

Facing the Music: The Current State of Streaming Services in the Music Industry

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Abstract

As music streaming services like Spotify and Apple Music have increased in popularity among consumers, their potential revenues have become of a great concern to the music industry. Allowing users to pay for unlimited music for as low as five dollars a month, these services on the surface level do not seem to have the artist's interests in mind. It is becoming increasingly important to a variety of people within the music industry to find the true impact of music streaming services. This study examined the data of music streaming services based on the revenue they generate for artists. It also investigated current Industry opinions of music streaming services, and Consumer awareness. Both Industry and Consumer groups reported that artist revenue rates are insufficient and recommend a higher compensation rate. Additionally, results of the Industry Survey pointed to no statistically significant factors, such as genre or age, influencing artist revenue. Variables from the Consumer Survey including age, education level, and whether or not they had a paid streaming account motivated their streaming hours and which service they use most. The Industry group recommended that streaming services offer more features to artists as well as greater transparency.

Keywords: music streaming services, artist revenue, music, consumer awareness, entertainment law

Introduction

At the turn of the 21st century, the music industry saw a new wave as music was readily available online, whether legally through digital downloads, or, an increasingly popular option, illegally through music sharing websites. While digital downloads allowed artists to receive a higher percentage from each sale, their income level decreased as a result of slower physical item sales. This negative correlation in income was exacerbated by an increase in piracy (Nieva, 2013). The music industry as a whole was on the decline as artists scrambled to find revenue that was being misplaced.

It became clear that consumers' consumption of music was on the rise, and they wanted more music instantly. To capitalize on that, Swedish company Spotify offered consumers unlimited music listening and downloads for a premium monthly rate, or even for free with advertisements starting in 2008 (Spotify, 2018). Since then, music streaming services have boomed with popularity as consumers were given a legal option to explore a multitude of music genres without a significant expense. For example, a listener would pay \$10 for a digital download album, or \$10 for a month's worth of unlimited streaming. For the consumer, the choice was easy.

From an artist's perspective, the reality of the new music access models was not as easy. Starting from the digital download services provided by companies such as iTunes, the artist would receive on average half to two-thirds of a \$0.99 or \$1.29 sale of a track (Cane & Woods, 2004). As with music up to this point, once the user bought a track or album, it was theirs to keep, so there was typically only one sale per consumer. By contrast, music streaming services offer infinite tracks to the user either for free, supported by advertisements, or for a set monthly rate, averaging at \$9.99 per month. Digital downloads also opened up the opportunity for users to

purchase songs off an album without buying the entire LP. This led into the business model of streaming that was more focused on individual tracks rather than albums. There are two types of streaming services. Non-interactive streaming services such as Pandora do not allow the consumer to pick a specific song, while interactive streaming services such as Spotify allow for full range of personalization. As of 2019, most streaming companies now offer both formats. Companies offering both types of streaming services generate revenue either through companies willing to buy advertisements to play on their free versions, or from monthly fees earned by premium members. How streaming services pay for carrying an artist's music; however, is not as straight-forward. Streaming companies make deals with record labels or licensing services used by artists to distribute their music. Distribution of revenue to artists is not based on streams, but on a fixed amount per month. In other words, the more streams there are in a month, the less value each stream has, and the less an artist will get paid per stream (Soundcharts, 2019). Unless this information is shared by artists themselves, there is a lack of publicly available data that shows how much revenue is actually earned by the artists. The limited data that is shared shows that they typically earn a fraction of a cent per stream (Trichordist, 2019).

As will be seen in the Literature Review, the streaming service model has greatly benefited the entire music industry as it filled the gap left by physical sales (Spotify, 2018); nonetheless, this change comes at the expense of the artist.

Literature Review

Technological Developments and Their Impact on Artist Revenue

Technology and the music industry have always been interconnected, as evidenced by the spread of music through terrestrial radio broadcasting in the 1920's. For the first time, a wide range of consumers were able to discover and listen to music (A Voice, 2014). This gave way for

music to become an outlet that did not require hiring musicians or learning from sheet music, and opened up the possibilities of the recording industry. Innovations in technology that impacted the music industry also had their influence on artist revenues. However, terrestrial radio throughout time did not pay royalties to the performing artist, only to the publishers and copyright holders for the song (Future of Music Coalition, 2018). The spot on their broadcast, radio professionals argue, provides free exposure, which makes up for the lack of royalties.

Therefore, at radio's time of rising popularity, the free exposure was used to sell early versions of vinyl records. At first, only the most influential musicians were able to negotiate with record labels for royalties on physical music sales, as most had to contend with a payment for their original recording (A Voice, 2014). As the technology for vinyl records continued to progress, physically owning recordings of music became more and more popular. For example, at their peak in 1978, vinyl records reached over \$10 billion in sales, compared to \$8 billion just five years earlier (The Economist, 2019). This format was eventually replaced by cassettes and compact discs (CDs) as technology allowed for the format of listening to music to become smaller and smaller. Artist revenue from these mediums, at least for CDs, were about 8% of sales for artists a part of record labels; however, this ratio was probably larger for independent musicians depending on costs (Valencia, 2008).

Radio progressed as well. In the 1990s, a format of satellite radio developed, led by Sirius XM, that enabled consumers to have more choice in their radio play and to listen without advertisements. This shift marks a difference in artist royalty rates as well. Due to the premium nature of these stations, revenues are paid to performing artists as well as the publishers and copyright holders (Sirius XM, 2018). At least for Sirius XM, a flat rate is paid for every subscriber to SoundExchange, whose function is to collect and distribute digital performance

royalties (SoundExchange, 2018). Sirius XM grants out around two to four dollars for every subscriber to cover these costs (Sirius XM, 2018).

The Impact of Digital Downloads on the Music Industry

One of the most notable innovations of technology to impact the music industry was the rise of digital music downloads. These allowed for consumers to own virtually any song they wanted and store it on various portable devices. Apple was at the forefront of this digital download movement, launching their Apple iTunes store in 2003 as a way to sell more of their iPods. They grew quickly, selling over 50 million downloads in their first year (Cane & Woods, 2004), and by 2012 iTunes had over 40% market share in music retailers (Billboard, 2013). As a whole, single track downloads were a recent change from having to purchase entire albums as with vinyl, cassettes, or CDs. The sales of single-track downloads increased by 65% from 2005 to 2006, surpassing the album sales market (Valencia, 2008). Artist earnings from digital download sales included around 65 cents from every 99-cent track (Cane & Woods, 2004). The recording artist income varied depending on whether or not the artist was signed with a record label. In that case, the record label would take a certain percentage of that 65 cents. However, the rapid decline of physical music sales was not matched by an increase in digital music sales, leading to a decline in album sales beginning in 2000. Reasons for this decrease were examined by Walters (2008), in which different perceived factors for the decline were analyzed in depth. Some of these factors included devaluation of CDs, major record labels' influence, and how buying single tracks impacted album sales.

The Rise of Music Streaming Services

With the decline of the general music industry, the boom of popularity of illegal music sharing platforms like Napster, and the environment surrounding digital music downloads in

mind, those involved in the music industry and technology formulated a new outlet for music consumption: music streaming. These programs involve either an ad-supported or monthly fee to the consumer for unlimited music downloads on a multitude of devices. Spotify, one of the leading music streaming services, launched in 2008 with the goal to “unlock the potential of human creativity by giving a million creative artists the opportunity to live off their art and billions of fans the opportunity to enjoy and be inspired by these creators” (Spotify, 2018, 11:13). In order to achieve this, they offer two products: their *Ad-Supported* streaming service and their *Premium* streaming service. As of October 2019, Spotify boasts 284 million total monthly active users with 113 million (or 40%) of those being *Premium* subscribers (Dredge, 2019). These subscribers account for 90% of the company’s revenue. This leaves 171 million *Ad-Supported* subscribers accounting for only 10% of Spotify’s revenue (Spotify, 2018). As of the end of 2018, Spotify held 49% of the Global Music Streaming Market Share (Trichordist, 2019). Spotify is considered an interactive streaming service, as consumers are able to choose their own songs in their desired arrangement.

