SYNC AGENTS AND ARTIST MANAGERS
A Scarcity of Attention and an Abundance of Onscreen Distribution

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Abstract

This article explores the role of synchronisation agents, and the current music business environment in Australasia more generally, in order to examine the various methods for music and image synchronisation and the extent to which the process of synchronisation can assist artist managers in building and maximizing their clients’ musical careers. ‘Sync agents’ are similar to song publishers. However, while song publishers work to maximise revenue from the exploitation of the performance and mechanical copyright of songs and having the songs in their catalogue synchronised with visual imagery, sync(hronisation) agents just work with the latter. Chris Anderson’s ‘Long Tail’ theory (2006) provides the model for arguing that the exchange value of musical copyrights has decentralised and therefore, as aggregators, sync agents are in the best position to generate revenue from synchronising more songs with a lot more images. This contrasts with artists or artist managers who are poorly positioned to generate revenue via this means. The article reports on a research project involving the International Music Managers Forum that seeks to create new standards in relation to artist management practices in the contemporary dispersed media context.

Keywords
Screen songs, synchronisation, artist manager, sync agent, ‘long tail’ theory

Introduction

In the Australasian popular music industry, the online environment is leading to more pressure being placed on artists and managers, rather than record labels, due to the fragmentation of the media landscape and the downsizing of recording labels. Artist managers helping clients to build and maximise their careers must hit many more media targets in the fragmented media context to deliver the same number of impressions than previously generated in the more centralised media landscape. This increased workload is exacerbated by the fact that record companies have dramatically reduced their staffing levels due to reduced profitability. Artist managers now operate across a wider media field while receiving less assistance from record labels.

This article employs Watson’s (2002) model for characterising the unique relationship between artist and manager as the nucleus around which a successful musical career revolves. Watson mobilises a bicycle wheel analogy to describe the structure that evolves due to the fact that (if successful) eventually the manager
and the artist will assemble a network of other relationships to further the artist’s career. Watson claims that the artist and manager might build a team that includes record company staff, booking agents, live crew, publicists, accountants, music publishers, record producers, merchandisers and many other specialists. His model depicts the unique combination of the artist and manager constituting the hub in the middle of a wheel. The artist and manager together work out where they want to go and how they want to get there. They then start assembling the additional members of the team around the hub like the spokes of a wheel.

While the individual spokes are important in their own right, the artist/manager hub remains pivotal in every situation. The spoke of the wheel that is the record label is carrying less weight and this is putting more pressure on the artist and manager hub. Furthermore, the online environment is leading to the creation of new and additional spokes. This article will therefore explore the role of sync agents and the current music business environment more generally, in order to examine the various methods for music and image synchronisation and the extent to which the process of synchronisation can assist artist managers in building and maximising their clients’ musical careers.

Research Method

It is important to note the manner by which this article approaches the issue of artist management (and artist managers’ relationships to sync agents). This article is not a neutral, disengaged reflection; the investigation analyses the subject in order to illuminate cultural practice and inform both internal and external theorisation of the cultural space in which artist management occurs. In other words, it is important to note at the outset that the author is an artist manager. This article therefore reports on a participant-observer method of research, an approach that is well established in qualitative research practices (Punch, 2005) and the auto-ethnography is employed in conjunction with ethnographic research interviews that were conducted by the author (drawing on the approach used by Greene and Porcello, 2005). In assuming a participant “non autonomous” (Titon, 1997: 99) role in the processes of artist management, this article relies on an interaction model (Shelemay, 1997: 197) in which the researcher’s own immersion in the project casts a ‘shadow’ on the results (Macionis and Plummer, 2005; Rice, 1997). To this end, the article includes elements of a case study of the Australian indie folk band Boy & Bear that the author has been co-managing with Rowan Brand since 2008.

In both its local and international forms, music industry success (measured in terms of profitability) is dependent on successful access to and exploitation of markets of sufficient scale to generate the income necessary to cover production costs.  

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1 All quotations attributed to Keith Harris and Danny Goldberg, unless otherwise indicated, are extracted from transcriptions of interviews conducted by the author in April and May 2010 in London and New York (respectively).

