."

That's the first time I've seen a figure for mechanical royalties for interactive streaming. Thank you for posting that.

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/)
REPLYTOCOM=220007#RESPOND)

Anonymous

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220110>)

On a slightly different note — here's the truth behind Daniel Ek's new claim that typical niche artists make 700,000 dollars a year from Spotify:

Mr. Ek is referring to **Zimbabwean** dollars.

250 trillion Zimbabwe dollars = \$1.

(Provided they're printed before 2009. Later editions are slightly less valuable.)

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/)
REPLYTOCOM=220110#RESPOND)

Jonathan Segel

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220115>)

Two things. One, whenever they say how much money they are paying out as if that is the greatest thing in the world, the media tends to glom onto those numbers without figuring out the per-stream value, nor how much songwriters are actually being paid. It's pretty odd, but typical in a disinformation tactic "look over there!" It's like there is a hole in the fence and your cows are being milked by the farm next door who sell milk for pennies, but they are giving you a penny per gallon, so that's all right? The other thing is that beyond the big labels owning options in an unsustainable model, just waiting for that IPO so they can all cash in and let it go whichever way it will, the ISPs and Telephone companies are making bucks off of the users who stream. I saw the other day that Telia-Sonera, the big telecom here in Sweden, just bought in to Spotify, purchasing 1.5% of the company. Hmm. I guess that's why every new phone contract comes with a year of free premium...

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/)
REPLYTOCOM=220115#RESPOND)

HansH

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220116>)

Isn't this a strange calculation? Rate per stream drops because of more streams, still you maintain 1000 streams? Make no sense to me.

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/)
REPLYTOCOM=220116#RESPOND)

Yep

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220121>)

Great insight Jeff, thank you.

We've noticed the same thing exactly. I think currency fluctuations also have a role, in the last 12 months i.e in territories outside the US – that's stabilizing a little now as the £ and Euro loses value against the \$

The 'pot' of money is growing, but not as fast as the volume of streams.. The overall 'paid' streams should have grown by 25% in the last 12 months, as they added 5 mil subs, so logically artists streams should have grown by 25%, resulting in a very similar revenue figure to last year.

We have seen 10 x the streams we did last year from roughly the same catalogue. This has resulted in about 5 x the revenue, so definitely nowhere near \$0.007, more like \$0.005 now.

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220121#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/))

JTVDigital

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220136>)

Jeff,

Thanks for the detailed analysis and data.

However (and once again) I somehow disagree with your conclusions.

This is correct that the unit per-stream payout decreases as the number of streams increases, and this is completely understandable based on the current business model / royalties calculation from the "all-in money pot" divided amongst right-holders based on various factors.

The problem is elsewhere.

Unit per-stream payout does not matter that much, the focus shall be on the overall volume of paying subscribers + ad revenues from the free-tier.

Spotify needs more money in the pot, not more streams.

Indeed the more users the more streams, but people do not spend their lives listening to music neither so a peak number of average streams per user will mechanically appear at some point, which shall give us an idea of the per-unit revenue to be expected.

The "alternative business model" does not work neither:

"A possible alternative business model may be to pay for the specific streams on a more direct basis. That is, if someone pays \$10 a month, and only streams songs from the album Broken Boy Soldiers by the band The Ranconteurs, the money from these streams would only be paid for the use of these songs and not impact/dilute the royalties to another rights holder"

With this model things would actually be getting worse at some point, after a peak number of streams per user is reached, Spotify would be starting to lose money if they wanted to maintain a fixed per-stream unit rate for a given 10\$ monthly sub.

Can't remember precisely but my estimates with the 1:1:1 model between 10\$/month : 1 user : x number of tracks played per this single user were around 2500-3000 plays per month per user as a tipping point, then they lose money.

There really is no magic solution apart from increasing the number of subscribers for premium and increase the ad revenue for the freemium tier.

The opened question is how to achieve this?

But it is another debate 😊

Cheers,

Jeremie

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220136#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/))

Yep

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220145>)

That is true, but the focus from a labels perspective should be to increase the volume of streams?

The unit price might fall, but as long as this gap is filled and exceeded by more streams, the labels revenue would increase?

Again, the unit cost per stream should be ignored by the industry – the revenue ‘subs’ pot for spotify and each label/artist is what is most important.

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220145#RESPOND)

JTVDigital

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220146>)

Narrow-minded labels will probably advocate for increasing the volume of streams.

