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## Innovation Strategies for Musicians

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Submitted to the Program of Organizational Dynamics in the Graduate Division of the School of Arts and Sciences in Partial Fulfillment of the Requirements for the Degree of Master of Science in Organizational Dynamics at the University of Pennsylvania

Advisor: Larry Starr

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# Innovation Strategies for Musicians

## Abstract

In this thesis I describe the old and new music industry models from different perspectives. Included is a brief interview with CD Baby founder Derek Sivers with his advice for musicians. Modular strategies for independent artists to learn, record, digital distribution (CDBaby, TuneCore), branding, and monetize their music are presented. I also present academic and applied perspectives in creativity, project management (Iron Triangle, Systems Perspective of Success, SMART Strategy), and VARK learning preference that can affect the strategies selected by musicians.

## Keywords

Innovation, Strategies, Musicians

## Comments

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INNOVATION STRATEGIES FOR MUSICIANS

by

Quang Ly

Submitted to the Program of Organizational Dynamics  
in the Graduate Division of the School of Arts and Sciences  
in Partial Fulfillment of the Requirements for the Degree of  
Master of Science in Organizational Dynamics at the  
University of Pennsylvania

Philadelphia, Pennsylvania

2012

INNOVATION STRATEGIES FOR MUSICIANS

Approved by:

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## ABSTRACT

In this thesis I describe the old and new music industry models from different perspectives. Included is a brief interview with CD Baby founder Derek Sivers with his advice for musicians. Modular strategies for independent artists to learn, record, digital distribution (CDBaby, TuneCore), branding, and monetize their music are presented. I also present academic and applied perspectives in creativity, project management (Iron Triangle, Systems Perspective of Success, SMART Strategy), and VARK learning preference that can affect the strategies selected by musicians.

## ACKNOWLEDGEMENTS

I want to express first and foremost my family for supporting my musical endeavors. I remember clearly when I was 16; my dad bought me a \$500 Yamaha-PSR510 General MIDI keyboard with a 4 track 1600 note limit sequencer. I told him one day I would be able to pay him back with the music sales I earned. I am happy to say his investment has been generously returned. I want to thank my mom for always attending my musical recitals when she could. I also want to thank my brother for exposing me to the bands and songs that have heavily influenced my music style today.

I want to thank the Organizational Dynamics staff for guiding me throughout my pursuit for this Master of Science Degree in Organizational Dynamics and the professors who challenged me with endless reading. I also want to thank Dr. Jean-Marc Choukroun and Dr. Steve Freeman for their classes that helped me formulate this paper. I want to extend a special thank you to Dr. Larry Starr for advising me on this thesis by offering constructive criticisms throughout the many iterations of writing.

## LIST OF TABLES

TABLE	Page
1. Total CD Album Sales (1/3/2011 – 1/1/2012)	7
2. Digital Track Sales (1/3/2011 – 1/1/2012)	8
3. Digital Album Sales (1/3/2011 – 1/1/2012)	8
4. Current vs. Catalog Digital Track Sales (1/3/2011 – 1/1/2012)	10
5. Results Measures	16
6. Systems measures and Music Project measures	16
7. Features of GarageBand	30
8. Estimated ownership in World Markets	34
9. CDBaby vs TuneCore	35

## LIST OF FIGURES

FIGURE	Page
1 iTunes Top Charts, as of 2/15/2012	9
2 The Iron Triangle	15
3 The Square Root	17
4 Learning Music Online	27
5 GarageBand arrangement window	31
6 GarageBand Piano Lessons	31
7 TuneCore Take Down	37
8 Hours of Video Uploaded per Minute	40
9 YouTube Ad Revenue	43
10 Redd Stylez Cover Nevo's Closer	47
11 Redd Stylez Record Deal Announcement	48

## TABLE OF CONTENTS

	Page
ABSTRACT	iii
ACKNOWLEDGEMENTS	iv
LIST OF TABLES	v
LIST OF FIGURES	vi
CHAPTER 1	1
THE MUSIC INDUSTRY	1
Purpose of Capstone/Thesis	1
Music as a Career Problem	2
The Reader	3
Typical Pathway	3
Case of TLC and Toni Braxton	4
Personal Case 1997	5
Music Industry 2012	6
CHAPTER 2	
SELECTED LITERATURE REVIEW	11
Csikszentmihalyi	11
Iron Triangle	14
Case of Derek Sivers	18
S.M.A.R.T Strategy	21
CHAPTER 3	

ONLINE CROWD ACCELERATED LEARNING	25
VARK Learning Preferences	25
CHAPTER 4	
INNOVATION IN MUSIC RECORDING	30
CHAPTER 5	
DIGITAL MUSIC DISTRIBUTION	34
CHAPTER 6	
THE YOUTUBE STRATEGY	40
YouTube Content	40
The Network Strategy	41
Monetizing Videos	43
CONCLUSION	45
New Pathway	45
Personal Pathway	46
Case of Redd Stylez	47
Thoughts on the Future	49
Final Words	50
REFERENCES	51
APPENDIX A	54