2 Boy & Bear is signed to Universal Music Australia’s Island imprint for Australia and New Zealand only, their song publishing is with SonyATV worldwide, their booking agent in Australia is Stephen Wade at Select Music, their booking agent in the UK and Europe is Lucy Dickins at International Talent Booking (ITB), and their booking agent in the US is Bobby Cory at CAA. Boy & Bear won the Triple J Unearthed J Award in 2010 and sold out 15 of the 17 shows on their debut headline Australian tour in October/November 2010. They have toured Australia with Mumford & Sons, Laura Marling, Angus & Julia Stone, The Hungry Kids of Hungary, Lisa Mitchell and, in April 2010, they toured the UK with Laura Marling who used Boy & Bear’s rhythm section as part of her backing band for the entire tour. In November and December 2010 Boy & Bear performed a capacity showcase at the Mercury Lounge in New York City and they completed their first headline (eight-date) tour in the UK with sold out performances in Oxford, Brighton and London.
and various artist development and facilitation costs. So few artists and managers achieve viable long-term careers that it is often said of the music industry that ‘failure is the norm’. Given that is the case in mainstream western markets (such as the United Kingdom and United States), with their massive markets, concentrated populations and economies of scale, the issues facing performers from smaller, geographically isolated contexts such as Australia are considerable. If an artist manager and artist operate in Australia alone, they will only be able to access 1.8% of the global market for popular music. This article therefore concerns research into the UK and US markets from the perspective of an Australian artist manager who is trying to build the career of an Australian band in these larger markets, as well as in Australasia.

From this perspective, and counter to the common rhetoric which states that the music business is in decline, this article will examine the proposition that the exchange value of songs/musical copyrights is increasing as music comes to be associated with media products that were once only visual images. Such media products include print media advertising, interactive slide-shows, car software, digital cameras and advertising in newspapers. The audiovisual use of music is increasing and therefore music/image synchronisation licensing revenues will expand. Such a situation demands more fiscal responsibility on behalf of artist managers, song publishers and sync agents.

This proposition raises complex questions concerning the industrial organisation of the music and film/media industries, particularly in relation to the ownership and control of musical copyrights. Chris Anderson's (2006) 'Long Tail' theory is relevant to explore the scarcity of mass media outlets for popular music and film, and the abundance of audience attention that accompanied this scarcity, leading to the exchange value of a hit song. Hit songs could be synchronised with a hit movie and thereby increase the exchange value of both forms. However, digital technologies such as the internet have reversed the way in which the media and entertainment industries operate and provided an abundance of distribution and, as a result, a scarcity of audience attention (Fig 1). This offers an opportunity for input by synchronisation agents.

![The New Marketplace](http://www.longtail.com/the_long_tail/about.html)
Sync Agents

Synchronisation (sync) agents are similar to song publishers but, while song publishers work to maximise revenue from the exploitation of the performance and mechanical copyright of songs and having the songs in their catalogue synchronised with visual imagery, sync agents just work with the latter. The long tail theory argues that the exchange value of musical copyrights has decentralised and therefore, as aggregators, sync agents are in the best position to generate revenue from synchronising more songs with many more images. Any one artist or artist manager is not as well positioned to exploit songs in the same way. Danny Goldberg, a senior US artist manager, observed the different amounts of time that artist managers and the sync agents invest:

"To me the biggest problem is not a conflict of interest; the biggest problem is a lack of effort. People take on too many artists and can't do a good job for everyone, and the old cliché is to throw things against a wall and see what sticks. And if you're one of the artists that didn't stick to the wall you feel 'gee they said that they loved me, and now I never hear from them', you know, 'if I'd known they weren't going to work hard I would've found somebody different to represent me'. That's the kind of thing that doesn't lend itself to legal remedy; it's just a function of judgement and reputation."