The other significant interactive streaming service available to consumers is Apple Music, which was formed out of iTunes in 2015. They only offer a Premium option, which starts after a three-month free trial of the service. Currently as of June 2019, Apple Music has 60 million subscribers (Fisher, 2019). As of the end of 2018, Apple Music held 25% of the Global Music Streaming Market Share (Trichordist, 2019). As their business is supplemented by the sale of other Apple products, they are known to lose money on their music services from iTunes to Apple Music.

Another major player in music streaming services includes Pandora, a non-interactive streaming service where consumers are able to listen to radio stations of any artist, song, or mood

of their choosing. The company provides *Ad-Supported* and *Pandora One* non-interactive streaming models, and a *Pandora Premium* interactive streaming model. They had around 63.1 million active users as of October of 2019, and have falling numbers each quarter. Only around 30% of these users were on a *Pandora One* or *Pandora Premium* subscription (King, 2019). By contrast to Spotify, 73% of Pandora's revenue comes from advertising (Pandora, 2017). As of the end of 2018, Pandora held 3% of the Global Music Streaming Market Share (Trichordist, 2019).

Artist Revenue from Music Streaming Services

The artist royalties for these music streaming services can vary. As of 2018, SoundExchange requires a minimum of \$180 per 100,000 streams (\$0.0018 per stream) (SoundExchange, 2018). Besides that, royalty rates for these products are not fixed, usually based off of streaming services paying a certain percentage of their revenue to artists. The streaming service first determines their revenue in that time period, takes into account the negotiated payout percentage and the total streams on their platform, then considers the streams each artist earned. However, each stream is not worth the same payout depending on if the users were on a Premium plan, or even where they were located (Soundcharts, 2019). In an earlier study Pierre E. Lalonde went on to explain that "this means that if a song becomes a mega-hit in a particular month, all other songs streamed suffer because in a short time frame the services' revenues won't increase, so each individual stream is worth less, impacting on every other song's cumulative value" (2013, p.17).

Generally, music streaming services are not transparent in sharing actual data for typical income paid to artist per stream. Most of the data known comes from specific artist experience. For example, independent musician Zoë Keating publicly posted her revenue streams from

various music retailers in 2013. Keating also posted a comprehensive report of Spotify streams and revenues from 2013 to 2015. Table 1 shows her earnings from those years. Although her 2015 spreadsheet only provides revenue from Spotify, it still includes a thorough case study that can highlight how much an independent artist actually earns from streaming services (Keating 2013, 2015).

TABLE 1. Zoë Keating's Reported Music Earnings from iTunes and Spotify from 2013-2015.

Year	iTunes Revenue (per 100,000 streams)	Spotify Revenue (per 100,000 streams)
2013	\$63,000	\$400
2014	N/A	\$400
2015	N/A	\$300

A second example focusing on Pandora streams is provided by songwriter David C. Lowery. The total income received was around \$42 for over one million streams, which amounts to only \$3.62 earned per 100,000 streams (\$0.00003624 earned per stream). Given that Lowery owned 40% of the song, he only received \$17. Table 2 shows this revenue in comparison to other platforms (Lowery, 2013).

TABLE 2. David. C Lowery Reported Music Earnings 2013.

Platform	Revenue (per 100,000 streams)	Revenue (per stream)
Pandora	\$3.62	\$0.00003624
Spotify	\$26	\$.00026
Sirius XM	\$227,000	\$2.27

To translate artist revenues from streaming services to a larger scale, one researcher surveyed local musicians about their general revenue streams from music retailers and concerts. They found that 79% of those surveyed reported making less than \$20 from streaming services per month (Jones, 2017).

More data on revenue rates from music streaming services can be found through *The Trichordist Streaming Price Bible* of 2014, 2016, 2017, and 2018, which breaks down streaming rates by service and also includes streaming company market share. Table 3 shows the distribution of revenue over the four years of data collection. Not only does this show an average revenue per stream across the services through a period of four years, but also how Spotify, the largest market shareholder at 49% in 2018, has had declining revenue rates for their artists (Trichordist, 2014, 2016, 2017, 2019).

TABLE 3. The Trichordist Streaming Price Bible Payout Data from 2014-2018.

Year:	Spotify (per 100,000 streams)	Apple Music (per 100,000 streams)	Pandora (per 100,000 streams)
2014	\$521	N/A	N/A
2016	\$437	\$735	\$133
2017	\$397	\$783	\$134
2018	\$331	\$495	\$155

In relation to varying artist revenue rates from music streaming services, there has been backlash from the music industry in regards to these companies and their perceived financial impact. One of the coarser statements includes one from the frontman of Radiohead and Atoms for Peace, Thom Yorke, explaining that Spotify is the “last desperate fart of a dying corpse” (Dredge, 2013). Accomplished musician Taylor Swift removed her catalog from Spotify as a way to protest the varying streaming rates. In response to the discovery that Apple Music would not be paying artist royalties for music streamed during a consumer’s free trial, the singer wrote a statement to the company. Swift explained that “this is about the new artist or band that has just released their first single and will not be paid for its success. This is about the young songwriter who just got his or her first cut and thought that the royalties from that would get them out of debt. This is about the producer who works tirelessly to innovate and create, just like the

innovators and creators at Apple are pioneering in their field...but will not get paid for a quarter of a year's worth of plays on his or her songs" (2015). More backlash, specifically against Spotify are examined in one journal article by Lee Marshall. He explained that while the industry assumed that music streaming services were going to be less geared towards major labels, the opposite appears to be the case (2015).

Overall, there is research looking at how local artists are impacted by music streaming services (Jones, 2017), how music streaming services impact the revenue of the music industry as a whole (Aguiar & Waldfogel, 2015), how music streaming service business models compare to other industries (Lalonde, 2013), and possible reforms for music streaming services (Hernandez, 2017). However, there is no quantitative or qualitative data analyzing general industry opinion and revenue from music streaming services to date. Researchers in this study focused on gaining quantitative data from industry professionals such as artist managers, producers, and artists themselves about music streaming services. Data was collected for general opinions, individual revenue earned from various streaming platforms. The study also gauged consumer awareness of these artist revenue rates in order to assess if this insight might cause change.

Statement of Problem

The music industry is in a delicate place, as artists and others who are paid revenues from music streaming are struggling to earn the value that they feel their music deserves. Some consumers might not view music as something that needs compensation, as shown by the popularity of pirating music-sharing websites, and it seems streaming services share that sentiment. The extent of actual artist revenue rates from these streaming services need to be

constantly examined. It is also not known the extent to which consumers know about these artist streaming rates, and if that knowledge impacts their spending.

Purpose of the Study

The purpose of this study was to investigate the level of awareness in industry professionals and consumers regarding artist revenue rates from music streaming services. It also collected data from artists on their earnings from these streaming services.

Research Questions

1. Have artist revenues been negatively impacted by the rise of streaming services?
2. Would consumer awareness of artist streaming service revenue impact the proliferation of steaming services?
3. Are there any variables that impact revenue for artists?
4. Are there any variables that impact usage for consumers?

Methods

Participants

Participants of this study included two distinct groups that were administered surveys: Music Industry Professionals and Consumers. The Music Industry Professionals group included those involved in the music industry in any way. This included artists or performers, songwriters or composers, artist managers or artist representatives, those who work in live performance, those who work in recording, those who work in publishing, and music students. There were 143 participants in the industry group. Nine of those surveys were not included due to incompleteness; therefore, 134 participants' data are being utilized in this study. The Consumer group included any person that utilizes music streaming services at any capacity, whether on an *Ad-Supported* or

Premium plan. There were 164 participants in the consumer group. Three of those surveys were not included due to incompleteness; therefore, 161 participants' data are being utilized in this study. Participants excluded from the study was anyone under the age of 18. Responses were collected anonymously; however, demographic data including age, gender, Consumer education level, and genre of music most involved in are shown the Results section.