But increasing the volume of streams without increasing the number of premium subscribers (so without increasing the total money pot to share) would lead to a collapse of the system.

It all works together.

We as an industry (artists, distributors, labels) need way more volumes when it comes to legal / controlled sources of content access.

The potential market directly accessible for music services is roughly 300 million people (from the 1B YouTube users approx 30% have “some” interest for music).

How to do this? = convert as much users as possible to using legal/paying services (it can be freemium or premium it does not matter at this stage)

– eliminate or or hide or block illegal content sources (there are many viable technical solutions for achieving this)

– make the offers attractive (price decrease, discounts, family plans, etc.)

– bundle the music-only services with other services (TV, mobile phone plans, online bank accounts, anything) to somehow “hide” subscription costs and make it pain-free

– advertise music / content services on mass media channels (have you ever seen a YouTube or Spotify advert on TV? maybe but how often?) to convert / create interest amongst non-music fans

(focusing on music “lovers” is probably the biggest mistake being done so far, the key is to make sure random people use legally controlled and monetized content sources)

Just a few ideas above, there are many more...

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220146#RESPOND)

Yep

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220150>)

The smaller indies have no control over increasing the number of premium subscribers to Spotify. They do have control over increasing streaming numbers on their recording. A strategy to increase these is, surely, the best possible approach.

The ‘pot’ is what it is...a bigger piece of this ‘pot’ can be achieved with more streams. The unit price might fall, but never to the where the revenue overall does.

So, in that sense, Jeff’s article is misleading.

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220150#RESPOND)

JTVDigital

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220170>)

It really depends how you see things.

Trying to get a bigger piece of the cake, or trying to increase the size of the cake so that everybody can get some.

Or both.

Actually achieving both shall be the objective here.

Yep

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220178>)

To be honest, I think most (major) labels already have waaaaay too much cake.

So, we are trying to get a bigger piece:)

Really fascinating this thread. Why the hell didn't MIDEM have a panel on this??

djg

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220315>)

I generally agree with "(focusing on music "lovers" is probably the biggest mistake being done so far, the key is to make sure random people use legally controlled and monetized content sources)."

Music lovers will pay the \$9.99 a month to rent music but music lovers are the minority. The majority "random" people will never pay that amount. whether you bundle it into another recurring monthly service or advertise it as manna from heaven.

"The potential market directly accessible for music services is roughly 300 million people (from the 1B YouTube users approx 30% have "some" interest for music). How to do this? = convert as much users as possible to using legal/paying services (it can be freemium or premium it does not matter at this stage)"

This comment doesn't make sense to me. You say these people need to convert to using legal/paying services. Aren't the 300 million users on YouTube using a "legal/paying service"?

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220315#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/?replytocom=220315#respond))

JTVDigital

June 13, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220650>)

Random people will pay or use freemium services if they have no other choice (if all illegal links are de-indexed from search engine OR eliminated, which is both a technical and political decision to make) OR if they don't know they pay for it (so the bundle thing).

Ok yeah the point about YouTube is unclear:

There are roughly 50% of people with an interest in music who are listening to music exclusively on YouTube and/or using YouTube as the primary search engine for music.

From the YouTube global number of users (approx 1B and counting), roughly 250-300 million are using it for listening to music.

So these 300 million people represent 50% of the overall worldwide population interested in music.

Let's say approx 500-600 million people in the entire world will potentially listen or download music online then.

The other remaining billions of human beings don't give a f\$!* about music at all or have no access to internet, food, water, etc. (you choose).

These remaining 300 million listeners not using (only) YouTube for music are therefore the target market for audio-only streaming services.

From there you have hundreds of streaming services out there, from big ones like Spotify, Deezer, Rdio, Tidal, etc to very small and niche services.

The market is way too fragmented and there is no clear "one-stop shop" for listening to music for people: shall they go to Spotify, Deezer, others? Keeping in mind all mainstream services have the same offer.

The online streaming world probably needs less competition (concentration around a couple of heavy weight services) to deliver a clear message to the masses when they suddenly feel like listening to music online....

jeff price

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220156>)

You are missing some key points

you say "Unit per-stream payout does not matter that much"

It does if volume is not offsetting the decline in the rate.

you state "The problem is elsewhere." in regards to "he "all-in money pot" divided amongst right-holders based on various factors."