## CHAPTER 1

### THE MUSIC INDUSTRY

#### Purpose of Capstone/Thesis

This thesis is a guide for aspiring independent musicians. It is designed to provide information and resources that can help manage creative projects, develop one's career and overcome the perilous path of the music industry that can be volatile, fickle, disadvantageous, and risky. As a music artist, I want to help prevent other musicians from making some of the mistakes I made, and want to share what I learned about effective, efficient, and rewarding strategies that can lead to quantifiable and qualitative success in the music industry. I provide a framework, based on current music business models that I argue will help to achieve sustainable success for musicians. To describe this I review and incorporate research, practice, and my personal experiences. In particular, I address what is needed to become an independent musician, defined as one who has less reliance on others to achieve his or her goals. I believe there are four essential elements to enable this; crowd accelerated learning, recording and production, distribution, and branding.

Some of the strategies described in this thesis are relevant at the time of this writing, in 2012. However, because of the fast pace of technology and innovation, it is assumed there will be some strategies that may become obsolete in the future. Nevertheless, I present different ways of thinking about the music business that I argue can improve adaptability and therefore longevity. To accomplish this, I focus on perspectives and content from two courses completed during my MS degree program in Organizational Dynamics at the University of Pennsylvania, **DYNM 619:**

**Organizational Project Management and DYNM 692: Creativity and Innovation in**

**Organizations;** although I draw broadly from the ideas and practices learned in other courses and projects. This thesis is presented as a collection of modular activities in preferred order I believe would help individuals with little experience who want to have a career in the music industry. However, experienced musicians can skip the activities if they are already skilled in it and focus only on parts that interest them.

Music as a Career Problem

A common approach to problem solving is to begin by defining the current state – the situation as it is now – and the future or desired state – the characteristics that will exist when the problem is solved. When a person decides to become a professional musician and to make that career their primary livelihood, there are many characteristics that are important to reach for and avoid, many barriers to overcome.

In terms of the current state including the events and experiences that have produced where one is when confronting the music career problem, there are internal characteristics that have impact. Internal refers to one's ability and motivation. A person trying to be a professional musician needs to possess sufficient music competency, natural or learned to compete and be recognized as a professional musician. Examples include one's skill and passion when playing an instrument or singing, both of which often require devoting an enormous amount of time to develop the abilities.

Self-development is also affected by external forces which concern resources, influence of others, task difficulty, and luck. One external factor concerns the degree of personal and family resources available to learn one's craft such as to pay for music

lessons. One with few resources may be at a disadvantage compared to one who has more. Another external factor is access geography. If high-level instructors or colleagues who challenge one to improve are not available where one lives, music development can be impaired.

### The Reader

The profile type of reader for this thesis is one who has some musical abilities, knowledge, or experience in the music industry. He or she would also have basic technical expertise with computers and navigating Internet. The reader is expected to have a passion for personal growth, ambition and possess discipline to commit to the strategies provided in this thesis.

My writing will reference journal articles, books, and online blogs to support my arguments. I also provide anecdotal evidence based on my experiences, mistakes, and what I learned from them to provide insight that maybe helpful for other musicians.

### Typical Pathway

Once you reached a certain level of mastery, it is appropriate to record a “demo” to gain attention from various industry gatekeepers such as talent scouts called artists and repertoire, press, radio, managers, promoters, booking agents, and club owners). The demo should be presented in a package with band photos, biography, and merchandise such that the “approve” and enable access to the next level: a record contract dreamed of by many musicians who pursue the music business as a career.

If the artist is one of the lucky few to receive a record deal, there is often little preparation for the challenges of the music industry which include demands sell enough records to cover the cost of making the album, video, and recoup the loan, called the advance, that labels invested in. A record label is a company that manages and invests in the artist, recordings, distribute, and market the product. The advance is essentially a loan the label pays the artist to record an album. The artist is expected to pay the loan back through their share of revenue. Often times the artist has difficulty paying back a loan from record sales because profits from the artist's share must be paid first to the record company.

#### Case of TLC and Toni Braxton

LaFace is a record label headed by L.A. Reid and Kenneth "Babyface." The label produced Toni Braxton and two releases from rap trio TLC that together sold more than 5 million copies (Weissman, 2000). TLC later filed for bankruptcy due to financial distress asked the court to terminate their record contract in 1997 (Weissman, 2000). TLC's contract gave them a relatively low royalty rate of 7% escalating to 9% by the eighth album (Weissman, 2000). The Bankruptcy Court refused to dismissal by the label and found the filing to be proper because the filing constituted "bad faith" because TLC wanted to void their record contract (Weissman, 2000).