Procedure

The Music Industry Professionals' group was generated through online networking and social media. Posts created in order to find participants for the industry group were posted on Facebook, Instagram, LinkedIn, and Twitter. Professionals were also contacted through Instagram messages, Twitter messages, LinkedIn messages, as well as through email. The Music Industry Professionals' group were administered an online survey on Qualtrics collecting data on their experiences and opinions as a music industry professional. The Consumers group was generated through mainly social media. Posts created in order to find participants for the Consumer group were posted on Facebook, Instagram, Twitter, Tumblr, and LinkedIn. Consumers were also contacted through Instagram messages and text messages. The Consumers group were administered a different online survey through Qualtrics that collected data on their experiences and awareness as a consumer of music streaming services.

Measures

The Music Industry Professionals survey (see Appendix A) was adapted, with the first section of the survey collecting data on general information including but not limited to profession, genre they work with the most, and income they receive from music. The next section of the Music Industry Professionals survey focused on the participant's experiences and opinions of music streaming services, along with current regulation of these services. Some of

the major streaming services Spotify, Apple Music, and Pandora were evaluated based on factors including money earned in a single month from a streaming service, and the number of streams their affiliated music received. Then Industry Professionals were asked to rate streaming services based on fairness of revenue, perceived care services have for artists, and overall opinion. Participants were also be asked for some next steps they believe music streaming services, or those that regulate them, can take to make the experience better for those who earn royalties from music. The last section collected data on demographics such as age and gender.

The Consumer survey was adapted (see Appendix B), with the first section collecting data on general information, including but not limited to genre the consumer listens to the most, and amount of time Consumers listen to music in a week. The next section evaluated how Consumers listen to music from a variety of sources such as physical music, radio, and music streaming services. The next section first asked which music streaming services the participant uses, and how often each one is used. The next section had consumers estimate artist revenue for 100,000 streams, and set an ideal rate of revenue. The last section collected data on demographics such as age, gender, and education level.

Protection of Human Rights

Both surveys were anonymous. No information was collected through either survey that could identify a participant.

Results

The survey for both the Consumer and Industry Professionals groups were distributed from June 3rd, 2019, through August 31st, 2019 through the online survey creation application, Qualtrics. There were 134 completed responses in the Industry Professionals group, and 161 completed responses in the Consumers group. The following data shows frequencies of responses for both groups. Variation occurred in the total frequencies among questions, as some questions were not shown to all participants, and some questions were left unanswered by some participants.

Industry Professionals

Table 4 shows the frequency distribution of age and gender among the Industry Professionals group. Most of the respondents (70%) were between 22 and 35 years of age. A majority of participants (67%) identified their gender as male.

TABLE 4. Industry Professionals Demographics (age and gender).

Demographic	Frequency
Age	
18-21	16
22-35	71
36-50	10
51+	4
Total	101
Gender	
Female	32
Male	68
Non-Binary	1
Total	101

Table 5 shows the frequency distribution of professions held by participants. A majority (54%) classified as an artist or performer, followed by managers/artist representatives (22%), then students (13%). Collectively, 46% of participants were not directly an artist.

TABLE 5. Industry Professional's Profession in the Music Industry.

Profession	Frequency
Artist/Performer	73
Songwriter/Composer	2
Artist Manager/Artist Representative	30
Live Performance	3
Recording	6
Publishing	2
Student	18
Other	1
Total	135

Table 6 displays the frequency distribution of genres that the Industry Professionals mainly work in, if any. The majority (51%) fell in the Rock category, which included either Rock, Blues, Indie, Alternative, Folk, or Singer/Songwriter. 8% of participants responded that their profession was not genre-specific.

TABLE 6. Genre that Industry Professionals are most involved in for their profession.

Genre	Frequency
Rock, Alternative	68
Hard Rock, Punk	7
Electronic, Dance	5
Hip Hop, Rap, Soul, R&B	12
Country	1
Pop, Top 40	15
Jazz	3
Other	11
Profession is not genre-specific	11
Total	133

Industry Professionals were also asked the percentage of their total income that comes from their profession in music. A majority responded that less than 25% of their income (52% collectively) comes from music, with 34% gaining 1-25%, and 18% not receiving any income from their work in music. When broken down by profession, this impacted their percentage in a statistically significant manner. A majority of artists in particular (63% of those in that category)

reported that less than 25% of their income comes from music, with 45% of those making between 1-25%; however, the same percentage made no income from their music profession. Artist Managers or Representatives were more likely to answer that music accounted for 100% of their income, with 48% of responses within that profession. 20% of the collective participants make all of their income from music. A majority of Industry Professionals responded that they have been involved in music for less than 5 years (44%), followed by 32% who have worked in the industry for 6-10 years. 15% of participants have been in music for 11-20 years, and 9% with experience of over 20 years.

Going more specifically into streaming, most (76%) of the participants had released music, and 98% had music available on at least one streaming service. 52% of this music was released independently of a record label. Tables 7 and 8 show the distribution of revenue and streams participants reported earning in a single month. From these ranges, it is calculated that professionals earn about \$230.40 per 100,000 streams (\$0.002304).

TABLE 7. Revenue reported from music streaming services in an average month.

Compensation	Frequency
\$0-20	21
\$21-50	9
\$51-500	27
\$501-1,000	10
\$1,001-5,000	2
\$5,001+	15
Total	84

TABLE 8. Streams reported from music streaming services in an average month.

Streams	Frequency
0-1,000	8
1,001-10,000	24
10,001-100,000	24
100,001-500,00	16
500,001-1,000,000	4
1,000,001+	5
Total	81

An overwhelming majority of participants responded that their music was on every service, with 100% on both Spotify and Apple Music. Besides other, Tidal had the lowest rate with 75% of professionals distributing their music there. Narrowing revenue down to specific streaming services (this survey focusing on Spotify, Apple Music, and Pandora) the compensation varied. For Spotify, the average revenue for 100,000 streams was \$151.77 (\$0.0015 per stream). This revenue was twice as high for Apple Music, with participants reporting that they earned \$354.73 for 100,000 streams (\$0.0035 per stream). Pandora had the lowest payout of those specified, with compensation at \$112.83 for 100,000 streams (\$0.0011 per stream). Overall, a majority of participants responded that their revenue amounts and streaming numbers for a single month came from Spotify, followed by Apple Music, then Pandora. The revenue amounts were not influenced in a statistically significant way by factors such as genre, age, gender, or years in the music industry.

Industry professionals then rated streaming services using a variety of criteria. The first asked participant's opinion of fairness of revenue from music streaming services from extremely unfair (1) to extremely fair (7), with 4 being neutral. A majority of professionals (78%) rated fairness of revenue as unfair (at either a 3 or below). Nine percent felt neutral. Then rating streaming services on how much professionals perceived that services care about artists from an extreme lack of care (1) to an extreme amount of care (7), the majority (72%) rated platforms as having a lack of care for artists (at either a 3 or below). 11% felt neutral. Participants were then asked to rate their overall experience with music streaming services from extremely unsatisfied (1) to extremely satisfied (7). These ratings skewed higher than the previous two, with most responses (71%) ranging between slightly unsatisfied and slightly satisfied. A majority of professionals felt neutral with 29% of responses.