The problem here is if the number of artists the money is going to increases. The money is getting spread more thinly across them as they grow. I.e. in January there are 200,000 artists, in Feb there are 210,000 artists.

You state "With this model things would actually be getting worse at some point, after a peak number of streams per user is reached, Spotify would be starting to loose money if they wanted to maintain a fixed per-stream unit rate for a given 10\$ monthly sub."

This is not correct. Re-directing who gets paid impacts only the artists, not Spotify. Spotify still takes its 30% off the top before the calculations no matter what those calculations are.

The amount Spotify makes has not tie at all into who many streams there are or who gets paid the money from those streams. For example, if there is one stream or one billion streams (ignoring bandwidth costs) Spotify makes the same amount of money

If one artist or 100,000 artists get paid, Spotify makes the same amount of money

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220156#RESPOND)

JTVDigital

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220162>)

ok let's jump into an endless debate then.

1. This is why I say VOLUME is the key issue, not per-stream. We need more users, freemium or premium = more money in the pot, that's it, and with a constant per-user average monthly number of streams (which happens anyway, this is called auto-regulation).

2. Yes the number of artists increase, which is also a key factor in all our digital music "issues". The home studio and easy access to music production tools has drastically increased the number of wannabees and overall yes the number of artists is increasing. But the raise has a negligible impact since people all listen to the same artists (the ones who are heavily marketed).

Please don't jump on this I am voluntarily over-simplifying the market realities 😊

3. the 1 subscriber = 1 subscription = x number of artists model: ok we have a 10\$/month "credit" per user then. No matters where the money goes, it is just 10\$. With these 10\$, if you apply a fixed per-stream unit rate, how many songs can each user listen to per month before the 10\$ are "consumed"? this is the problem. Once the 10\$ disappear in Spotify cut + royalties pay-out and if people keep on listening, what happens?

(on a side note - and I know you know - Spotify do not make 30%, most of this money goes to taxes, transaction costs, etc, the real profit margin is closer to peanuts).

If you don't apply a fixed per-stream rate, then you fall back into the same issues as we have today (more streams = less money).

Again I'm not saying these questions are not important. They are. But probably not now.

When we'll have 300 million Spotify premium subscribers, and when this company will become profitable, thanks to the content provided by artists, labels, publishers, then "we" (the music industry) will be in a position for negotiating a significant raise of the per-unit stream we all love that much to focus on...

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220162#RESPOND)

Yep

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220210>)

This thinner distribution of the income, due to more streams...

Isn't that just market economics? More demand = lower prices/units per stream. To succeed in that sort of intensely competitive environment, the suppliers that can match that demand, with more content, will succeed.

This system kind of makes sense now.

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220210#RESPOND)

JTVDigital

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220230>)

Actually – and this is why people have some trouble for ‘getting it’ when it comes to music economy – it does not follow the usual supply / demand schemes. We have the following factors in the equation:

- an increasing supply (more artists, more releases, more music, more streams)
- a (too slowly) increasing demand (people subscribing or using monetized music services)
- from the consumer-standpoint: a fixed price (the monthly subscription) or no price (freemium)
- from the rights owners standpoint: a stable or decreasing revenue
- an infinite number of units (when you pay 10\$/month you don't “buy” x number of streams, you buy an access to a service giving unlimited number of streams)

Yep

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220173>)

Yes, Jeff, that is why our strategy is to increase our streams by way, way, above the previous period. We are doing 1000% more than June 2014, this month.

As long as the pot keeps increasing and we add, 20-30% per month, as is well (for us...)

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220173#RESPOND)

JS

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220221>)

The per stream rate may go down, but the overall payout will go up.

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220221#RESPOND)

jeff price

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220276>)

there numbers are what they are no matter of any of our opinions

This is what is interesting/concerning

As the revenue goes up for Spotify and the royalty pot grows, the amount made at the individual level is decreasing

In January 2014, an artist receiving 10,000 streams in Spotify Premium and controlling the rights to their recording and composition made \$90.64.

In December 2014, for the same number of streams the artist made \$74.72, this is a DECREASE of -17.56%.

If the trend continues, what will it mean three years from now?

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220276#RESPOND)

jw

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220302>)

Jesus, Jeff. Don't be an idiot.

Nothing here indicates that the "amount made at the individual level is decreasing," only that it's decreasing for some & increasing in equal proportion for others as Spotify's listenership moves from indie-friendly early adopters to mainstream music fans.