Toni Braxton's records generated more than \$170 million in sales but she claimed in a bankruptcy petition she made only 35cents per album while LaFace and others profited substantially from her creative efforts (Weissman, 2000). Braxton and LaFace

Records eventually resolve their contractual disputes and Braxton entered into a new recording agreement that was more favorable to her (Weissman, 2000).

### Personal Case 1997

In 1997 at the age of 21, I was signed to a Toronto-based record company. They released a compilation CD with other artists; I had 2 songs and an interview as part of the project. At the time I felt that it was a big accomplishment to be “signed” and in terms of personal accomplishment it was. The CD was so successful that the next release featured a full magazine including a new CD.

However, no artist on the compilation ever received payment for the music because the company argued; the album was used primarily for promotion. Indeed, the label did generate revenue from sponsors and advertisers on the CD despite that the only major cost was manufacturing 1000 CD copies for about \$1 CA dollar each. The recording studio cost for interviews, mixing and mastering was free in return for publicity on the CD packaging.

The feedback from my music was well received by music reviewers and one manager offered me a “deal memo” which is a letter of intent that vaguely describes the terms once a label agreement has been signed. While the deal memo did not offer any favorable conditions for me, I spent two years working on my album with my own money and paid for my travel expenses to the record company in Canada. I suppose I was motivated by my personal image of hope or success. In the end, I decided not to sign the contract. The response from my manager was to threaten me financially apparently because he claimed to have expended resources as well.

This one experience helped me to understand the challenges other artists faced. It concerns the old business music model which is based on vague understandings about activities, outcomes, costs, and dependency with a traditional record company.

### Music Industry 2012

Between 1998 which produced the first independent CD distributor and 2012 much has changed driven primarily by information technology, digital distribution, YouTube™, iTunes™, and affordable recording gear. Musicians are no longer dependent on past practices or organizations. There are now many avenues of learning, production, exposure and monetization independent artists can pursue without the need of a major record label. A singer with a guitar, who has learned music from crowd accelerated websites such as [www.ultimate-guitar.com](http://www.ultimate-guitar.com) can reach an audience of greater size than a major artist but without having to spend the millions of dollars previously required to make a music video. A singer can record herself with her webcam and upload the video on YouTube and, if the music is of high quality, gain global exposure because the performance is available to anyone with online access.

Recording technology has become very affordable and accessible for one who wants to earn income from self-management. An artist with a laptop DAW (digital audio workstation) software such as Apple's Logic™, Digidesign's ProTools™, or Cakewalk's SONAR™ can record a professional sounding album rather than going to a professional studio that charges \$500 per day plus engineer fees. The Internet has proven to be an amazingly efficient and scalable channel for artists to promote and distribute their music directly to their fans. Almost every element of the music industry, such as

recording, distribution, promotion, and sales, is now available to the individual and in ways that the major labels could not provide in the past including in terms of presentation: Fans can watch their favorite artist videos on YouTube anytime.

Traditional formats such as CDs are dropping in sales according to Nielsen BD, a monitoring service used to track music sales (Business Wire, 2011). As noted in Table 1, the decrease from 2010 to 2011 was 5.7%, which translated into millions of units and dollars lost.

Table 1. Total CD Album Sales (1/3/2011 – 1/1/2012)

Units Sold (in millions)	<u>2011</u>	<u>2010</u>	<u>% Change</u>
	223.5	236.9	-5.7%

I believe that the decrease in sales can be attributed to competing forms of entertainment such as but not limited to video games, streaming services for music and film, and mobile apps. Media formats and technology are often disrupted to obsolescence due to innovation that creates what I consider is a tidal shift in a culture. Innovation means letting go of the past and embracing a new way of doing things. In the past several decades, CDs sales increased while vinyl records decreased because the new format is more durable and portable while still maintaining a high fidelity in audio quality. Since 2002, MP3s and other digital formats have been cannibalizing CD sales disrupting all aspects of the music industry for record labels, distributors, and retail stores.

Digital single and album sales are becoming an important part of revenue because old catalogue of songs can also be sold without the physical constraints of inventory or transaction costs. As noted in Tables 2 and 3, digital music sales surpassed physical sales by reaching 50.3% of all music purchases (Business Wire, 2012).

Table 2. Digital Track Sales (1/3/2011 – 1/1/2012)

Units Sold (in millions)	<u>2011</u>	<u>2010</u>	<u>% Change</u>
	1,271	1,172	8.5%

Table 3. Digital Album Sales (1/3/2011 – 1/1/2012)