Participants then ranked the streaming services provided (Spotify, Apple Music, Pandora, Amazon Music, Google Play, Youtube, and Tidal) from what they believed to be “best” to “worst” in relation to fairness of revenue. These rankings were given a score based on the frequencies of each ranking. Apple Music received the best score (518), followed by Spotify at 471, meaning that Industry Professionals felt they had relatively higher fairness of revenue for artists. Tidal had the most polarizing answers, with majority ranking the service at either a one or a seven. Table 9 shows the final scores for each streaming service in the order they were ranked.

TABLE 9. Music streaming service rankings with final scores.

Ranking	Service	Score
1	Apple Music	518
2	Spotify	471
3	Tidal	334
4	Amazon Music	314
5	YouTube	284
6	Google Play	272
7	Pandora	271

Both the Industry Professional and Consumer groups were then given the same questions about artist revenue from streaming services in order to compare estimations and opinions between the two groups. First, Industry Professionals and Consumers provided their best estimation for artist revenue from music streaming services for 100,000 streams. The actual publicized industry average was less than \$500, and a majority of Industry Professionals (54%) selected that answer. This amount was lower for Consumers, as only 24% chose this answer. Figure 1 shows the distribution of estimations for both surveys. The Industry Professionals participants speculated revenue at an average of \$1,152.50 for 100,000 streams (\$0.0115 per stream). On the other hand, the Consumer average was \$12,603.50 for 100,000 streams (\$0.126 per stream).

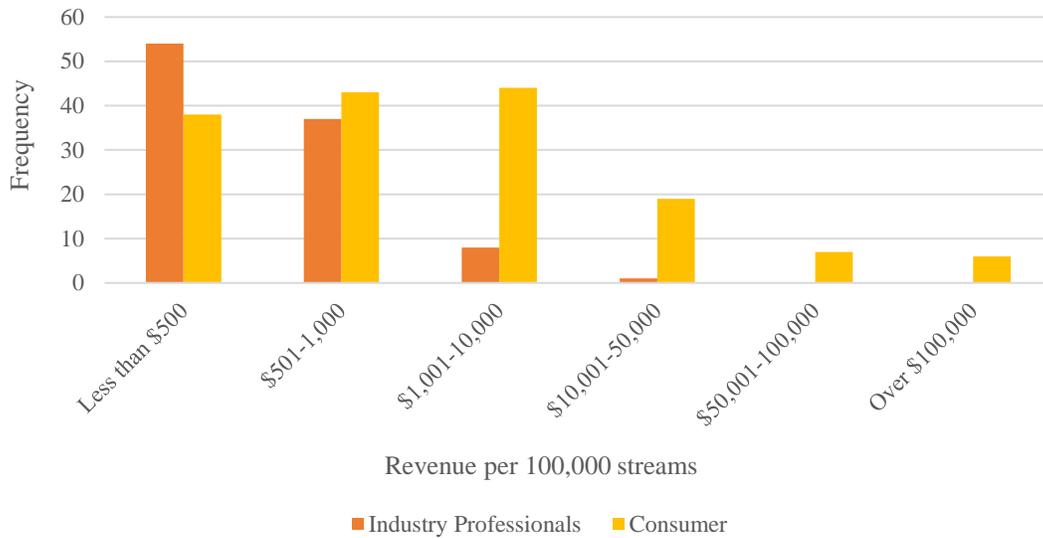


FIGURE 1: Comparison of the frequencies of responses for both the Industry Professionals and Consumers groups in relation to an estimation of artist revenue from 100,000 streams on a music streaming service.

The publicized industry average revenue of \$413 per 100,000 streams (data from Trichordist Streaming Price Bible of 2018) was then revealed to both groups. The largest majority of both participant groups (84% of Industry, 72% of Consumer) shared that they felt this amount was insufficient compensation. Then, both sets of participants were asked to give an ideal rate of compensation for 100,000 streams. Figure 2 shows the distribution of ideal revenue. The average ideal revenue for Industry Professionals is \$11,875 for 100,000 streams (\$0.1187 per stream). The Consumer group’s average fell exponentially higher at \$19,415.60 for 100,000 streams (\$0.1941 per stream).

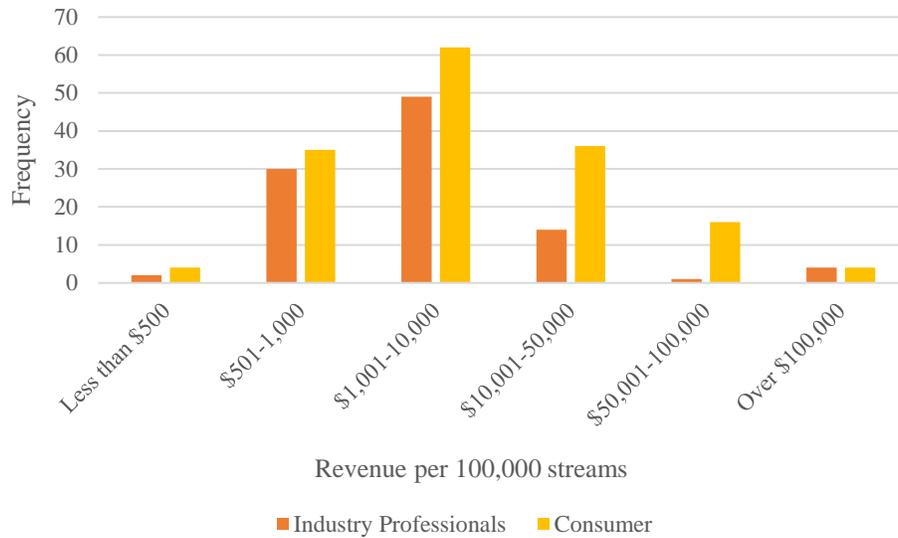


FIGURE 2. Comparison of frequencies of responses for both the Industry Professionals and Consumer groups in relation to their ideal rate of artist revenue for 100,000 streams on a music streaming service.

Qualitative data was also collected in order to examine Industry Professional's recommendations for music streaming services moving forward, as well as to look into additional thoughts not covered by the survey. When asked for possible actions music streaming services should peruse, three main themes emerged from the 73 comments made: higher payout rates, more features in streaming services, and more transparency from streaming services. The first recommendation was to work with artists and songwriters in order to have higher payout rates, in order to do this, professionals advised to eliminate free or ad-supported plans, charge the consumer more, or simply work towards generating better deals. The next recommendation asked for more features for artists on music streaming services. This included the streaming service working to promote artists more, specifically smaller/independent acts, through opportunities or professional tools, the specifics taking input from musicians themselves. This related to playlists, as well as other programs that artists could pay to have access to. In general, professionals felt that streaming services have more responsibility to help artists learn how to

best succeed on their platform, and provide some benefits in order to help generate that success. The third main recommendation asked for music streaming services to be more transparent in their payout methods and amounts. Currently, artists, especially those on labels, are unable to compare their payout rates with each other, which makes them unsure if they are even making a fair compensation compared to others. Beyond that, professionals wanted to know more solid data in a quicker manner than quarterly, or even longer on labels, and wanted information on how the payout rates are decided. Other recommendations mentioned improving the data, making payouts easier and more time efficient; in addition, creation of better government regulation for these services, including a government funded platform.

General comments were also collected to examine additional opinions not shared earlier in the survey. 36 participants responded with their thoughts. A majority of comments reiterated that payout rates for artist revenues from streaming services should increase. They mentioned that these services have a responsibility to the artists they have on their platform and that there is room for improvement. Another group focused on aspects of streaming services other than artist revenue by pointing out the opportunities that music streaming services have opened up for artists, especially smaller independent musicians. Music discovery has never been easier with every song ever made at one's fingertips, allowing those with smaller teams to be on a similar playing field with larger artists. Several artists explained that their music was able to be heard by many more users than would have found them otherwise. Participants also commented on the change in the industry due to streaming services, some stating that discovery is more wide-spread, but artists have also had to adapt their business models to place more focus on touring or merchandise, as they are unable to rely on income from streaming.