The payout pool is still ~70% of revenue, & if revenue is growing, more is being paid out at the individual level.

What you have to understand is that if a new subscriber comes in listens to more than the average amount of music during a given month, they are going to disproportionately affect payouts. If that person comes in & streams Britney Spears 24/7 for 30 days, it's going to increase the total # of plays & cause the per play payout to go down. And some indie band's 55 plays might end up being worth less than it was that previous month. But Britney Spears is going to be making more. Whenever there is a deficit somewhere, there is a surplus elsewhere. Limiting the amount of music people can listen to, or arbitrarily choosing one month's payout as the standard doesn't actually affect the reality which is that artists are getting paid based on their share of listenership.

It's good for everyone that the total pie grows. And if it's especially good for an artist if he or she or they can grow the size of their own slice.

I really don't understand how you can run these companies if you can't grasp how Spotify payouts work.

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220302#RESPOND)

JTVDigital

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220416>)

Looks like someone gets it here. Thank you.

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220416#RESPOND)

jeff price

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220429>)

I understand this is confusing for you, and I appreciate your passion and interest.

Despite the increase in the royal pool, the numbers show a declining per stream rate and the money is also being spread more widely to a larger pool of artists.

These two factors (more artists and declining per stream rate) cause the Net at the individual level to decrease while the top line revenue increases.

Your personal opinion or calling me names does not change the empirical data.

In addition, Audiam is a mechanical royalty collection agency built for the world of streams

We collect the mechanicals from Spotify, Rhapsody, Google Play etc etc on behalf of all of the below. Im watching the revenue decrease for them each month (mirrors the above trend).

I also have the Jan – May, 2015 numbers. The trend is continuing, the rates are dropping, the money is being spread more widely while the royalty pot grows and and top line gross revenue increases.

The artists make less as the services make more.

I won't call you an idiot, but I will state you don't have the data to make an informed conclusion, you have an opinion which is proving to be wrong.

Our Clients Represent the Publishing Catalogs of:

- Metallica
- Bob Dylan
- Red Hot Chili Peppers
- Jason Mraz
- Jack White
- Nine Inch Nails
- Black Veil Brides
- The Offspring
- Dean Wareham of Galaxy 500/Luna
- Mike Campbell, co-writer Tom Petty
- Aimee Mann
- Thomas Dolby
- Franki Valli & The Four Seasons
- Steve Vai
- Jimmy Buffett
- Steve Miller Band
- George Thorogood
- Tori Amos
- Ron Pope
- Tercer Cielo
- Maynard Keenan (Puscifer, A Perfect Circle)
- Black River Music Publishing
- Imagem Music Publishing (largest independent publisher in the world)
- Bluewater Music Publishing
- Ruthless Records Music Publishing
- Round Hill Music Publishing
- Victory Records Music publishing
- Silva Music Publishing
- Sumerian Records Music Publishing
- House of Hassle Music Publishing
- Ruthless Records Publishing
- Pretty Lights Publishing
- Mothership Publishing
- Epitaph Records Publishing
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And thousands more

REPLY (HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220429#RESPOND)

jw

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220452>)

Well the 30% grows just as the 70% grows. Obviously.

Is the money being spread to a larger pool of artists, or is it simply collecting at the top as top 40 music fans start to adopt the format? That's an incredibly important question, because it determines whether net at the individual level is going down for everyone (as you're suggesting), or whether it's going down for some & up for others (as I'm suggesting). I'm not arguing your numbers, I'm arguing the cause of your numbers. That payouts could remain at 70% of total monthly revenue & the relevant artist pool keep expanding indefinitely, shrinking artists' shares down to practically 0 is just an absurd thought. (If it were the case, which it logically isn't, we would have companies like TuneCore to thank.) It's much more reasonable to think that new users are just listening disproportionately Top 40 acts (that is to say disproportionately to the norm set by early adopters, if we can still even call them that) & that their slices are increasing at the expense of artists without such marketing power. That would, of course, be the natural course of things, not a fundamental flaw in the system.

Is Metallica seeing a lower net? Is Bob Dylan? Jack White? (Relative to album cycles, tours, etc.) You seem to be insinuating this, but I wouldn't assume as much. I would expect those artist's plays to grow somewhat relative to Spotify's overall growth, offsetting the lower per play payout, as they are pretty relevant, pretty mainstream acts. These artists' nets would be enough for me to rethink my argument. And I know that you probably can't share that information, but it would stand to reason that as Spotify's subscriber base grows, so proportionately does Metallica's play count. I would not assume the same of the "thousands more."

