

CD BABY PRESENTS:

Making Money from Digital Music

An independent musician's introduction to the new music industry



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Things change fast in today's music world. Thanks to the Internet, concepts that seemed foundational even ten years ago have been completely turned on their heads. This guide aims to provide you — the unsigned artist — with an overview of the digital music landscape, and how you can make money (and a career) from your music online.

And believe us, there's lots of money to be made from digital music. Here's just a quick snapshot:

- Together, downloads and streams form the primary revenue source for recorded music worldwide (accounting for more than 50% of the total recorded music market in 19 countries), with the percentage of overall music industry revenue driven by physical formats shrinking every year.
- The rapid adoption of streaming platforms worldwide has more than offset the decline in download and CD sales.
- Apple Music, in its first 9 months, reached 13 million paying subscribers. Spotify now boasts more than 40 million paid subscribers. Both of those figures will continue to grow fast.
- YouTube Monetization has become an important part of an artists' overall revenue story. CD Baby will soon have paid out more than \$10million in YouTube advertising revenue to independent artists just like you.

So the digital music market is out there. But how do you tap into it?

Let's start with a few important concepts...

Think of yourself as a musician AND an entrepreneur

Different dreams: the benefits of independence

It's a 20th Century dream: wish upon a star, get signed, somehow grow rich earning only pennies on the dollar (while your label pockets the rest)...

Gone are the days when you needed a record deal to build a fanbase large enough to sustain your music career. Gone too are the days when a label would manage your entire career for you. Now major labels expect the artists they sign to have put in the legwork upfront, grown their social media and email followings, figured out how to successfully tour, sell merch, and more — all on top of harnessing their creative craft. If your ultimate goal is to secure a recording contract, you'll need to prove yourself in all of these areas anyway, because labels aren't taking many chances these days.

But if you're already building your career in this manner, why not continue to manage it independently and reap the financial rewards?

When you remove the traditional middlemen and take charge of your own career, you can:

- ❑ make more money per sale
- ❑ make your own business decisions — based on what's best for YOU
- ❑ retain total creative control of your music
- ❑ own your relationship with your fans and communicate with them directly
- ❑ be the leader of a team (manager, publicist, booking agent, etc.) that works according to your budget — instead of a label running up a tab for things you don't need and then passing those costs on to you

So don't wait around to get anointed by the old guard; take charge and make your own success happen.

Different pathways to success

Another thing the Internet has afforded artists is the ability to redefine what success even means.

For some, it might mean pressing only vinyl records, selling them directly to fans at house concerts, keeping the tour budget tight, and making a middle-class living on the road.

For others it might mean you earn all your income without ever leaving home, focusing on sync licensing and YouTube videos instead of live concerts.

For yet others, it could be some combination of many revenue sources: live concerts, downloads, streaming, publishing royalties, album sales, and more.

There's no RIGHT way to succeed, and there's no RIGHT way to define success. It's something that you have to define for yourself.

That being said, this guide aims to touch on the main areas in which many independent artists today are seeing success from their music on digital platforms.

Different gatekeepers

A gatekeeper is someone in the music industry that holds the key to your success. Yes, success is possible without a label — but we're not saying gatekeepers don't exist anymore. They do. It's just that the important gatekeepers are no longer the record label's A&R reps and executives. And today's gatekeepers aren't walled-off to unsigned artists.

Who are the gatekeepers? They include:

- ▣ high profile bloggers who can spread the word about your music
- ▣ popular Spotify playlist creators
- ▣ music supervisors who can place your songs in film and TV productions and earn you serious sync licensing revenue
- ▣ talent buyers at popular venues and festivals
- ▣ hosts of trendsetting radio programs, as well as online radio services like Beats
- ▣ and more

Now it might not be EASY to wow all of the people above, but the important point here is that it's possible. Today you can often communicate with these people directly, whereas in decades past, you wouldn't stand a chance getting their attention without the support of a label.

Indie means speed: controlling all your rights so you can be more nimble

Again, thanks to the Internet, many of the above gatekeepers are not only open to working with unsigned acts, they often PREFER it. That's because as an independent artist, you're likely to own all the rights to your music and have a good grasp on all your current music career obligations — so you can make quick decisions. No need to make a bunch of phone calls and secure permissions from other parties. Just book the gig! Place the song! Sign off on the blog premiere!

What rights?