Consumers

First focusing on demographics, a majority of participants in the Consumer group were aged 18-21, identified as female, and had either completed or were in the process or completing a Bachelor's degree. Table 10 shows the distribution of the demographics for participant age, gender, and education level.

TABLE 10: Consumer demographics (age, gender, and education level) with frequencies.

Consumer Demographic	Frequency
Age	
18-21	98
22-35	34
36-50	13
51+	11
Total	156
Gender	
Female	110
Male	44
Non-Binary	3
Total	157
Education Level	
High School	38
Associates	28
Bachelor	62
Post Graduate	14
Prefer Not to Answer	3
Other	12
Total	157

Table 11 shows the frequency distribution for the genre of music that participants listen to the most. A majority of respondents listened to music in the Rock, Blues, Indie, Alternative, Folk, and Singer/Songwriter category (38%), following those who responded that they listen to Pop or Top 40 the most (26%).

TABLE 11. Consumer Preferred Music Genre

Genre	Frequency
Rock, Alternative	60
Hard Rock, Punk	16
Electronic, Dance	6
Hip Hop, Rap, Soul, R&B	11
Country	12
Pop, Top 40	41
Jazz	5
Other	8
Total	159

The hours consumers listened to music per week is evenly distributed between the ranges of 0-10 hours, 11-20 hours, and over 20 hours. However, a majority listened to at least 10 hours of music per week (79%, collectively), with a smaller majority listening to over 20 hours of music per week (40%). Table 12 shows the distribution for how users consume music, whether digitally or physically. Because most people listen to music in more than one way, Consumers were allowed to pick more than one outlet, so this data is not mutually exclusive. An overwhelming majority (96%) of consumers selected music streaming services. The next highest category was vinyl, with 39% of consumers responding that they listen through this format. Besides “other” formats (2%) and cassettes (4%), the least popular format was satellite radio with only 16% of responses.

TABLE 12. Outlets used by Consumers to listen to music.

Outlet	Frequency
Streaming	153
Downloads	39
CDs	44
Vinyl	62
Cassettes	6
Radio	53
Satellite Radio	26
Other	3

Narrowing down on music streaming, the hours spent listening to music per week were more centered with 42% of consumers listening between 11 and 20 hours per week. There were more users who listened to under 10 hours of just streaming when it is compared to consumer listening across all formats, as this percentage rose from 21% to 27%. Other factors impacted the hours Consumers listen to streaming, such as age (p value = .005), where lower age groups reported higher listening hours than those in older categories. In addition, whether or not the Consumer has a Premium, or paid, account on a streaming service influenced their streaming listening hours (p value < .001), with Consumers on Premium plans using for a higher number of hours to stream per week than those on free or ad-supported plans. As far as the specific streaming services used by consumers, Spotify controlled the responses at 85%. Consumers were also allowed to choose more than one streaming service; therefore, this data is not mutually exclusive. Table 13 shows the frequency of Consumer use for each streaming service.

TABLE 13. Streaming services that Consumers have ever used.

Streaming	Frequency
Spotify	130
Apple Music	78
Pandora	91
Amazon Music	47
Google Play	21
Youtube	114
Tidal	11
Other	3

This frequency distribution becomes more skewed towards specific services when Consumers were then asked which platform they used the most. This data is mutually exclusive. Spotify's percentage increased to a relatively overwhelming majority, with 56% of consumers using this platform the most. Apple Music was the next closest streaming service, with 24% of consumers using this service the most. YouTube had a high disparity between consumers that

use the service and those that use it the most, as 75% use it, but only 10% use it the most. Table 14 shows the distribution of each service Consumers reported using the most. Certain factors influenced the streaming service used the most. To start, age impacted the streaming service (p value $< .001$), as those in lower age groups were more likely to favor Spotify, while older age groups had a more even distribution. Whether or not the Consumer was on a Premium plan also impacted the streaming service favored (p value $< .001$), with those on a Premium plan favoring Spotify and Apple Music, and those on either a free or ad-supported plan favoring Spotify, YouTube, or Pandora. Factors such as music genre or gender did not impact the streaming service used most.

TABLE 14. Streaming service Consumers reported using the most.

Service	Frequency
Spotify	85
Apple Music	36
Pandora	10
Amazon Music	3
Google Play	1
YouTube	15
Tidal	1
Other	2
Grand Total	153

A large majority of streaming Consumers (77%) paid for their music on at least one Premium plan. Of those, 48% had a Premium account on Spotify, with 87% of consumers who responded they used it the most on a paid plan, and 57% of those who have ever used the service. This data is not mutually exclusive, as some Consumers were on more than one Premium plan. Services including Apple Music, Amazon Music, and Tidal had more Consumers on their Premium plans than Consumers who use that service the most.

To summarize, Figure 3 shows the overall comparison between what Consumers reported using, what they used the most, and the service they had a Premium plan on.

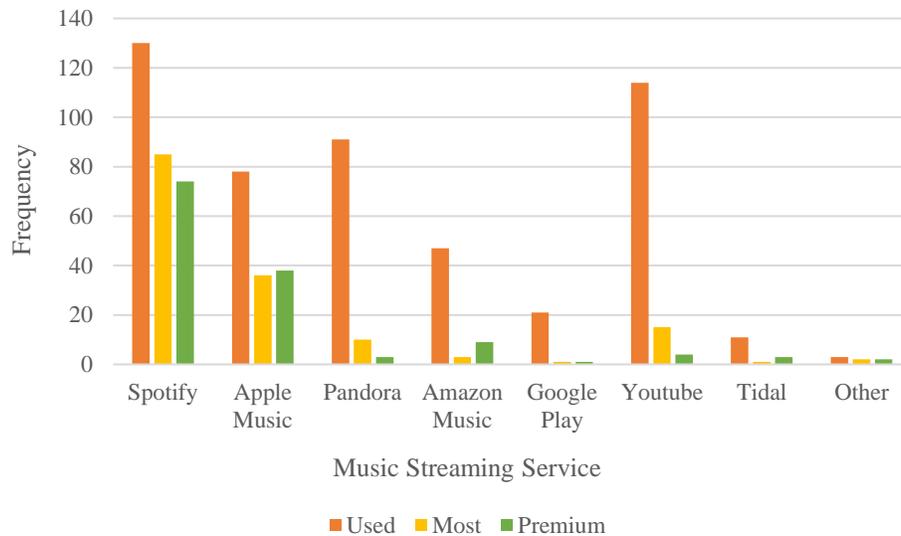


FIGURE 3. Comparison of Consumer usage of music streaming services between what they reported using, what they use most, and if they have a Premium account.

Additional comments were collected from the Consumer survey in order to examine other thoughts not included in the rest of the survey. Out of the 18 responses, two themes were prominent: overall positive feelings about streaming services, and a request for higher compensation for artists. A majority of the comments spoke positively about streaming, explaining that the services are inexpensive and worth the money, along with compliments to their other features such as Apple Music's integration with the users' Apple devices, or Spotify's playlists. Another category spoke about compensation for artists, explaining that more needs to be done, and acknowledging that music has value.

Discussion

The results of this study aim to provide a comprehensive look at music streaming services and their impact on the music industry. Specifically, the data collected from artists not only

allows us to understand and estimate their revenue, it also provides information from the music industry as a whole. Additionally, Consumers provided data on their opinions and knowledge of streaming services. Three main themes emerged from their comments on music streaming services: consumers' relationships with these services, investigation of artist revenue rates, and the change in the industry.