Nothing that I'm saying contradicts your numbers, so far as I can tell.

Jeff Price

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220464>)

so far the numbers are going down for all

my concern is a continued trend

This is something we should be aware of and discuss as the long term ramifications could be significant.

Yep

June 13, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220533>)

Yep, rates are dropping, that's for sure. We have numbers to March 2014 and do about 20 million Spotify streams a month.

Thing is, at the moment, the money pool is growing. If it starts to fall, then logically, the amount of streams would also and the rate would rise again. It's definitely a concern, but not so much as the subscriptions increase.

Food For Thought

June 13, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220631>)

If a Spotify subscriber paying \$10 per month were to continuously stream music 24/7 for 30 days, he could listen to about 10,000 songs of 4 minutes each in length. Dividing 10 bucks by 10,000 songs gives a per stream rate of 1/10 of a penny (\$.001), or \$.0007 after Spotify takes its cut. This rate, theoretically, is the "bottom" of per-stream royalties, if every Spotify user was a paid subscriber, and every user streamed continuously all month.

Ironically, or maybe not so much, I've seen YouTube per-stream rates approach this level. It's as though a person who is constantly streaming all day every day is only worth \$10 to advertisers. Either that, or these services are not very good at selling ads against the streams.

The Oracle

June 13, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220675>)

I wouldn't waste too much time with real world data or qualifications Mr. Price, the great jw sees all.

Dan Bass Slapper

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220330>)

Wait what happened June 2014

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220330)
REPLYTOCOM=220330#RESPOND)

jeff price

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220432>)

you can see what happened in the big table of data at the bottom of the article. I do not know why it happened. its just what was reported

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220432)
REPLYTOCOM=220432#RESPOND)

Lyle David Pierce III

June 12, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220406>)

And whilst you wait as the "peanut butter" thins, you will have time to consider the long-term effects of inflation on that ever thinning: <http://www.usinflationcalculator.com/inflation/current-inflation-rates/> (<http://www.usinflationcalculator.com/inflation/current-inflation-rates/>)

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220406)
REPLYTOCOM=220406#RESPOND)

To Big to Scale

June 14, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220781>)

aka the "Goldman Effect" (Robs and Barren, 2008)

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220781)
REPLYTOCOM=220781#RESPOND)

superduper

June 14, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220926>)

This has been one of the more insidious issues with music streaming that I have had all along; the fact that it is not scalable. So how can this NOT be considered a sort of pyramid scheme if that is the case?

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220926)

REPLYTOCOM=220926#RESPOND)

Bandit

June 15, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-221082>)

Because a real pyramid scheme would pay better.

This is worse than a pyramid scheme.

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=221082#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/?replytocom=221082#respond))

superduper

June 15, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-221307>)

I would agree with you on that.

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=221307#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/?replytocom=221307#respond))

Yep

June 15, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220972>)

Another way of looking at this is...Apple Music might really help labels/artists on Spotify.

From June 30th, a % of Spotify users will be using the free Apple Music. That will reduce the overall streams BUT NOT the revenue pool (by much)

So, the per stream rate should rise overall. I guess the overall impact will be felt with the most streamed artists, though.

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220972#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/?replytocom=220972#respond))

Anonymous

June 15, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-220992>)

Spotify finally gives in to pressure from Taylor Swift and others – new Muse album has a premium-only track on Spotify:

<http://musically.com/2015/06/11/muse-drones-album-premium-track-spotify/> (<http://musically.com/2015/06/11/muse-drones-album-premium-track-spotify/>)

Whether that's enough to make Spotify appealing to modern artists remains to be seen.

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=220992#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/?replytocom=220992#respond))

Keith

June 15, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-221047>)

It stands to reason that if Spotify isn't paying artists enough to buy a bowl of noodles every month, that in the unlikely event they become the giant they are aiming to be, they are only going to tighten their royalty payments.

One thing that WON'T feature in their business plan is an enlargement of royalty payments. What artists are getting now is as good as it's going to get. Ever.