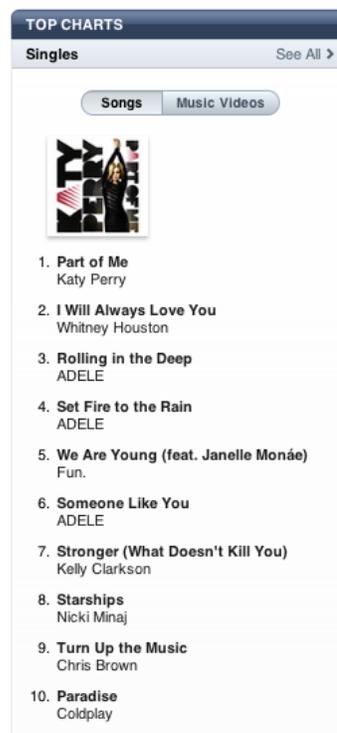
Units Sold (in millions)	<u>2011</u>	<u>2010</u>	<u>% Change</u>
	103.1	86.3	19.4%

Those involved in the music industry are realizing the importance of releasing old catalogue of music in digital form as it can provide valuable sources of revenue without the overhead of traditional physical formats. Retail stores have limited physical space; “hot” and new titles receive the most attention. However, computer servers that can store millions of songs have been replacing these retail stores. For example, Tower Records has gone out of business as consumers buy their music and movies online through digital stores like iTunes and AmazonMP3. The power of computing, storage, speed, and memory capacity are exponentially increasing each year. This is known as Moore’s Law based on Gordon Moore who wrote that the number of transistors that can be put onto a computer chip will double every 18 months (Kopp, 2002). Kopp commented that, “The

clock speed of the processor chip itself is vital, but in many instances may be less relevant than the aggregated performance effects of other parts of the system (p. 6). ”

After the unfortunate passing of singer Whitney Houston who died on February 11, 2012, her hit song I Will Always Love You (written by Dolly Pardon) went to #2 on the iTunes Top Charts. Michael Jackson’s old music catalogue also reached the Top 10 soon after he died.

Figure 1: iTunes Top Charts, as of 2/15/2012



Chris Anderson, editor-in-chief of Wired Magazine, coined Long Tail Theory (Anderson, 2004). The theory states that our culture and economy are increasingly shifting away from the “hit” products at the head of the demand curve and toward a huge number of niches in the tail. There is controversy about this theory. Wharton researchers Serguei Netessine and doctoral student Tom F. Tan, studied data on movie-rating patterns

from Netflix and found that the Long Tail Theory effect holds true in some cases, but mass appeal products retain their importance when product variety and consumer demand increase (Knowledge@Wharton, 2009). Nevertheless, Table 4 presents the growth of digital track sales from a music catalog. The amount of change for a catalog is almost double that of current tracks according to the Neilson report (Business Wire, 2012).

Table 4. Current vs Catalog Digital Track Sales (1/3/11 – 1/1/12)

<u>Sales (in millions)</u>	<u>2011</u>	<u>2010</u>	<u>% Change</u>
Current	552.4	523.0	6%
Catalog	718.4	648.5	11%

The significant growth of digital music sales from 2010 to 2011 suggest tremendous opportunities for independent musicians to produce high quality music, distribute, brand, and generate revenue from their art.

## CHAPTER 2

### SELECTED LITERATURE REVIEW

I believe that the approach of understanding creativity described by Csikszentmihalyi (1996) can be helpful for musicians who wish to better understand and improve outcomes from their music. According to Csikszentmihalyi (1996) creativity is defined by three components: the domain, field, and person. This perspective is important to musicians because it reflects the music industry. These components have their own rules for success.

#### Domain

Domain refers to the context of creativity and is characterized by symbolic rules and procedures. Music theory contains sets of rules such as pitch, scales, rhythm, melody, and harmony. Domains are part of a culture and shared by a particular society as a whole. In order for musicians to excel at their craft, they should have discipline and practice their domain of instrument such as piano, guitars, or voice. Music is a language of expression and therefore in order to be creative, one must know how to communicate in that form.

#### Field

Field consists of individuals who act as gatekeepers to the domain. The music domain has plenty of gatekeepers consisting of teachers, promoters, managers, DJs, and even other respected musicians. These individuals determine for the community, the

meaning of quality that should be acknowledged. Just as in the domain of academia, professors and others in the academic community are the gatekeepers deciding who passes and fails, to filter quality students in the domain of music, reviewers and other gatekeepers often decide the success and failure or the quality of musical artists.

### Person

A creative system also includes the individual. Creativity occurs when a musician uses musical notes, theory, or instruments to create a new song and is recognized by the relevant gatekeepers of the domain. Sometimes a cultural shift such as the introduction of a new instrument or music technology such as the sampler creates changes of a domain. In the case of music, the sampler introduced a new genre of music called rap, which heavily lifted parts of old recordings as the base of the music. It is the merging and application of various domains such as technology and music that produces creativity.

Csikszentmihalyi (1996) states that creative experience involves the enjoyment of challenges – referred to as “flow - that occurs at the appropriate individual skill level. It is called flow because many creative people such as those engaging in chess, rock climbers, dancing, and composing described their feeling when things were going well as an almost automatic, effortless, yet highly focused state of consciousness that gives rewarding experiences (p. 111). I agree that it is very important for musicians to enjoy their craft because there are so many challenges along the way in pursuit of finishing a project that unless they enjoy it, they will have a difficult time overcoming the obstacles.