Consumer Impact

Focusing first on consumers, an overwhelming majority of those surveyed have embraced music streaming services, replacing the piracy of the early 2000's. This is corroborated by the sharp decline in music piracy present in recent years, declining almost 10% just between 2018 and 2019 (Resnikoff, 2019). Therefore, more consumers are listening to music in legal methods, and most are paying for it, as evidenced by our results, where we reported that 75% of participants have at least one Premium account on a music streaming service. This is a shift from the early 2000's, where websites such as Napster, and lack of buffet-style music mediums led to millions of users (70 million at Napster's peak in 2000) illegally sharing music (Nieva, 2013). It was easier to pirate music at that point than to go through the legal process, but streaming created a better option. Now, as of October 2019, Spotify alone has just under 250 million users, with over 100 million of those on a Premium account (Dredge, 2019).

As evidenced by the results in this study, the usage of streaming and the specific services preferred are impacted by the consumer's age. Streaming is still dominated by a younger audience, especially for the most used platform, Spotify. Logically, those who pay for a Premium account listen to music streaming more than those not on a Premium plan. This indicates a generation coming in that is willing to invest in their music rather than getting it for free. Streaming services typically pay more to artists for a stream on a Premium account than for one

on an ad-supported account, so those consumers on paid plans help to offset the deficit created by those on the free plans.

However, consumers generally do not have an awareness of what artists make from streaming services, the Consumer group's average at \$12,603 for 100,000 streams (\$0.12 per stream) when artists earn closer to \$400 for 100,000 streams (\$0.004 per stream) (Trichordist, 2019). Around ¼ of the participants estimated revenue in this range. Clearly, more education and awareness is needed on overall artist revenue so that change can be demanded from not only the industry side, but from the consumer side as well. Once informed that artists cannot rely on their revenue from streaming services, consumers may be motivated to support artists in other ways. This includes but is not limited to concert attendance as well as merchandise purchase. Consumers may also work to support streaming services that pay artists sufficiently, evidenced by one study that found 64% of consumers select or avoid a brand based on their stance on societal issues (Edelman, 2018). However, consumers may also be influenced by brand loyalty, as switching over one's entire music library is an arduous task. With that in mind, consumers' opinions should be included in discussions about streaming services as they are the ones who choose the streaming services to support, and they are the ones paying for the music in the first place. A rise in music streaming services' prices may be the most practical solution in order to increase artist revenue rates, but it is only a solution if consumers are willing to pay more for their music.

Impact on Artist Revenue

Artist revenue from music streaming services.

In reference to the artist revenue rates, the overall average found in this study (\$230 for 100,000 streams) is around half of the rate of the publicized industry average (\$430 for 100,000

streams) (Trichordist, 2019). This difference may have been influenced by factors such as artists having knowledge of their rates, the amount of smaller, independent artists that responded, and the ranges provided for the answer choices. The Apple Music average revenue rate found in this study is more aligned with the industry (\$495 for 100,000 streams) with around \$354 for 100,000 streams. Although this study found the average revenue to be lower than the industry average, the difference among payout rates show a similar trend on the revenue earned by the different streaming services. Out of the three services examined in the survey, Apple Music has the highest payout rate, followed by Spotify, then finally Pandora. Interestingly, this order is mirrored in the rankings of streaming services given by Music Industry Professionals.

Artist revenue in comparison to iTunes.

In order to create a point of reference for the artist revenue rates from music streaming services, these payouts will be compared to iTunes. iTunes paid out \$0.65 per track bought (Cane & Woods, 2004), but as with streaming services, the actual revenue to the artist could have been smaller due to record label deals or the distribution company used. Regardless, this payout was only given out once, no matter how many times the user played the track. Streaming has a unique opportunity in that there is essentially unlimited payout from their tracks, as payout is based on the number of streams. The iTunes payout of \$0.65 would take around 282 streams to earn the same revenue based on the survey results collected (157 streams with the industry average). Averaging song length at 3 minutes 30 seconds each (Sanchez, 2019), that would mean a typical consumer listens to 240 songs per week (based on an average of 14 hours per week from the Consumer survey data). While this would make up the iTunes revenue in 1 week and 2 days if only 1 song was streamed (the industry average reaching iTunes revenue in around 4.5 days), Spotify reports that consumers listen to an average of 41 unique artists per week (Iqbal, 2019).

This brings the streams per individual artist to around 7 streams per week, taking 50 weeks of repeated listening at the same level in order to reach the iTunes revenue for 1 track (27 weeks considering industry average).

The large amount of discovery and wide number of songs available on streaming services can make it difficult for artists to reach amounts of streams that earn sufficient revenue, especially when compared to other outlets such as iTunes. While iTunes paid a guaranteed \$0.65 per user that bought each track, streaming does not guarantee that same payout. For example, if 1,000,000 unique users stream a song once, that would result in a payout of \$2,304 from streaming (\$4,130 from industry average), but if those users bought the track from iTunes instead, it would have resulted in a payout of \$690,000, regardless of the amount of times the track was listened to. The business model for streaming becomes financially advantageous when users listen to tracks a plethora of times. Using the same plays of 1,000,000 streams, but this time from 1 user, the payout rate would not change for streaming at \$2,304 (\$4,130), but the iTunes revenue would only be \$0.65, as only 1 user bought the track. To summarize, the payout method for music streaming services is better compared to iTunes for repeated listens of over 282 (or 157) streams per track, but under this level, the fixed iTunes revenue prevails. Therefore, increased payout rates from music streaming services would make it easier for artists to reach the iTunes payout threshold, thereby proving the advantages of this business model.

Increasing artist revenue rates from music streaming services.

Overall, both the Industry and Consumer groups feel the current compensation rate for artist revenue from music streaming services is insufficient. While the Consumer and Industry groups have an average ideal compensation rate in the range of \$10,000 to \$50,000, the Consumers' change from their group's estimation to ideal is a 154% increase, and the Industry

Professionals' change from their estimation to ideal asks for a 1,030% increase. A change to this rate may be unrealistic, but clearly shows the disparity in what the industry currently receives and what they feel is more appropriate. Generally, both the Music Industry Professionals and Consumers agree that payout rates should increase.

On the other hand, due to the lack of transparency from music streaming services and the industry overall, it is difficult to evaluate music streaming services based on revenue alone. One participant from the Music Industry Professionals group explained that having knowledge of an artist's revenue rates can be difficult, especially for artists on a label. It was stated that for a signed artist, "a stream that happened in August 2019 is reported to the distribution in September 2019, then the label receives that revenue in December 2019, but the artist doesn't see that income until September 2020." Even with this process, artists won't see how their revenue is broken down by track, making it impossible to determine a clean-cut "per stream" amount. While the participant explained that underpayment is considered "grossly unethical" in the industry, this lack of transparency creates a problem in figuring out if artists are being underpaid in the first place. A way that artists can go around this issue is to work directly with distribution companies, a method already utilized by independent artists that don't have labels to distribute their music for them. As stated previously, the distribution companies have the data a month later, so cutting out the labels shortens the process by nine months. However, an advantage to record labels is that they are able to negotiate higher payout rates than independent artists or distribution businesses, as they can leverage their entire catalog of artists. A solution that would improve the amount of data received regardless of whether the artist is on a record label or not, would be for music streaming services to provide more information to those on their platforms about the streams generated and how that translates into payout rates.

Currently, artists cannot determine their exact revenue rates. This creates a multitude of issues such as keeping them from knowing if they earn enough to reach the earlier stated iTunes threshold, making it difficult to compare revenues between artists, and creating a challenge for artists to be able to band together in their industry. A proposed incentive for streaming services to increase transparency is that they can offer to charge for this benefit. Distribution companies already have some analytics, but could also expand the data they provide, giving them a competitive advantage, as well as an ability to charge more.