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=221047#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-221047))

John Mayer

June 16, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-221661>)

This is a farcical attempt by one of the suits in the music industry to further burn musicians and writers, the way the music industry has been screwing them all for decades. Too many people spreading the income around and the Taylor Swifts of this world aren't ones who even deserve to make more money. Plus it's so obvious that Apple has been using co-ersive tactics in co-operation with the music industry to kill streaming competition now that Taylor is signed with an exclusive to Apple Music! WTF? Justice department needs to look into this like they did their eBook Backdoor Deal!!!

People in the music industry.... and I'm talking the untalented dipshizts suits, chomping cigars and screaming how they made some no name a Super Star out of nothing. Like Justin Bieber and Taylor Swift who can't even really sing live. We found that out on that music awards show!we thought we got rid of the worthless suits when CD sales crashed. But these fools are like the mafia drug kingpins and their cronies. They just go to a different drug to push. They are like Carpetbaggers in the Civil War, like a disease scabbed over wound they just keep coming back with another scam when one heals!!!

I mean how is it that the publishers and labels make all the money? Cuz they do..... and they just don't deserve it. They are like a fungus that just keeps growing worse with their greedy arrogant ways! Screw 'em all!!!

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=221661#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-221661))

Jim

August 13, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-235096>)

Here's what I think could help the streaming system...

Do away with the free access, unlimited songs & \$10 subscription.

Use a top up style service you get with pay as you go phones etc.

When you log into your streaming account you top it up with \$10 & get access to x amount of tracks or say 1000 plays.

I doubt the average customer listens to more than \$10's worth of music in a month, so it would work out cheaper for them that a monthly subscription.

It might lead to more paying customers which would lead to a bigger royalty rate because you would be turning streaming into a pay to play system.

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=235096#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-235096))

gammy

August 30, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-238190>)

At the end of the day – a prepay style service wouldn't work – People can get it free from other services (YouTube, Soundhound, etc). The thing with Spotify, is that yes – as more people Register for , and listen to Premium Service, there will be more people listening to more Music (kinda the idea), and it is extremely likely that the per song royalties to artists will go down... The one thing I didn't see in any of the articles I have read, and in any of the comments here, is the Total number of tracks Played... i am fairly certain that there will be more tracks played and more money going out also. I would guarantee that the total number of songs played is going at a similar rate above the Gross Revenue as the PPT is going below it.

I hadn't paid for music for the better part of 10 years – I understand how the internet works, so found it much easier to get content there, and there was no way I was paying \$2 for one song on iTunes. Spotify has been taking my money off me for the better part of 4 years now – it's just easier than having to find the song, download it (or the album) and then load it onto whatever device i want to play it on... My PC, Laptop, Phone, can just go – and if i wanna go offline, flick a switch... It's also \$500+ the music industry didn't have a show of getting out of me otherwise.

Do i feel like i get value from the service – not really – as I have “unlimited Play”, and it's not often I get a chance to actually listen to and enjoy Music (mostly radio on in background), but 2 things... 1. Convenience (for when i do have a chance) and 2. too lazy to unsub.... they got me 😊

Yes, Spotify makes more money due to the fact they get more “per play” royalties, due to there being more tracks played. Overall, the artists ARE getting payed more also, as the royalties are not increasing... but due to the fact that there are also more artists/tracks being played – that total is stretched to a smaller per artist/track payout. Think of it this way (and I am sure that this has been explained)

10 Subs @ \$10 = \$100

if these 10 listen to 100 songs each, that is \$0.10 per song.

Say Spotify takes 30% royalties for service (I don't actually know what the royalties are, just a random number) – 1000 songs @ \$0.10 – 30% = \$30 that leaves \$70 for the Production/Artists (who now no longer required to Physically Ship/Produce anything)

Now think if...

10 Subs @ \$10 = \$100

if these 10 listen to 1000 songs each, that is \$0.010 per song.

Say Spotify takes 30% royalties for service (Again, I don't actually know what the royalties are, just a random number) – 10000 songs @ \$0.10 – 30% = \$30 that leaves \$70 for the Production/Artists

hmm kinda odd *sarcasm* it's the same amount of money that goes to the artists, there is just the potential for there being more artists. So therefore, if there is more money coming in, there will be more go out...

Do I think it devalues their craft. Yes and No

Yes... Individually, they make less money, but if they are good (or generic crap), they have potential only limited by the hours in a day (and how much one can handle they songs) Overall, more money is going to the music industry, but there are more hands trying to grab at it.