### What is Enjoyment?

The musician who has mastered the craft knows what notes to play because if played wrong, he would not be able to communicate the desired intent of the music. This is similar to a computer programmer who knows the exact lines of code that needs to be written to accomplish the task.

Musicians experience enjoyment in their flow experience when they hear the notes they are playing immediately. Feedback loop is essential to learning and adapting, and is a component of systems thinking.

When we feel that life's challenges overwhelm our abilities, the resulting perception is anxiety or stress. When our skills are much more advanced than the tasks, the result is boredom.

Flow or enjoyment exists when a person's capabilities and the required tasks or environmental demands are matched. Enjoyment also emerges when our concentration is matched with our actions for a particular task to create flow. Our minds often times are preoccupied with other things. For example, a musician performing live will not enjoy the moment if he is worried about getting paid by the booking agent.

Csikszentmihalyi (1996) describes how creative people are often over-focused on their challenges. Removing distractions is similar to synchronizing actions and awareness. If the musician thinks of his health or tax problems when playing, he is likely to play a wrong note. If the surgeon's mind wanders during an operation, the patient's life is in danger. Enjoyment involves extreme focus on the present to remove external stressors that can disrupt the task.

Enjoyment occurs when there is no fear of failure. Even though we are not in total control, worry does not break our concentration. This is because the skills are properly matched with the challenges.

We maybe are worried about how others view and judge us. When we are in flow, we are too involved in our task to be concerned about impressing others. We will have a stronger sense of self once the flow has finished. We continue to see a common theme requiring focus and being in the moment for creativity.

When we are thoroughly enjoying a task, time seems to shift and compress. Hours turn into a just few minutes. A composer may spend an entire day defining a musical theme but only experience it as if a few hours have passed.

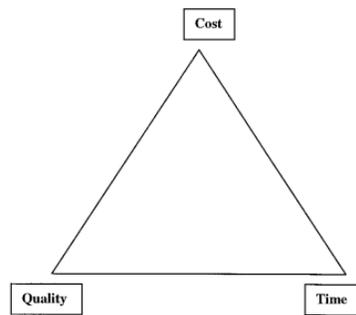
Behaviors that are instrumental or are used to meet other goals are described by Csikszentmihalyi (1996) as exotelic such as playing music in order to earn money to pay bills. When one plays music for its own purpose such as individual enjoyment, he calls it autotelic. Sometimes, one has opportunities where behaviors are autotelic and exotelic such as being paid to write a song, where writing and playing are both enjoyable.

### Iron Triangle

The British Standard for project management is defined by “The Planning, monitoring and control of all aspects of a project and the motivation of all those involved in it to achieve the project objectives on time and to the specified cost, quality, and performance” (Atkinson, 1998, p. 338). Atkinson says the problem with these limited criteria for success is that time and cost are best guesses and quality is subjected to the relative culture and expectations at the time. The Iron Triangle (see Figure 2) or triple

constraint describes the traditional criteria for success in a project and is defined as the interaction of cost, time and quality. Quality is a moving target depending upon people's attitude and beliefs.

Figure 2. The Iron Triangle



Ackoff (2007) argues that the two types of mistakes keep organizations from learning: errors of commission and errors of omission. An error of commission occurs when an organization or individual does something that should not have been done. For example, Michael Cretu from the music project Enigma released an album without the proper licensing for use of vocal samples from Taiwanese aboriginal singer Difang and his wife, Agay. Cretu and his record label had to later settle the lawsuit. According to Cretu's manager, Jurgen Thurnau, the label did buy the rights from another label that supposedly owned the rights to the samples, but in fact they did not (Angel Fire, 2012). Omission errors occur when the individual or organization does not perform a required task. For example, an independent musician may not register his song with a performance rights organization in order to receive revenue from the broadcast of his music on TV and radio.

Understanding perspectives is important in understanding success criteria. Meyer (1984) outlines several measures for results. These measures are ultimately subjective

and within context of the project at hand. It is the act of finding measures beyond the Iron Triangle that is important when applied to musicians or bands. Table 5 presents examples of results that can be defined by a musician.