Master recording rights: If you funded your own album or single, YOU are the label. YOU own the master recording and can authorize or deny the usage of that recording in commercials, video games, TV shows, films, online videos, and more. You can also grant or deny people the right to sample your song in their own music. With CD Baby's Sync Licensing and YouTube Monetization programs, you'll earn money from such usages.

You're also owed a royalty for the download or streaming of your recordings — which is generally paid to you through your distributor (hopefully CD Baby!) from a digital music platform such as iTunes, Apple Music, Amazon, or Spotify.

Neighboring rights: as your own label, and as the artist performing your own material, you are also owed a royalty for the digital performance of your music via online or satellite radio. These non-publishing performance royalties can be collected through SoundExchange.

Publishing rights: If you have written original material, and have not signed away the rights to those songs to another publishing company, YOU are the publisher of your music. As the publishing rights holder you're entitled to collect performance royalties when your songs are played on the radio or in venues; mechanical royalties when your music is downloaded or streamed; and sync licensing royalties when your music is placed in TV, film, games, etc.

As you begin to build a sustainable music career, it's crucial to capture every revenue stream possible. Publishing royalties are a big part of that financial picture.

Register your songs with a royalty collection society in your region. Check out this list of all the Performance Rights Organizations around the world, and find the one that operates near you:

https://en.wikipedia.org/wiki/Performance_rights_organisation#International

Or sign up with CD Baby Pro, and we'll handle all the song registrations, songwriter affiliations, and royalty collection for you!

The Shift from ownership to digital access

One of the biggest changes in the music industry is that music consumption has moved dramatically from an ownership model (where fans buy CDs, vinyl, or downloads) to a paid access model. Sometimes that means the fan is a paid subscriber to a streaming service such as Spotify or Apple Music, and sometimes they're listening to your music in an ad-supported manner (Spotify Free or YouTube).

In the digital music economy, the bulk of your income won't necessarily come from SELLING — in the traditional sense — but from enabling your fans to USE your music.

It's not about transfer of ownership; it's about what your fans can DO with your music, including:

- share it via social media,
- create their own videos on YouTube,
- add your songs to their favorite playlists and more.

The more your fans can do with your music, the more money you make. So enable them! Make sure it's available everywhere through CD Baby's global distribution service.

Your audience is worldwide...

You might feel like a local or regional artist, but the minute you put your music online, you're going global. And since gatekeepers — let's say, for example, the programmers of a popular playlist on Spotify — are accessible to independent artists, you can build a fanbase in countries you've never been to, while simultaneously growing your fanbase closer to home.

...but windowing won't work for independent musicians

A perhaps counterintuitive aspect of putting your music online is, because we have so many options for how we consume music, you must make your songs available on ALL the big platforms. Windowing, which is a tactic where you selectively release your music on only certain platforms, is usually a mistake for unsigned artists. Megastars have the power to direct fans towards the platform most beneficial for the artist. Lesser-known artists do not have that luxury.

A listener who prefers Spotify and pays for a premium subscription is not likely to search for your music on Amazon or Apple Music. Someone who only consumes music via YouTube will expect you to have Art Tracks available there. You can't expect fans to come to you. You need to go to them. If they can't find your music in the places they're already searching for music, they're going to move along to another artist. Don't miss the chance to earn that fan; be everywhere (including iTunes, Apple Music, Spotify, Amazon, Google Play, YouTube, and many more).

Tell an interesting story (because no one is intrigued by “check out my new music” messages)

Music marketing is all about telling a story. You can post to social media all day long, but without a clear message with an interesting hook, you're just adding to the noise.

Find out WHAT you want to communicate first. That's the hard part. What's the story behind your music? What drives you? Do you have a unique sound, look, or history? Once you find the heart of your story, the rest — email and social media marketing strategies, PR campaigns, etc. — it's all just details and office work.

If you need help discovering or telling YOUR story, check out

<http://diymusician.cdbaby.com/musician-tips/marketing-music-101-create-bands-story>

Your music is always new to someone

With a potential worldwide audience, even your oldest tune could become a new fan's favorite song.

There are three important lessons there:

- 1)** You should NEVER neglect your old catalog when it comes to promotion.
- 2)** You can build a sustainable career with niche music that might reach a small slice of the population in any given country, but when considered globally, can add up to a significant fan-base.
- 3)** The larger your catalog of albums and songs, the more opportunities you have to make fans and earn sync licensing, publishing, and sales revenue.

A digital music strategy that can work for independent artists

Now that we've addressed some of the conceptual aspects of running your own music career, let's talk strategy. How are you going to build your audience and make money from your music online?