While Rowan Brand and I have addressed this issue with regard to the management of Boy & Bear through co-managing them exclusively, sync agents often work on a non-exclusive basis with musical copyrights that are ‘pre-cleared’, meaning that the owner of the copyrights in both the song and the recording have consented in advance to making them available for placement in film, television and online, and this makes the process of synchronisation easier for the buyer. Rather than having to negotiate with both the owner of the copyright in the master recording and the song publisher (or the song writer directly if they do not have a song publishing agreement), sync agents are the one point of contact for advertising agencies, film producers, television producers, digital marketers and online magazines. Sync agents usually license the copyrights rather than have them assigned.

Rather than owning the copyrights in an attempt to build an asset base, sync agents only generate a fee for themselves if the copyrights are synchronised with images, as this is when the licence agreement that they already have in place is triggered. The business structure that sync agents use is in line with Anderson's hypothesis; that there will be no more mass media hits but rather a lot more niche media hits and therefore the exchange value lies in the aggregate. Goldberg notes that this is occurring in a context in which the value of music licences can be protected more easily than the exchange value of recorded music can be:

"Licensing for major media can be protected. The law can be enforced when it comes to licensing songs for use in feature films, television shows and advertising. You can't practically sue millions of individuals who may or may not be illegally copying your music but you can sue a movie studio if they use your song without permission. Therefore they know this and therefore you can negotiate appropriate fees. So the licensing part of the business looks to me like that is going to endure, it's an enforceable thing. And that is particularly valuable for people..."
who write their own material, because the song writing is typically 50% of rights.

Artists and Artist Managers

The exchange value of the intellectual property (IP) in songs is increasing and, as music comes to be associated with media products that used to be images only, questions concerning the ownership and control of this IP arise from the artist and artist managers’ perspectives. As there is no longer a scarcity of distribution outlets for popular music, musicians (arguably) no longer have to assign their copyrights to companies that control the mass media outlets for popular music and other media to exploit this potential means of income generation.

The abundance of distribution outlets is leading authors such as Kusek and Leonhard (2005) to argue that a new ‘middle class’ of artist is arising as niche marketing replaces mass-marketing in the digital age. While this is accompanied by an increased scarcity of audience attention, this middle class of artist has more of a chance of accessing an audience than they did through relying on the mass media ‘lottery’. As aggregators such as sync agents potentially assume a position of dominance in the industry, musicians themselves, and therefore also their managers, will control more of their copyrights. Concerning this issue of either licensing (and therefore having more control over) copyrights or assigning copyright, Goldberg notes that:

*It depends how much you need money up front. If you don’t need cash up front obviously it is better to own things 100% and therefore do licensing deals. If you need cash so that you can pay your rent, or pay for school for your kids, or to not have to sell your house, then you give something up in return for that cash. Obviously it’s better to own something 100% than to just own half of it or three quarters of it or lose some control over the administration of it, but sometimes it’s in your interest to give that up if you need the money.*

Related to this, ‘collapsed copyright’ challenges definitions of copyright, asserting that these no longer make sense when music is consumed online. This is because when a song is streamed online or is downloaded, a copy of the song is generated and the performance copyright in the song and the mechanical copyright are one and the same. Such online use also involves the copyright in the actual recording as well. Collapsed copyright therefore includes the performance copyright, the mechanical copyright and the copyright in the actual recording merging into the one ‘creator right’. This centralisation of copyrights (if it is realised) has important ramifications for the structure of the music industry. It would involve the royalty collecting societies, song publishing companies and record companies merging into one. However a major issue arising from this concerns the increased workload that surrounds the ‘creator right’ if all functions of the aforementioned entities were rolled into one.

Regulating the Hub

The notion of the different forms of copyright being conflated into the one ‘creator right’ has ramifications for the relative power of artists and therefore their managers. While the artist manager’s role is increasingly central, their attempts to
work globally are hampered by a lack of consistency in relation to best practice and conduct across different territories. In addition to information gathered via the aforementioned participant-observer method, this article draws on research input by the International Music Managers’ Forum (IMMF), which is a voluntary body seeking to create new standards in relation to artist management practices and to the enforcement of international copyright law. The forum’s aim is constrained by lack of empirical research and the author is involved in a long-term project that is attempting to alleviate this through a comparative study of regulation (self-regulation and/or governmental) and best practices in the UK, Canada, Australia and the US. The study targeted members of the IMMF and involved 18 participants, of whom two are represented via extracts of interview transcripts quoted here.³