Table 5. Results Measures

The music should inspire fans rather than managers and record executives.
True fan engagement involves responding to their inquiry or comments.
Music availability should be accessible world-wide, 24/7

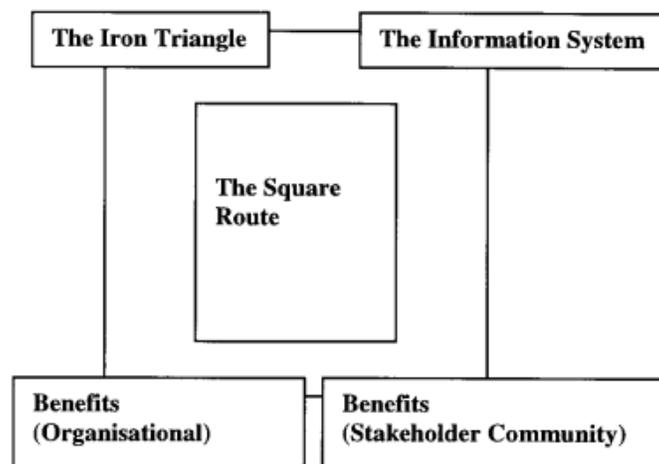
Table 6 is a systems perspective to measure success with six post implementation systems criteria by Delone, WH and McLean, ER (1992) because it involves the context of the containing system. The containing system is the parent system the subsystem is a child of. For example, the music business is the containing system of the music distribution system. The systems view of success can also be correlated to the success of a music project because it proposes more options for criteria of success besides time, cost, and quality.

Table 6. Systems measures and Music Project measures

<u>Systems Measures</u>	<u>Music Project Measures</u>
System Quality	Song/Album fidelity and quality
Information Quality	Quantifiable performance measurements (radio plays, purchases, media impressions)
Users satisfaction	Fan satisfaction
Individual impact	Artist or band personal growth
Organizational impact	Cultural impact

Using the Iron Triangle to measure success is an error of omission because it fails to include success criteria (p. 341). Atkinson encompasses The Iron Triangle with his new system of called The Square Root to understanding project management success criteria. He provides three new categories (Figure 3): technical strength of the system, the benefits of the resultant organization (direct benefits), and the benefits to a wider stakeholder community (indirect benefits) (p. 341).

Figure 3. The Square Root



### Case of Derek Sivers

Derek Sivers was originally a professional musician and creator of CD Baby, an independent music distributor, in 1998. The company distributes music to retail stores and major digital stores like iTunes and Amazon MP3. CD Baby became the largest seller of independent music with \$100 million in sales for 150,000 musicians. Derek sold the company for \$22 million in 2008 and gave the proceeds to a charitable trust for music education (Sivers, 2012).

I have released my music with CD Baby since September 2006 and have followed Sivers and his blog posts over the years. My first personal contact with him was through Twitter. I followed him and read one of his tweets asking for any musicians with software development experience to contact him. I responded to him and he asked me for my thoughts on a startup company to help musicians. I gave him my feedback and he appreciated it. I also used the opportunity to ask him if I could interview him for this thesis with questions that can help musicians. He responded a few days later that he would accept.

Six questions, based on my own experiences and challenges with the current state of the music industry, were emailed on January 25, 2012. He responded on January 27, 2012. He wrote that after he sold the company, he has been intentionally ignoring the music business because he has lost perspective and experienced burn out. Derek's most common response was "just don't know". I find his responses to be a very humbling and honest.

Question: What criteria should artists use to help gauge a show's success?

Response: “Every show is one step on the path - it's practice for your greater goal of being one of the best live performers in the world. Video-record it, and watch the video for improvements. Get outside critique from a stage director. (Sivers refers to Tom Jackson is the leading expert at this: <http://tomjacksonproductions.com/live-music-producing/>). Make sure you are very deliberately trying some new techniques in every show. Like famous stand-up comics practice new material in small clubs before doing a big HBO special. Go test new songs, test new story-telling intros in between songs. Test new stage moves, or lack of moves. Test the set list order. Do this all very consciously, with the long-term plan of improving your performing skills at every show. What are the criteria for a show's success? How much you learned from it, and can use for future improvements.”

Question: What advice do you have for bedroom musicians?

Response: “If you passionately want to be a successful full-time musician, nothing can stop you. Quit your job, sell your home, move to the big city where everything's happening, sleep on friends' couches, hustle for 6 hours a day, practice for 6 hours a day, perform a live show somewhere every day, whatever it takes. When you really set your full attention to something, there are no excuses because there are no obstacles you can't overcome. If you're still in your bedroom, just occasionally complaining about the state of things, just decide to either jump in full-force, or stop complaining and just fully enjoy the fact that you're a part-time musician, that you do it for love not money, and other things in life are more important to you.”

Question: Should musicians have a set of advisors who can be incentivized for their advice?

Response: “Actively seek out everyone's advice. Fans, industry people, other musicians, teachers, friends, everyone! Only take the advice that resonates with you. So no, don't weight anyone's advice more than anyone else's. Industry people are no smarter than anyone else, and often their advice is clouded by self-interest and a need to seem smart. There's no need to "incentivize" people. Advice given through that kind of motivation would be less trustworthy. Almost everyone is very happy to give advice for free. It's worth it to hire a professional coach or teacher, maybe even an occasional consultant, but just pay them for their time, and realize that their opinion is just one opinion.

Question: Artists today are often told they should "engage" with fans on social networks. How much truth is there to this?

Response: “Do whatever makes you happy. That's the main rule to filter everything else through. If you don't like tweeting everything, don't! Anyone who says you "NEED" to do something is wrong. There are always so many exceptions to those statements that the statements become moot.”