Worldwide music distribution

It's not enough to put a song up on SoundCloud or Bandcamp. Those services can be very useful, but it's not the same as making your music available in ALL of the most popular music destinations, including Spotify, Apple Music, iTunes, Amazon, and more. As mentioned above, you need to be everywhere in order to meet your listeners on their preferred platforms.

Once you've recorded, mixed, and mastered your music, it's time to set up your distribution with CD Baby. (Note: you can select a future release date if you're not quite ready for your music to "go live.")

How to distribute digital music through CD Baby

1. Start your account at <https://members.cdbaby.com/ClientDetails/ClientInformation.aspx>
2. Fill out the information for your album or single
3. Upload your tracks and artwork
4. Select the countries and digital music platforms where you'd like your music to be made available
5. Pay a one-time setup fee (NO ANNUAL RENEWAL FEES!)

Within a matter of days, your music will be available worldwide!

Here are some things you'll need to prepare when signing up for CD Baby distribution:

- ❑ **Audio files** – Upload high quality audio in either WAV or FLAC file formats. Files must be stereo, 44.1kHz sample rate, and 16bit.
- ❑ **Cover art** – Your album cover image should be a JPG file that is at least 1400x1400 pixels, 72-300dpi, less than 25mb, and with an RGB color scheme (not CMYK).
- ❑ **Songwriter and publisher information for each track** – It's important to CD Baby and all our digital music partners that royalties be distributed accurately. This is why we require the songwriter and publisher information for every song we distribute.

UPCs and ISRCs: what they are and why you need them!

- ❑ You will also need a valid UPC barcode for your album and ISRC codes for each of your songs before your music can be distributed.
- ❑ A UPC is a 12-digit product identifier (similar to the barcodes you might see on packages in stores) that will set your album apart from all the other albums being sold. If you're pressing CDs, the barcode can be included in the back cover artwork. (Note: a UPC may've been provided by your disc manufacturer.) More important than the barcode image being printed on the disc itself, though, is that the 12-digit serial number be entered into your CD Baby account during the signup process. We will send this UPC data to all our partner companies so they can properly track sales and accurately account for payments.
- ❑ If you don't have a UPC already, don't worry; CD Baby can assign you one for just \$20! (You'll even be able to download an image of the barcode graphic if you want to print it on your CDs).
- ❑ ISRCs, similar to UPCs, are identification codes that are used to track the download and streams of individual songs. Every song must have a unique ISRC. If your album was mastered by a professional mastering engineer, they may've assigned ISRCs to your songs already. But if not, CD Baby is happy to provide them for FREE, and you can elect to have us do so during the signup process.

Music promotion

[Music promotion is a vast topic, and one we cover in depth on our DIY Musician Blog. But here we'll share just a few quick tips on promoting your music in the digital realm]. You can also check out our music marketing guide [HERE](#).

Okay, now your music is out there, but that doesn't mean anyone knows about it. It's time to promote. Actually, on second thought, it was time to plan your promotions months ago. So let's rewind the clock and imagine you were thinking about promotion alongside the release of your album.

You need your own website

A Facebook page is NOT a website. You need your own online headquarters for your music career where you can feature everything that a fan, blogger, or promoter would need — all in one place, and with YOUR artist name in the domain. A place where you control the experience. A place where you can easily build your email list.

Your website should include, at the very least:

- ❑ a music player with your best tunes
- ❑ videos and pictures
- ❑ an artist bio that succinctly communicates your story
- ❑ concert dates
- ❑ contact info
- ❑ links to your social media profiles
- ❑ an email signup form
- ❑ a few favorable press quotes (if you have them)
- ❑ a music store (CD Baby offers a free, embeddable music player and store that looks great and is easy to use)

Promotion begins the moment you start creating your new music

The best way to build anticipation for your music is to communicate with your fans AS the creative process is underway. Share pictures, videos, demos, and more — from the initial writing of the song, through the recording, and on to the album design and more.

Check out these ten ways to get your music in the press that have nothing to do with the final launch of the album: <http://diymusician.cdbaby.com/musician-tips/10-ways-to-get-your-music-in-the-press-besides-the-usual-album-release-and-tour-pr/>

Matching your goals with the appropriate promotion window

In order to capture the most press attention, you need to give the media enough lead-time (BEFORE the official release of your music) to cover it. Here are approximate promotional campaign lead times based on the scope of your release.

Local release: 1-2 month.

Regional release: 2-3 months.