The research project identifies issues that are arising as the power balance in the music business shifts towards artists (and therefore their managers) due to the fact that they can control more of their copyrights through using the services of sync agents, rather than assigning their copyrights to the companies that control the mass distribution outlets. For this reason, it is a problem that there is no code of conduct that regulates artist management practices in the music business. There are two movements that are currently attempting to address this issue. First, the aforementioned research is being conducted into the establishment of a code of conduct for artist managers in the international music industry, and second, an organisation entitled the Featured Artistes’ Coalition (FAC) has formed in the UK. As has been discussed, the international recording industry has decentralised and this has shifted more commercial control from monopoly companies to smaller artist-manager teams.

In order to ensure that the Code of Conduct provides adequate and appropriate protection for artists, and so that it provides a set of guides for personal behaviours and values that assist an artist-manager team to establish a positive working environment, stakeholder input is being sought regarding two questions: first, the nature and extent of the ‘problem’, that is, what are the main risks for artists in their commercial relationship with managers in the current phase of decentralization? The second issue is the appropriate level, type and targeting of self-regulation to address these problems without imposing red tape.

The Featured Artistes’ Coalition’s manifesto for ‘fair play’ in the digital age states that all music artists “should control their destiny because ultimately it is their art and endeavours that create the pleasure and emotion enjoyed by so many”.⁴ They believe that: artists should always retain ultimate ownership of their music; all agreements should be conducted in a fair and transparent manner; and rights-holders should have a fiduciary duty of care to the originator of those rights and should consult and accurately report to creators on all agreements that affect how their work is exploited. The FAC is attempting to achieve this by changing artists’ approaches to agreements, the music and technology companies’ treatment of artists, and the law and its administration. In its campaign for laws, regulations, business practices and policies that protect artists’ rights, the FAC argues that: “Together, we will stand up for all artistes by engaging with government, music and technology companies, and collection societies, arguing for fair play and, where necessary, exposing unfair practices.” (ibid)

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³ This research was conducted with the support of a Macquarie University (Sydney, Australia) research development grant (for new staff) that was awarded to the author as Chief Investigator.

Keith Harris, reflecting the views of a number of British artist managers, noted that a set of guidelines produced by the IMMF for artist managers could be linked to the FAC:

*It’s basically a good idea, to actually have an artist’s voice, but there was always a problem with the IMMF, and I speak as a former chairman here, insomuch as 90% of the time, artists’ rights and managers’ rights co-align, but then there is 10% of the time when they don’t. And it’s that 10% that does need to be addressed and the Featured Artistes’ Coalition can kind of address that.*

Harris goes on to argue that, while a solution would be for the IMMF or another similar body to put guidelines as to what the agreements mean up on a website, it actually might be more appropriate for the FAC to be interpreting what these guidelines mean to the artist:

*It is incumbent on the artists to go to the FAC to get the artists’ point of view, and the managers to go to the IMMF to get the managers’ viewpoint and then their independent advisors can actually negotiate and pick a suitable model. It’s got an important role to play. And the good thing about the FAC is that it encourages artists to feel that they need to know, in the new environment, exactly what the business side means. There is no longer that attitude of ‘OK, I’ll leave that to my manager’.*

In such a scenario, in addition to becoming a quasi-regulatory body, the IMMF could work with the FAC to fulfil an educational role. Artists and artist managers specifically need to be educated concerning song publishing agreements and agreements that are formed with sync agents because this is an increasingly significant area of the business and one that is set to become an even more important engine for career growth. It is notable in the current media context that this sector is a business-to-business one, rather than involving a business-to-consumer transaction.

**The B2B Context**

The growing significance of B2B (business-to-business) revenue in the music industry is the result of end users’ ability to obtain free digital music and have concert ticket prices subsidised by sponsors. In their 2006 report on the international record business, the International Federation of the Phonographic Industry (IFPI) added a “trade revenues” category alongside “retail revenues” in its country-by-country summaries, demonstrating trends in the B2B sector. Opportunities abound for revenue generation from music copyrights, but many no longer involve a retail (B2C - business-to-consumer) sale or transaction with an individual consumer. Licensing revenue, for example, is all B2B.