No... because there is Money going into the industry – as opposed to being ripped and downloaded, shared and copied. Now if someone shares a song – that's 2 plays 😊

Guess Artists will have to work harder at being popular.... and the end is nigh for good music. More generic Hipster Drivel – “oh yes please”

But be careful Music industry, you can pull away from things like Spotify, But there will always be something else – and more than likely the alternative will be free, or P2P... as more and more devices are capable of more things, it is simple to “Stream” any content now. I refer a Movie Torrent Streaming service that has been reborn by 2 developers (but I dare not say the name – sorry guys). Available on Android, Windows Mac, Linux and IOS.... thousands of hd movies @ \$0 a month... Netflix go a bit to go to beat that 😊

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=238190#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/))

Dev Martin

September 10, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-240283>)

The problem with the premise of the article? It's wishful thinking. The assumption that those listening to more music would have paid for it is wrong. That's what you call entitlement. And just not understanding the reality of the situation. I don't know how anyone could know the royalties per stream went down due to more streams without simultaneously knowing they wouldn't have gotten more anyway. If a given artist's revenue (not rate per stream) went down, well, they should make better music or have their label convince people to like their music better. They're not entitled to have their revenue always go up. Ever.

On top of that, in the old model, artists didn't get paid per stream at all. I could play my mp3/CD 1000s of times and no artist would know the difference. It makes complaining about per stream royalties seem excessive and whiny. Without Spotify's existence, for example, you couldn't complain about per stream royalties because they didn't exist.

I'm someone who used to spend less than \$40/year on music. Now I spend over \$100/year. Tell me again how much more you believe I would pay? And I'll tell you that's wishful thinking.

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=240283#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/))

illuminati

December 30, 2015 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-260059>)

The real problem is that the music business is full of pseudo-intellectual morons. Spotify pays out 70%. That's the bottom line. The rate fluctuates quite a bit from month to month. Choose the next month, and this article sounds completely different. It's all irrelevant bs though. If these people understood anything at all about business, they'd be thankful as hell that Spotify pays based on a percentage of total revenue. Anyone that needs that explained to them has no business even participating in a business discussion.

I've tens of thousands of people a month listening to me right now... and the majority of them would never even have heard of me in the first place if not for the streaming model. Most of them aren't paid subscribers...

... and Spotify is not only paying my mortgage, but absolutely dwarfing all other revenue streams including YouTube, iTunes, and merch combined.

People love to sit on their entitled rumps and debate the theoretical nuances of money they wouldn't have made anyway from fans they wouldn't have had anyway. Missing the forest for the trees is putting it mildly.

Wake up. Average paid subscriber to Spotify pays MORE than they would have to iTunes if no streaming was available... and the payout per revenue taken in is identical percentage from both companies. For the mathematically challenged among you, this means MORE money is being paid out. If you're going to do the math, do it right, and stop pretending it means something to calculate the 100% of nothing you'd be making in some parallel universe.

Every single label worth anything out there has already figured this out and is doing BETTER now BECAUSE of Spotify. Meanwhile, indies sit around going out of their way to look at everything in the most negative light possible and trying to blame anything and anyone for the fact that they're not as popular as they think they should be.

That's fine. Keep up the sour grapes routine. In the meantime, I'll happily keep converting new fans that you would have had if you'd just stopped complaining, taken responsibility for your own success, and put your focus where it could actually do some good.

You want other people to take you seriously? Start by taking yourself seriously. iTunes and Napster combined killed the industry. Frankly, in many ways, it's been a good thing, but it's a simple fact that they killed sales revenues. Paid and advertiser supported streaming, on the other hand, have INCREASED revenues... not enough to recover all that was lost from the golden age of consumers being screwed to the wall to pay for a whole cd they didn't want just to get one song... but up none the less.

You'd be hard pressed to find a label going into 2016 that isn't crystal clear on this point. If you're not rising with the tide, try wagging that finger at your boat anchor of an attitude first.

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=260059#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/))

James Woods

February 12, 2016 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-262882>)

There is one giant elephant in the room. How about all the money these artists make off youtube? I can get pretty much anything on youtube that spotify has and pay nothing for it. These artists make nothing from youtube yet a service that at least pays them something (that they agree to) is the bad guy?

It's up to their management to make good deals or simply not allow their music to be played. A lot of the artists I listen to on spotify haven't released an album in years; if not a decade so I highly doubt their revenue stream from touring and cd's is paying the bills.