Impact on the Music Industry

Generally, Industry Professionals have voiced complaints about the fairness of revenue, and they feel as though the streaming services do not care about the very artists who work and create their incomes; nonetheless, they recognize that streaming services also provide significantly more opportunity for discovery by consumers than previous outlets such as physical music. This is corroborated by outlets such as Spotify that reports 37% improvement in unique artists listened to per week by their users. The streaming service also reported that user listening hours have increased by 25% over the past few years (Iqbal, 2019). The Industry Professionals explained that these opportunities allow for smaller, unsigned artists to grow their audience organically. In other words, independent artists find themselves on a similar playing field to those on record labels thanks to algorithms and playlists giving these smaller artists a chance to be heard at a level never experienced before. For instance, one study in 2018 found that users showed a surge in their play counts, unique artists they listen to, and repeat listening for new discoveries (Datta, Knox, & Bronnenberg, 2016). This increase in discovery can lead to consumers finding new artists to support, either through repeated streams, or purchasing concert tickets and merchandise. This exposure is invaluable because it contributes to the artist

financially and promotionally, as these new fans will be encouraged to talk about artists they are interested in, spreading brand awareness through word-of-mouth.

Industry professionals also explained that they have adapted and no longer rely on payouts from music streaming services. Instead, they focus on earning a majority of their revenue from touring or selling merchandise. They comment that it is impossible to earn their livelihoods exclusively from streaming, and rely on playing more shows and developing products like physical music, shirts, etc. This new trend has forced a major shift, as illustrated by Allen Kruger in his book *Rockonomics*, where Krueger explained that previously tours were meant to support album sales, and now the opposite occurs (Krueger, 2019). Unfortunately, this shift is not advantageous for all. Artists that are just starting out and beginning to book shows, or for those who can't commit to a time-consuming cross-country tour, are more susceptible to the impact of music streaming services. A growth in reliance on concert revenue has had ripple effects evidenced by the increase in ticket prices. Average prices have risen over 200% from 1997 to 2018, far outpacing inflation. For example, a consumer could buy a ticket for a top artist at around \$25 in 1996, but that same ticket costs over \$90 today (Shaw, 2019). Merchandise sales are also impacted as they become more designer-focused clothing, forcing costs upward (Raymer, 2016). Additionally, other long forgotten music sales outlets such as vinyl, have seen a 490% price increase from an average of \$4.80 in 2007 to an average of \$28.40 in 2017 (Bukspan, 2019). The overall price increases have put more pressure on artists to create these higher-cost goods, which have higher upfront costs. Now instead of budgeting just for album creation, artists must also consider merchandise and tour expenses as a vital part of an album release. Price increases also puts pressure on Consumers, as they are the ones who have to decide if these secondary goods are worth their money.

Music streaming services have, without a doubt, revolutionized the music industry. Their impact on the entire music environment is wide reaching, directly influencing other areas such as touring, publishing, and artist careers as a whole. As evidenced by our research findings, the Music Industry Professionals and Consumers both feel that music streaming services still have room to improve. The recommendations outlined in the study (higher payout rates, more features for artists, and better transparency from music streaming services) are a place to start making advancements. With the information in this study, it is the hope that those in the music industry will work to make more informed decisions in relation to the benefits and downfalls of music streaming, as well as continue to stay informed on this issue. If these payout rates are not analyzed, then there is no way to rally for their improvement. In addition, consumers play a major part in the discussion of music streaming services. This study aspired to inform consumers on what really happens behind the scenes in the music industry, at least in relation to music streaming services. This way, consumers can also make informed decisions about music streaming services, whether that be through services used, or how they support artists they listen to. Music streaming services have changed the industry, now is the time for the industry to make sure these changes result in a positive outcome.

Limitations and Future Research

This study had several limitations, the first involves the sampling process. Our survey participants were selected through a volunteer sample, limited by the networking of the main researcher. A more robust data sample is recommended to highlight the strength of validity. Secondly, the Music Industry Professional's data primarily comes from smaller artists in the Alternative/Rock genres. This may skew the revenue or other data reported. Additionally, music streaming services do not publish or make their data available to their artists; therefore, artist

revenue rates may not be entirely accurate based on some artists not having access to these numbers. Compounding the problem, all data collected is categorical. In terms of the Consumer survey, a large majority of participants were college students in the 18-21 age range. With larger and more evenly distributed samples, the findings could be improved.

As music streaming services are still a relatively new outlet to access and distribute music, there is a significant need to develop a standardized approach to report artist revenue rates as well as other areas that are impacted by this format such as brand loyalty and music discovery. For future research, another recommendation is to incorporate the impact of Consumer brand loyalty to streaming services, as Consumers may be able to demand change based on avoiding or selecting certain services. YouTube also has seen massive growth not only as a social media platform, but also as a music streaming service, it would be recommended to look into their payouts specifically, as well as into why their rate between usage and most usage has such a large disparity. We also recommend taking a deeper dive into songwriters and their relationship with streaming services, as this comprehensive look was unable to fully evaluate their opinions and revenue rates. Technology has had a significant impact on the traditional business. In general, the music industry is rapidly changing, and future research is necessary to evaluate the current state of the industry and provide insights for the future.

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Appendix A

Music Industry Professionals Survey

Note: *This survey was distributed through Qualtrics, which automatically includes skip patterns. Directions in italics indicate skip patterns, but this was not the exact format.*

We are conducting research for a Florida Southern College Honors Thesis on the state of music streaming services in the music industry. This survey will provide data on music streaming services from the industry side as well as collect artist data. All information you provide will remain anonymous, and no personal information will be collected. Your completion of this survey will act as your written consent to use the data you provide in this study. Thank you for participating!

1. What BEST describes your profession within the music industry?
 - a. Artist/Performer
 - b. Songwriter/Composer
 - c. Artist Manager/Artist Representative
 - d. Live Performance (Venue, Tour Promotion)
 - e. Recording (Production, Studio, Retail, A&R)
 - f. Publishing (License, PROs, Radio)
 - g. Student
2. What is the genre that you are MOST involved in for your profession within the music industry?
 - a. Rock, Blues, Indie, Alternative, Folk, Singer/Songwriter, ,
 - b. Hard Rock, Heavy Metal, Punk
 - c. Electronic, Dance
 - d. Pop, Top 40
 - e. Hip Hop, Rap, Soul, R&B, Funk
 - f. Country, Pop Country, Americana
 - g. Other (Please Specify)
 - h. Profession is not genre-specific
3. How long have you been involved in the music industry?
 - a. 0-5 years
 - b. 6-10 years
 - c. 11-20 years
 - d. More than 20 years

4. Approximately what percentage of your annual income do you get from your work in the music industry, including royalties collected for work done in previous years?
 - a. None
 - b. 1-25%
 - c. 26-50%
 - d. 51-75%
 - e. 76-99%
 - f. 100%
5. Have you ever been affiliated with any music that has ever been released as a performer, copyright holder/songwriter, producer, or other occupation in which you would receive royalties from the released music?
 - a. Yes
 - b. No (*Skip to 19*)
6. Has any of the music you are affiliated with ever been released under a record label?
 - a. Yes
 - b. No
7. Are you affiliated with any music that is released on any music streaming service?
 - a. Yes (*Skip to 9*)
 - b. No
8. Why is your affiliated music not available on music streaming services?
(*Skip to 19*)
9. How much of your affiliated music is released on music streaming services?
 - a. 1-25%
 - b. 26-50%
 - c. 51-75%
 - d. 76-99%
 - e. 100%
10. Approximately how much income did you receive from music streaming services last month?
 - a. \$0-10
 - b. \$21-50
 - c. \$51-500
 - d. \$501-1,000
 - e. \$1,001-5,000
 - f. More than \$5,000 (please specify)