Song publishing income therefore is set to be an even more crucial income stream in the newly emerging version of the business. Kusek and Leonhard (2005) argue that, traditionally speaking, due to the complexity of a record deal and the usually lopsided terms contained therein, publishing income tends to be a more valuable and reliable revenue stream than recording income—provided that the recording artist is also the songwriter. They note that,
It just takes longer to build a good catalogue of songs, and to get those songs into the right channels so that they are being used. Indeed, when the valuation was set for the recent acquisition of Warner Music Group, the publishing company was valued at $2 billion, compared with the $1.5 billion given for the recorded music operation. (Kusek and Leonhard, 2005: 25)

In terms of the future of the music business, the internet can be seen as essentially a giant publishing apparatus: “everything is about disseminating data (also known as ‘information’ or ‘content’), getting heard or being viewed by people, and reaching out to others” (ibid). Therefore sync agents, publishers and songwriters stand to benefit as technological advances enable data/songs to be disseminated as widely as possible. Kusek and Leonhard contend,

Once we can broaden our views on how the remuneration will be derived and start to embrace new models, the resulting revenues will be larger than ever before. One can see traces of this when looking at the flourishing ring-tone business, music for video games, and synchronisation income that stems from digital media products. (ibid)

Music is set to become even more ubiquitous. Leonhard (2008) notes that a wide range of music will become part of everything that used to be ‘images only’, including print media advertising. He notes that the audiovisual use of music will increase, and the licensing revenues will expand along with it (Leonhard 2008: 15).

In order to realise the potential of song publishing in a digital environment, Kusek and Leonhard (2005) note that copyright laws need to be amended to do what they were originally supposed to do, that is “protect authorship for a limited period of time so that an invention or work could be released to the public for the benefit of all” (25). They believe that the importance of mechanical reproduction licenses will decrease in favour of ‘access licenses’ that allow the public to freely use any song under a new blanket-licence arrangement (Kusek and Leonhard, 2005: 26). Song publishing is an important aspect of the music business because once the mechanisms of performance royalty collection are adapted to address the new modes of song usage (such as music ‘renting’), performance royalty collection and publishing will take the lead as the primary source of compensation for composers and performing artists. New technologies have a major role to play in this, according to these analysts:

Technologies such as the ones pioneered by Mediaguide, YesNetworks, and Yacast already allow us to monitor actual performance on broadcast networks with 99-percent accuracy, rather than relying on the sample-based accounting that has been commonplace until now. (ibid)

Under the existing performance royalty collection procedure, only those who can afford it are able to individually audit performance logs, thus giving them a better chance of collecting royalties, with implications that the rich artists get richer and the smaller acts sometimes miss out. In the new paradigm that is emerging, publishing is set to become inseparable from distribution and therefore the tasks that record companies used to perform will arguably be morphed into the publishing business or into ‘next generation’ music businesses.
The Future of Music/Image Synchronisation

There are several ramifications for the synchronisation of popular music with imagery in the situation in which performance royalty collection and publishing take the lead as the primary sources of compensation for composers and performing artists. The synchronisation of hit songs works because these copyrights trigger a shared familiarity with a particular popular song. The fragmentation of the media landscape may diminish this familiarity and thus dilute the resonance of hit songs in synchronised form. Most of the top fifty best-selling albums were recorded in the 1970s and 80s (for example, the Eagles and Michael Jackson) and none of them were recorded in the early millennial period (Anderson, 2006: 2). Yet consumers now have unlimited and unfiltered access to culture and content of all sorts, rather than just Michael Jackson and the Eagles and other such financially successful musicians. While canonical popular songs such as Michael Jackson’s ‘Beat It’ and ‘Billy Jean’ (both 1983) will remain familiar to millions of people, a familiarity that will be heightened by the practice of synchronising them in films, it will become difficult for any more recent popular music to become as canonical.