Question: What can musicians do to outsource their daily administrative chores for their projects such as contacting blogs?

Response: “Ask your biggest fans for help. Get specific about what you need. Think it through and make a plan in advance, so the stuff you're asking people to do is very

specific and unambiguous. Don't ask people to "help you promote", and leave it at that. Give a detailed TO-DO list.”

Question: Can you talk about your new company MuckWork?

Response: “Nothing to say. Doesn't exist yet. I announced it 4 years ago when I sold CD Baby, but then decided to do other things first. It'll happen someday. I'm in no rush.”

That interviewing someone is a great way to make a connection and network is one of the things I learned from Dr. Greco's class DYNM 501 Foundations in Organizational Dynamics. I thanked Derek for his time after receiving his response because I know how pressed he is for time considering he receives over 800 emails each day. It was a very enjoyable experience to gain insight from an industry entrepreneur.

### S.M.A.R.T. Strategy

The SMART strategy is a form of management by objectives (MBO) described by Drucker (1961). It stands for Specific, Measurable, Achievable, Realistic, and Timely. Musicians can use the SMART strategy to clarify their goals such as increasing radio plays by 20% in one year. I will summarize each of these factors and then apply how they can be used in the music industry. The MBO has both pros and cons. It has shown positive effects in 68 out of 70 MBO business cases (Robbins and Coulter, 2005, p. 165). The disadvantage of an MBO is that the goals can be subjective or even contradictory to each other in certain contexts. For example, the Iron Triangle bases objectives and success based on keeping within cost, time, and value; but scope creep can change any of

these factors. Therefore, one must go back and decide whether the scope creep is a necessary change that requires compromise.

### Specific

Projects should be broken down into specific tasks in order for them to be manageable within a context. For example, an organization's objective to increase profit margin from 12% to 15% the following year is not specific enough to be actionable. Reframe the objective by stating, "the number of clients will increase from 4000 to 5000 (Todor, 2011, p. 84).

### Measurable

Tasks should be able to be measured to provide a feedback loop to the individual or organization to reach the goal. For example, a musician's goal is to practice a song each day so he can increase the number of songs he can recall. This feedback can increase motivation or indicate that adjustments are necessary to reach his goal.

### Achievable

Tasks should be achievable or within reach in order to make sense. Stating a goal such as increasing YouTube video plays by 10% by the end of the month is an obtainable target. If the goal were out of reach, there would be no positive reinforcement to continue to reach the target.

### Realistic

A task should be realistic means that the challenge can be overcome given the current tools and resources. A realistic goal can be performing at 4 venues in a month. An unrealistic goal is to perform a headline sold out show at the Madison Square garden in New York City without having a fan base.

### Timely

A task should be met within a timely period is an important factor. Time-based also relates to one of the corners of Iron Triangle – time. It is not enough to simply have goals that are realistic but must be accomplished within a reasonable amount of time. For example, releasing two new mixes of one song per week is a realistic schedule that one can stick to.

### Anecdotal Perspective on SMART Goals

A musician's final task is to execute the plan in the design of implementation and control phase. What this means is that actions should follow according to the S.M.A.R.T strategy. There should be feedback that is measurable for adjustment in the next iteration to accomplish the tasks. For example, a singer should be able to hear himself sing out of tune with a use of an Auto-tune software plug-in that can visually indicate whether the tone is in unison and not too sharp or too flat. A feedback loop is critical for success because it allows one to learn and adapt.

What I love about digital innovation in the music business is almost everything is measurable. Distributors such as CD Baby and TuneCore now provide what are called

Weekly Trend Reports, which are sales information that indicate exactly what albums and songs are purchased by download or streaming and what zip code the buyer is from. This report can help you target your touring strategy in order for you to reach the most audience. Websites now offer instant analytics to determine what are your most popular pages, traffic sources, search terms, and demographics to help you optimize your online and physical presence.

## CHAPTER 3

### ONLINE CROWD ACCELERATED LEARNING

Musicians can learn music in many ways including at a public or private school, from a private tutor, from skilled friends, or one can be self-taught. Learning including learning music involves remembering or being able to apply the skill after studying (Ross, Maureen, & Schultz, 2001). One way to understand learning is to consider different learning styles such as “VARK” representing visual, aural, read-write and kinesthetic styles as described by Drago and Wagner (2004). A musician should understand her preferred style because of the availability of online crowd accelerated learning methods.

#### Visual

Visual learners like to learn with visual demonstrations such as through graphics, textbooks, diagrams, graphs, symbols, or images or similar descriptions. They like to use lists to maintain pace and organize their thoughts. Visual learners remember faces but often forget names. They are distracted by movement or action but noise usually does not bother them

#### Aural

Aural learning concerns a preference for sound. This style considers such characteristics as listening to lectures, audio books, or taking part in discussions with other teachers and students. For example, when I was 13 years old and had not taken

piano classes but I had a small toy keyboard. I was and still a fan of the British synth pop group Depeche Mode. I listened closely to the melodic lead parts in their songs and was able to play most of them on the keyboard through trial and error. My six year old nephew is also able to do the same.