National release: 3-4 months.

International release: 5-6 months.

Need help crafting a compelling publicity pitch? Download our guides:

[Marketing Your Music 101](#)

[10 Music Publicity Hacks You Can Use Right Now](#)

Approach popular blogs to do an exclusive video or song premiere

Blog premieres have become a ubiquitous way of promoting new music. You give a blog 24-48 hours in which they're the ONLY place fans can hear a new track or watch a video. You send your fans there to check out the content, and in exchange, that blog shares your music with their existing readership too.

Check out "How to set up a blog premiere for your song or video."

<http://diymusician.cdbaby.com/music-promotion/blog-premiere-for-your-song/>

Tell fans where they can get your music, but give them good directions

On your band website and in your email newsletters, place prominent links to all the most relevant platforms where your fans can access your music: iTunes, Apple Music, Spotify, YouTube Music, Amazon, etc.

BUT... even though you want to give your fans options, it's important to communicate how you'd prefer they access your music. For instance, you make the MOST money per download from CDBaby.com — and your fan will get their choice of high quality files (including CD-quality FLAC files). So they pay the same amount as they would via iTunes, get a better sounding product, and you earn more from the sale.

It makes sense, then, to prioritize CD Baby in your messaging, even going so far as to ask fans to buy from CD Baby for the reasons mentioned above.

You can suggest fans casually check out your music on a streaming service like Apple Music or Spotify, but if they really like what they hear, encourage them to support you with a download purchase from CD Baby (or iTunes, or Amazon, etc.)

Embed a music store on your website

What's even better than giving your fans good directions? Letting them purchase your CDs, vinyl, and downloads right from your website! CD Baby gives you a simple and attractive way to put a music store on your site with our embeddable Music Player.

It's easy. You just:

- Log into your CD Baby member account.
- Click [HERE](#) to select your music player style.
- Customize your player.
- Copy the HTML code and paste it into your website.

From there, your fans can purchase your music right from your site, and CD Baby will handle all the order fulfillment, customer service, and accounting. You'll earn a higher percentage per sale than with any other download store, and fans can even share your music player with their friends and followers online!

The power of playlists

Playlisting has become a huge part of how music fans find their new favorite artists on Apple Music, Spotify, and more. Some playlisting services (such as Soundrop.fm) can even draw source audio from several services (Spotify, YouTube, Deezer) so the playlist is accessible across multiple platforms.

The songs on a curated playlist are grouped together to appeal to a very specific audience — and that means more listens, more shares, more revenue for rights holders, and the chance of getting your music into the ears of music supervisors, many of whom listen to playlists as a way of finding the right songs for current TV and film productions.

CD Baby artist Perrin Lamb had one of his song's appear on a prominent Spotify playlist, and the resulting listens of that one track earned him \$56,000, to say nothing of the additional income he earned when fans then discovered more of his music.

But who's creating playlists? How do you get your music included? And what under-the-radar playlisting opportunities are you missing out on? Check out "How to get your music in a playlist on Spotify or Apple Music."

<http://diymusician.cdbaby.com/music-promotion/how-to-get-your-music-in-a-playlist-on-spotify-or-apple-music-2/>

And don't forget that YOU can create Spotify playlists too. Here are a few playlist ideas:

- Your set lists
- Your influences, plus your own songs that reflect those influences
- Music according to mood or theme (with a few of your songs featured)
- Music from your region or music scene

YouTube Monetization

YouTube is the biggest music discovery platform in the world — with more than a billion users world-wide — and YouTube advertising revenue has become an increasingly important portion of an artist's overall earnings.

By the end of 2016, CD Baby will have paid out more than \$10million (USD) in YouTube money to musicians with some CD Baby artists earning almost \$100kr in ad revenue. Much of that is generated by what is known as “user-generated content,” videos created by fans that use your music.

CD Baby's YouTube Monetization program gives you a way to earn money from such videos, even though you haven't uploaded them to your own channel.

Through YouTube's Content ID technology, any time your music appears anywhere in the YouTube universe, the song is identified and a rights claim is placed on the video on your behalf by CD Baby. At that point you earn a share of any advertising revenue generated by that video. The earnings for a monetized video may be small, but it adds up quick, particularly if you have a song that fits the needs of other video creators.

Here are 5 tips to help you make more money from your music on YouTube

1. Sign up your entire back catalog for CD Baby's YouTube Monetization program

The obvious early step to earning money from your music on YouTube is [getting set up to earn money from your music on YouTube!](#)

In the digital age, your music doesn't have a shelf life — and you never know when one of your songs will find its audience. So sign up ALL your songs, old and new.