This will impact on a significant way in which the economic value of musical copyrights is generated: namely, synchronisation. More songs will be synchronised with more images and this will increase the value of music copyrights on aggregate, but diminish the value of any single popular song such as ‘Beat It’. This is because albums by the Eagles and Michael Jackson were more popular in the Seventies and Eighties than equivalent albums are now, not because they were better, but because consumers had fewer alternatives to compete for their attention. According to Anderson,

> What we thought was the rising tide of common culture actually turned out to be less about the triumph of Hollywood talent and more to do with the shepherding effect of broadcast distribution... The great thing about broadcast is that it can bring one show to millions of people with unmatched efficiency. But it can't do the opposite—bring a million shows to one person each. (2006: 5)

The economics of the broadband era are reversed because the internet is a distribution network that is optimised for point-to-point communications. The mass market is turning into a mass of niches. Although musical copyrights that are synchronised in films do not have to be hits, the confusing mosaic of a million mini-markets and micro-stars will change the way songs that are synchronised with imagery generate a shared sense of familiarity.

Long Tail Critics

The shattering of the mainstream, on which the practice of synchronising hit songs is dependent, into many different cultural shards is something that upsets traditional media and entertainment companies and practitioners. This is in part why there is a debate surrounding the long tail theory as many established players latch on to a growing body of scholarly work that uses statistical data to reject it. Elberse (2008) argues that Anderson’s proposition that consumers will migrate away from homogenised hits through now being able to find and afford products that are more closely tailored to their individual tastes is flawed. Rather than moving away from a reliance on blockbusters towards niche offerings, she argues
that companies should instead increase the number of blockbuster strategies they pursue.

While this is to an extent missing a certain nuance within Anderson’s argument, namely that a combination of hit and niche content is needed so that the shared sense of familiarity surrounding hit songs will lead consumers into the ‘tail’, the statistical data she presents suggests that the practice of synchronising hit songs will remain unchanged. This is greeted as pleasing news by established song publishers who control catalogues of hit song copyrights that benefit from the cultural practice of synchronising music with imagery. One of the charts Elberse presents depicts the aggregate selections of more than 60,000 Rhapsody subscribers who had more than 1 million tracks to choose from and yet:

In the three-month period of 2006 portrayed here, those customers engaged in more than 32 million transactions, or “plays”. And what do we see? Clearly, a high level of concentration. The data underlying the graph reveal that the top 10% of titles accounted for 78% of all plays, and the top 1% of titles for 32% of all plays. (Elberse, 2008: 3)

She argues that the amount of music consumed was equal to the entire music inventory of a typical Wal-Mart store. Although the data presented is from 2006, it does undermine the argument being presented here: that the application of the long tail theory will affect the practice of synchronisation.

An underlying assumption in Elberse’s article is that ‘obscure’ material is so because it is of lesser quality ‘naturally’, rather than its marginal status being the result of the bottleneck in, and thus the scarcity of, distribution. In contrast, Anderson argues that, while much of the material in the long tail is of lesser quality, some of the less homogenised material in the long tail is likely to resonate more with specific consumers and that we just need effective filters to find the gems. Elberse cites McPhee’s (1963) study positing that light users of a product category are a relatively large proportion of those customers interested in the popular products. McPhee noted that hit products monopolise light consumers and thus the phenomenon was labeled a ‘natural monopoly’ in his study. Hit songs synchronised with film imagery reflect this natural monopoly. Elberse distinguishes light users from heavy users who are more likely to venture into the long tail, but they choose a mix of hit and obscure products.

Elberse’s argument hinges on the, albeit substantiated, belief that light consumers concentrate largely on the hit products. However, the very definition of ‘hit’ products is changing because of the abundance of material that is now available and because of the fragmentation of the media landscape. According to Elberse, a balanced picture emerges of the impact of online channels on market demand,

Hit products remain dominant, even among consumers who venture deep into the tail. Hit products are also liked better than obscure products. It is a myth that obscure books, films, and songs are treasured. What consumers buy in internet channels is much the same as what they have always bought. (2008: 7)

However the emerging culture of participation changes this. Consumers also cherish what they make themselves, they cherish their own creativity. Elberse is assuming that culture will primarily remain a monologue rather than becoming more of a dialogue. Whether the long tail theory is realised or not has important
ramifications for the work of both artist managers and sync agents. Artist managers are limited in terms of the number of clients for whom they can provide their service and therefore they benefit from a culture that is dominated by hit products (provided that they manage the artists who are producing the hits and have good relationships with the companies that control the mass distribution outlets). In contrast, sync agents are set to benefit greatly if the long tail theory is realised because the revenue they generate is derived from the aggregate of a many different ‘niche hits’.