11. Approximately how many times last month was any of your affiliated music streamed?
 - a. 0-1,000
 - b. 1,001-10,000
 - c. 10,001-100,000
 - d. 100,001-500,000
 - e. 500,001-1,000,000
 - f. Over 1,000,000 (please specify)
12. Which music streaming services is your affiliated music available on? (Select all that apply)
 - a. Spotify (*Answer 13 and 14*)
 - b. Apple Music (*Answer 15 and 16*)
 - c. Pandora (*Answer 17 and 18*)
 - d. Amazon Music
 - e. Google Play
 - f. Youtube
 - g. Tidal
 - h. Other (Please Specify)
13. Approximately how much income did you receive from Spotify last month?
 - a. \$0-10
 - b. \$21-50
 - c. \$51-500
 - d. \$501-1,000
 - e. \$1,001-5,000
 - f. More than \$5,000 (Please Specify)
14. Approximately how many times last month was any of your affiliated music streamed on Spotify?
 - a. 0-1,000
 - b. 1,001-10,000
 - c. 10,001-100,000
 - d. 100,001-500,000
 - e. 500,001-1,000,000
 - f. Over 1,000,000 (Please Specify)
15. Approximately how much income did you receive from Apple Music last month?
 - a. \$0-10
 - b. \$21-50
 - c. \$51-500
 - d. \$501-1,000
 - e. \$1,001-5,000
 - f. More than \$5,000 (Please Specify)

16. Approximately how many times last month was any of your affiliated music streamed on Apple Music?

- a. 0-1,000
- b. 1,001-10,000
- c. 10,001-100,000
- d. 100,001-500,000
- e. 500,001-1,000,000
- f. Over 1,000,000 (Please Specify)

17. Approximately how much income did you receive from Pandora last month?

- a. \$0-10
- b. \$21-50
- c. \$51-500
- d. \$501-1,000
- e. \$1,001-5,000
- f. More than \$5,000 (Please Specify)

18. Approximately how many times last month was any of your affiliated music streamed on Pandora?

- a. 0-1,000
- b. 1,001-10,000
- c. 10,001-100,000
- d. 100,001-500,000
- e. 500,001-1,000,000
- f. Over 1,000,000

19. How would you rate fairness of revenue from music streaming services as a whole?

Extremely Unfair	Moderately Unfair	Slightly Unfair	Neither Fair nor Unfair	Slightly Fair	Moderately Fair	Extremely Fair
1	2	3	4	5	6	7

20. How would you rate the amount that music streaming services care about those who earn money from their music?

Extreme Lack of Care	Moderate Lack of Care	Slight Lack of Care	Neutral	Slight Amount of Care	Moderate Amount of Care	Extreme Amount of Care
1	2	3	4	5	6	7

21. How would you rate your overall experience with music streaming services as a whole?

Extremely Dissatisfied	Moderately Dissatisfied	Slightly Dissatisfied	Neither Satisfied nor Dissatisfied	Slightly Satisfied	Moderately Satisfied	Extremely Satisfied
1	2	3	4	5	6	7

22. Please rate the following streaming services from highest (1) level of fairness of revenue to the lowest (7)

___ Spotify

___ Apple Music

___ Pandora

___ Amazon Music

___ Google Play

___ YouTube

___ Tidal

23. What is your best guess for how much an artist (on average) earned for 100,000 streams in 2018 (from Spotify/Apple Music)?

- Lower than \$300
- \$301-\$1,000
- \$1,001-\$10,000
- \$10,001-\$50,000
- \$50,001-\$100,000
- More than \$100,000

24. According to the Trichordist Streaming Price Bible of 2018, it was found that artists earn an average of \$413 for 100,000 streams. In your opinion, does that amount seem sufficient for compensation?

- Yes
- No
- I'm Not Sure

25. What do you believe would be an ideal rate of compensation for 100,000 streams?

- Lower than \$500
- \$501-\$1,000
- \$1,001-\$10,000
- \$10,001-\$50,000
- \$50,001-\$100,000
- More than \$100,000

26. What are some actions you believe music streaming services need to make in order to improve experience for those who earn royalties for their music?

27. Age

- a. 18-21
- b. 22-35
- c. 36-50
- d. 51+

28. Gender

- a. Female
- b. Male
- c. Non-Binary, Gender Neutral
- d. Other (Please Specify)

29. Are there any additional comments you would like to add about music streaming services?

Appendix B

Music Consumer Survey

Note: *This survey was distributed through Qualtrics, which automatically includes skip patterns. Directions in italics indicate skip patterns, but this was not the exact format.*

We are conducting research for a Florida Southern College Honors Thesis on the state of music streaming services in the music industry. This survey will provide data on music streaming services from the consumer side. All information you provide will remain anonymous, and no personal information will be collected. Your completion of this survey will act as your written consent to use the data you provide in this study. Thank you for participating!

1. What is the genre that you listen to the MOST?
 - a. Rock, Blues, Indie, Alternative, Folk, Singer/Songwriter, Acoustic, Americana
 - b. Hard Rock, Heavy Metal, Punk
 - c. Electronic, Dance,
 - d. Pop, Top 40
 - e. Hip Hop, Rap, Soul, R&B, Funk
 - f. Country, Pop Country
 - g. Other (Please Specify)
2. How often do you listen to music per week?
 - a. 0-10 hours
 - b. 11-20 hours
 - c. 21+ hours
3. Which of these outlets do you currently use to listen to music? (Select all that apply)
 - a. Music Streaming Services (Spotify, Apple Music, Pandora)
 - b. Digital Music Downloads (iTunes)
 - c. CDs
 - d. Vinyl Records
 - e. Cassettes
 - f. Terrestrial Radio (Local Radio Stations)
 - g. Premium/Satellite Radio (Sirius XM)
 - h. Other (Please Specify)

If Music Streaming Services is not selected, skip to question 9.

4. How often do you listen to music streaming services per week?
 - a. 0-10 hours
 - b. 11-20 hours
 - c. 21+ hours
5. Which music streaming services have you ever used? (Select all that apply)
 - a. Spotify
 - b. Apple Music
 - c. Pandora
 - d. Amazon Music
 - e. Google Play
 - f. YouTube
 - g. Tidal
 - h. Other (Please Specify)
6. Which music streaming service would you say you use the MOST?
 - a. Spotify
 - b. Apple Music
 - c. Pandora
 - d. Amazon Music
 - e. Google Play
 - f. YouTube
 - g. Tidal
 - h. Other (Please Specify)
7. Are you on a Premium plan for any music streaming services (where you pay a monthly fee to stream music)?
 - a. Yes
 - b. No (*skip to question 9*)
8. If you are on a Premium plan for any music streaming services, which one(s)? Select all that apply.
 - a. Spotify
 - b. Apple Music
 - c. Pandora
 - d. Amazon Music
 - e. Google Play
 - f. YouTube
 - g. Tidal
 - h. Other (Please Specify)

9. What is your best guess for how much an artist (on average) earned for 100,000 streams in 2018 (from Spotify/Apple Music)?
 - a. Lower than \$500
 - b. \$501-\$1,000
 - c. \$1,001-\$10,000
 - d. \$10,001-\$50,000
 - e. \$50,001-\$100,000
 - f. More than \$100,000
10. According to the Trichordist Streaming Price Bible of 2018, it was found that artists earn an average of \$413 for 100,000 streams. In your opinion, does that amount seem sufficient for compensation?
 - a. Yes
 - b. No
 - c. I'm Not Sure
11. What do you believe would be an ideal rate of compensation for 100,000 streams?
 - a. Lower than \$500
 - b. \$501-\$1,000
 - c. \$1,001-\$10,000
 - d. \$10,001-\$50,000
 - e. \$50,001-\$100,000
 - f. More than \$100,000
12. Age
 - a. 18-21
 - b. 22-35
 - c. 36-50
 - d. 51+
13. Gender
 - a. Female
 - b. Male
 - c. Non-Binary, Gender Neutral
 - d. Other (Please Specify)
14. Current Education Level
 - a. High School
 - b. Associates
 - c. Bachelor
 - d. Post Graduate
 - e. Other (Please Specify)
 - f. Prefer Not To Answer
15. Are there any additional comment you would like to add about music streaming services?