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=262882#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/?replytocom=262882#respond))

Phil

May 13, 2016 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-268747>)

HANG ON A MOMENT the music publishers and record labels and PRO's have a responsibility to ensure that the creators get paid by having the data relating TO ISRC CODES EMBEDDED IN THE AUDIO and having the data available. They don't and the music industry is losing 5 billion a year as a result of broken accounting systems and lack of knowledge how to fix it. The systems exist that can do this for them but they don't care that creators are not getting paid. Just ask Google to supply the verified invoice and data from Sony for their YouTube payment claims?

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=268747#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/?replytocom=268747#respond))

Beechcraft Bonanza

June 2, 2016 (<http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/#comment-270028>)

Has anyone considered that with spotify premium subscribers now being equal to the amount of songs on the service (30 million), spotify could in theory pay out the 70% of a subscription fee per song per month to all rightsholders?

Yes, this does not take number of streams into account, only the catalog of the rights-holder. That would mean an artist owning 100% copyright to his music having 3+ 10 song albums could earn over \$200 a month, rather than a measly \$2,- (RCA would get at least \$4.893 gross each month for Elvis Presley's discography alone) Then there is the ad-revenue to keep paying the per-stream stuff. That will obviously be smaller if spotify uses the subscriptions income in such a way though and it's a bit of a socialist ideal as individual streams matter far less, even with 0 plays an artist would receive a set amount/month (1 song= 6,99/month) One could argue that this theoretic model is risky and unsustainable if the growth of spotify's catalog outstrips the growth of paying users. But what if the subscription income was pooled differently, with a set percentage always going to the rightsholders of all available songs every month? By my current logic they would be able to pay the equivalent of a download royalty (\$0.70 or even a whole buck) per song per month on top of streaming revenue. Or, and that would be quite a bit more complicated, spotify could reserve a part of a subscriber's fee to pay out to artists that subscriber follows.

What is fair? what is better?

Pay-per-stream as they do now seems fair, but it's not really (as explained in this article)

Pay-per-song is in my opinion much fairer to indie artists but may be unsustainable and discounts popularity entirely (which may tick off major labels)

Pay-per-stream+ pay-per-song (like, \$1/month) is both good for Indies and the majors. Popularity is still a factor, but smaller acts are guaranteed payment for the content they provide.

REPLY ([HTTP://WWW.DIGITALMUSICNEWS.COM/2015/06/11/THE-MORE-MONEY-SPOTIFY-MAKES-THE-LESS-ARTISTS-GET-PAID/?REPLYTOCOM=270028#RESPOND](http://www.digitalmusicnews.com/2015/06/11/the-more-money-spotify-makes-the-less-artists-get-paid/?replytocom=270028#respond))

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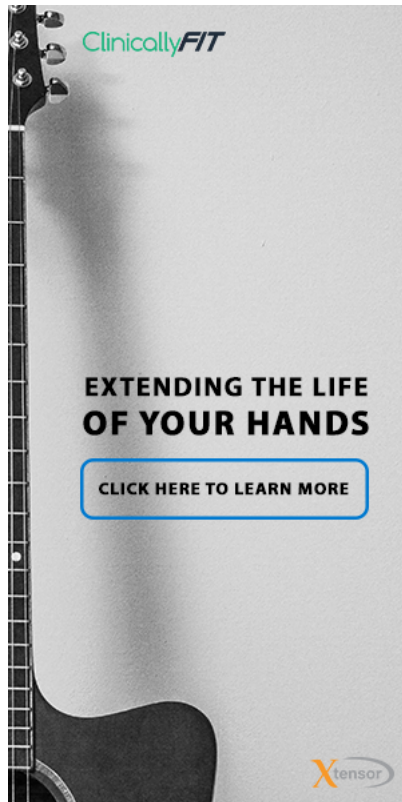
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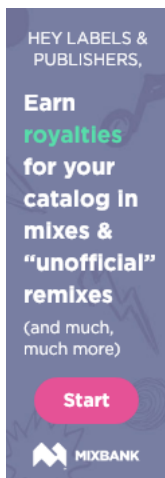
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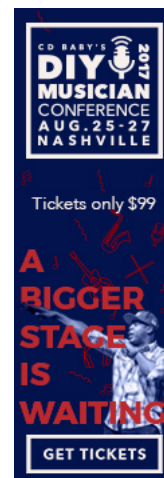


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