2. Encourage your fans to create user-generated content

One of your songs might be the perfect soundtrack to someone's stupid cat video, or as the background music to a classic home movie of the family.

Here are a few ways to get people to use your music:

* email your fans and let them know they're free to use your songs for their holiday videos, wedding videos, family reunion videos, company or school projects, vacation slideshows, etc.

* host a video contest where you ask your fans to create music videos for their favorite of your songs. Whether its footage of a dance party, a stop-motion animation, or a bunch of kids lip syncing, these kinds of videos can add up to serious ad revenue from YouTube. Plus, you'll get to share your favorite of these entries through your website, newsletter, and social.

3. Put your most important links at the top of your video descriptions

For any videos you upload to your own channel, be sure to include the URL to your website or preferred music store right at the top of the description. You want viewers to be able to click through without having to scroll down or hit the “show more” button. Don’t make people search.

4. Create and upload videos for ALL your songs

In addition to all the other things YouTube has become, it’s also the #1 preferred listening platform for younger music fans. Make it easy for them to hear your music. The more videos you make available, the more opportunities you have to earn ad revenue.

If you don’t have the time or budget to shoot that many “proper” music videos, you should at the very least upload simple [album art videos](#) for every song.

[Important: if your distribution through CD Baby includes streaming services, we will deliver Art Track videos to YouTube for you!]

5. Use smart calls-to-action and cards

YouTube offers a number of tools to enhance your videos and to drive further engagement. Be sure to explore all your options within your YouTube channel, including [adding cards to your videos](#) that will encourage purchases, boost channel subscriptions, increase views, and more.

Sync Licensing

Arguably the most important revenue stream for today’s independent musician is sync licensing, where you earn a fee for the usage of your songs in film, TV, commercials, video games, and more. CD Baby artists who’ve paid for Standard distribution can opt in at no additional cost for our sync licensing program and make your songs available for such opportunities. In the past year we’ve placed our artists’ songs with NBC, HBO, Bravo, CW TV, Crossfit, Eddie Bauer, and more.

Best of all, with sync licensing, age doesn’t matter! It’s important to remember when someone is searching for the perfect song to fit a scene in a film, TV show, or commercial, **the ONLY thing that matters is how well the music supports the action.**

Unlike other aspects of the music/media business, sync licensing success is not based on age or freshness, release date, or “relevance.” It’s based on usage and need. What do the lyrics say? What does the music sound like? Does it fit the vibe or theme of the scene? The track needs to be useful for the production. That’s it.

Even your oldest songs — songs you may’ve long since stopped performing — can earn you sync revenue. And you never know what music supervisors will be looking for, so it’s smart to get all your material into a [sync licensing catalog](#).

Additional fan-engagement tools

The Internet gives you countless ways to interact with your existing fans, and find new ones, without even leaving home.

Here are a few:

- ❑ Live streaming concerts via ConcertWindow, Periscope, etc.
- ❑ Crowdfunding through platforms such as PledgeMusic or Kickstarter.
- ❑ Vlogs, music videos, lyric videos, and gear reviews on YouTube.

Keep the ball rolling!

Just as your album promotion should begin the minute you start writing songs or recording, it should continue right up until you put out your next release. Many musicians lose steam after the initial promo push, but buzz takes time to build. Don't rob yourself of opportunities that might come only after you've established some momentum.

Here are a few ways to keep promoting your music in the 12 months following the release:

- 1)** Create a new music video every month or two — which gives you new chances for exclusive blog premieres even after your album is “old news.”
- 2)** Write in-depth essays about each of the songs, and post one per month on your blog and social media.
- 3)** Tour! It's not a digital music activity, per se. But going out on the road is one of the best ways to get additional press coverage, and introduce your music to new audiences.

We know there's a lot of information in this guide. If releasing music independently is a new endeavor for you, this process might seem overwhelming — but it doesn't have to be. CD Baby takes the grunt-work out of many of these aspects of monetizing your music in the digital domain. From distribution to sync licensing, YouTube ad revenue to online music sales, we've got you covered. Sign up with CD Baby to get started today.

And if you have any questions about making your own career in today's music industry, get in touch with us! We're here to help.

cdbaby@cdbaby.com

1-800-BUY-MY-CD

Check out more actionable tips about promoting your music at [The DIY Musician Blog](#).