Music like Water

Kusek and Leonhard (2005) and Leonhard (2008) believe that the record and song publishing industries overall need to embrace a model that will enable music to be accessible like tap water. This ‘music like water’ analogy draws on the notion that there will be a paradigm shift from treating recorded music like a product (that is, like expensive bottled water) to enabling music to function like a service or ‘utility’—like water from a tap. This means that recorded music will seem like it is free but actually will not be and therefore the music content owners could compete with the large volume of piracy that online file-sharing has enabled. Leonhard notes that this will lead to much-needed price flexibility:

Today’s music pricing schemes will be completely eroded by digital music services (legal and, mostly, otherwise) and by stiff competition from other entertainment products. A “liquid” pricing system will emerge, involving subscriptions, bundles of various content types, multi-channel/multi-access charges, and countless added-value services. CD prices will end up at around €5–7 per unit. But most important, the overall music consumption and use will steadily increase, and – if the industry can manage the transition to a service-based model – can eventually bring in €50–90 per person per year, with 75% of the population in the leading markets as active consumers – the pie will be three times as large. (Leonhard, 2008:15)

He therefore envisages that access to music will replace ownership, that consumers will have access to ‘their’ music anytime, anywhere, and the physical possession of it will become more of a disadvantage. Music will also be bundled with various other content types that are visual and therefore the synchronisation royalty stream will be reconceptualised. Music will feel (and act) like tap water.

The underlying assumption inherent in the ‘music like water’ model is that users will pay a low flat fee to an entity such as an ISP or digital music retailer in order to access a large pool of music. These flat fees will amount to more money than the record industry has ever generated. Software can be used (featuring watermarking and fingerprinting) that enables the content owners to be paid on a usage basis rather than per copy. This is also because it is increasingly difficult to distinguish what constitutes a ‘copy’ anyway. This flat fee-based system can precisely track what music is actually used and can distribute exact royalties accordingly, and this would enable online bloggers and others to use music like radio stations use music. That is, all that would be required is a collective voluntary blanket licence.

Boy & Bear
As a participant-observer in the industry managing Australian band Boy & Bear it is difficult to apply such a model, regardless of how attractive it may appear. One reason for this is that being responsible for a band’s career means that, while artist managers consult artists on the decisions that they make, ultimately the decisions rest with the artists. When it is their career on the line, artists will often look for the safe bet, the established company and the tried and true method. In the contemporary period, the industry is in such a state of flux that both sides of a debate can resonate with an artist manager and their client (or, often times, just with the artist manager) and therefore the decision making process is particularly challenging. In the case of Boy & Bear, we procured a licence agreement with Universal Music Australia for Australia and New Zealand only because we believed that the best position for the client was to be signed directly to a record label in a larger territory. When it is their career on the line, artists will often look for the safe bet, the established company and the tried and true method. In the contemporary period, the industry is in such a state of flux that both sides of a debate can resonate with an artist manager and their client (or, often times, just with the artist manager) and therefore the decision making process is particularly challenging. In the case of Boy & Bear, we procured a licence agreement with Universal Music Australia for Australia and New Zealand only because we believed that the best position for the client was to be signed directly to a record label in a larger territory. With regard to the clients’ song publishing, we have not engaged sync agents. This is because, to realise our goal of signing them directly to a record label in a territory that is larger than Australasia, we needed funding and song publishers are effectively venture capitalists who advance song writers their future earnings from the exploitation of their musical works in order to justify administering and participating in this revenue. While the territory for the first record label deal was limited to Australia and New Zealand, the agreement with the song publisher, Sony ATV, is for the world. The rationale behind this decision was that the client needed a significant amount of money to tour the UK and the publisher would only advance this amount in exchange for having the world as the territory. Sync agents typically do not advance money in this way. Furthermore, it meant that we then had access to the Sony ATV offices in Los Angeles and London and the staff there could help us to procure a direct signing with a record label in either the US or UK. It also increased the likelihood that the band would receive lucrative offers for the synchronisation of their music with imagery in films, in television episodes and in advertisements.

A specific anecdote that is useful for elaborating on the main themes and debates in this article concerned a meeting that the author attended with an HBO music supervisor in Los Angeles in February 2010. The music supervisor was interested in licensing one of Boy & Bear’s recordings/songs for a very popular television show and offered approximately USD$3000 for the licence. However, once he found out that the band’s song publishing was with Sony ATV the deal did not proceed because he knew that Sony ATV would negotiate for an approximate fee of USD$8000. If we were using a sync agent for this particular client then the deal may have gone ahead and, while the sync agent would have undercut the song publisher, thereby decreasing the value of the licence, the client would have received a massive amount of exposure all around the world due to the popularity of the television show.

While Boy & Bear were in a position whereby a major international song publishing company was interested in their work, many bands are not in this position and therefore working with sync agents is often their only method for obtaining synchronisation licences. It is positive that artists nowadays have multiple options in this regard though it is negative that the increasing number of sync agents is increasing the competition for synchronisation licenses and this has the potential to lead to a decrease in the exchange value of any individual musical copyright. This could affect individual artists negatively, and also artist managers because of the limited number of clients for whom they can provide their service. However, the decrease in the exchange value of any one individual copyright is less significant for sync agents because of the long tail theory and the notion that the value for
them lies in the aggregate of the many different copyrights that they make available to TV, film and advertisement producers.

Conclusion

The music business is rapidly changing in line with a radically different contemporary media context. The relative centralisation of industrial roles with the artist manager in the digital music business environment accompanies the decentralisation that has occurred in the recorded music business. This article has used a participant-observer perspective to explore the ramifications of this centralisation/decentralisation. One ramification of these changes is that the exchange value of songs/musical copyrights is increasing relative to the decrease in the value of the recorded music sales and as music comes to be associated with media products that used to be images only. The audiovisual use of music will increase because of this, and therefore music/image synchronisation licensing revenues will expand and this will lead to an increase in fiscal responsibility on behalf of the artist manager.

This proposition challenges the industrial organisation of the music and film/media industries, particularly in relation to the ownership and control of musical copyrights. It is clear that there has been a shift from a scarcity of distribution outlets for recorded music to an abundance of them, and therefore from an abundance of audience attention for recorded music to a scarcity of it (or, at least, dispersed niche audiences for a multitude of musical works). The application of Anderson’s (2006) ‘Long Tail’ theory means that live performance has become the most reliable source of income for artists because there is still a scarcity of distribution outlets for it, and, in addition, performance royalty collection and publishing is increasingly a primary source of compensation for composers and performing artists. However, while the number of screens upon which music can be synchronised with imagery is increasing and this has the potential to lead to an increase in revenue overall, the work of sync agents will potentially decrease the income that any individual artist will receive.

Nevertheless the practice of music and visual image synchronisation is arguably the second most reliable sector for the financial survival of musical artists and the business entities associated with them. This is because litigation is an option for the owners of musical copyrights if film studios, TV production companies and advertising agencies do not adhere to copyright law and because the internet has led to more opportunities for music and visual image synchronisation. Sync agents benefit from this and from any application of the long tail. However, if more sync agents start to operate in the music business because of this, the competition between them and song publishers may lead to undercutting each other by ‘low balling’ licence deals. This form of music licensing in the long term may end up sitting alongside recorded music in the ‘free’ category. Artists will still be involved in the practice of music and visual image synchronisation because many are intrinsically motivated to make art. How this can be leveraged into sustainable business practices is the issue for the current transitional period and for the future. Meanwhile, the relationship between artists, managers and sync agents will continue to evolve in the next decade or two, offering further opportunities for analysis of the business of screen sound transactions.
Bibliography