### Read/Write

Read/write learners are note takers. They do best by taking notes during a lecture or reading difficult material. They often draw things to remember them. They do well with hands-on projects or tasks. My cousin prefers to read sheet music and learn music this way. I, on the other hand, found it to be a chore to read sheet music.

### Kinesthetic

Kinesthetic learners learn best by doing. Their preference is for hands-on experiences. They are often high energy and like to make use of touching, moving and interacting with their environment. They prefer to learn by playing over and over.

Using VARK surveys, Drago and Wagner (2004) investigated how effective online education is for people with different VARK learning styles. Their results showed that the highest learning scores were attained by those with visual, aural, and read/write preferences, and the lowest scores were from those with a preference for kinesthetic learning.

This suggests that online education can be more effective for certain types of learners. If one is a visual learner and has access to certain websites that offer guitar tabs

that may supplement or be the primary method for learning. If one is an aural learner, he may be more suitable to listen to music and try to play along with it. If one is a read/write learner, he may want to use sheet music to learn how to play songs.

### Crowdsourced Learning

Crowdsourcing is a term used to describe a when large community works for a common purpose such as contributing content to websites such as Wikipedia, YouTube, and Ultimate-Guitar. The subject matter experts in a crowdsourced learning environment are identified by the number votes or “likes” from users. This differs from experts an academic institution, for example, who are vetted through a system to provide credibility.

For musicians seeking support to learn their craft in ways beyond working with specific teachers, crowdsourcing offers opportunity. What I call crowdsourced learning is the term used by a musician of online teaching and resources. For example, websites such as YouTube offer videos that provide both visual and audio materials for learning. There are plenty of videos demonstrating how to play instruments such as the piano and guitar. For example, the song, “Part of Me” by Katy Perry has tutorial videos that can help one learn to play the song (see Figure 4). The video links also provide resources for tabs and chord fingering positions.

Figure 4. Learning Music Online

The image shows a screenshot of a YouTube video player. The video title is "How To Play 'Part of Me' by Katy Perry - Guitar Tutorial". The channel name is "AlexMNet", which has 40 videos. The video is at the 0:02 mark of a 3:35 duration. The video content shows a person playing an acoustic guitar with the text "Part of Me by Katy Perry" overlaid. The video has 819 views, 14 likes, and 0 dislikes. The description includes a link to a Facebook page for guitar tabs and a link to a Twitter page for AlexMNet.

How To Play "Part of Me" by Katy Perry - Guitar Tutorial

AlexMNet + Subscribe 40 videos

My Channel Please Subscribe!

Part of Me by Katy Perry

0:02 / 3:35

Like + Add to Share

819 views

14 likes, 0 dislikes

Uploaded by AlexMNet on Feb 16, 2012

This is a quick and easy way to play part of me by Katy Perry.

For tabs and chord fingerings please visit my facebook page and click on the link to the left that says "Guitar Tabs"

<http://www.facebook.com/AlexMNet>

<http://www.twitter.com/AlexMNet>

Musicians who want to continue to improve their skills should seek the resources they feel enable them to learn best. Learning online through contributions from the crowd can supplement or replace other forms of education depending on one's preference and context of the material.

I took guitar lessons from a certified guitar teacher for a half hour a week for 6 months. I learned a lot about music theory such as the Circle of Fifths. However, at the

end of the 6 months, I was still never taught or have been asked to learn a song I wanted. This was because my lessons were 30 minutes and the teacher thought I needed to learn the music theory such as the Circle of 5ths or scales first. My cousin introduced me to the website [www.ultimate-guitar.com](http://www.ultimate-guitar.com) and within 10 minutes I was able to play one of my favorite songs, All These Things That I've Done by The Killers. I believe that in my situation, I was able to quickly grasp the online lessons because I learned the foundation on reading the tabs before hand from my guitar teacher and this particular method for learning suited me because it involved visual and read/write approaches. The online education did accelerate my learning and I was able to learn to play several songs a day and sometimes immediately depending on the complexity of the song.

Learning through websites on one's own initiative is a form of self-directed learning. Self-directed is a process when individuals take the initiative, with or without the help of others, in diagnosing their learning need, formulating learning goals, identifying human and material resources for learning, choosing and implementing appropriate learning strategies, and evaluating learning outcomes (Knowles, 1975).

#### Personal Anecdote

I personally recommend having a subject matter expert who knows how to teach because it can accelerate the momentum for learning much faster than learning the domain on your own. A friend who is a great pianist once told me that music is a language; we learn how to speak first before learning how to read or write. His suggestion was to play songs that you know or like before learning the theory. His advice really helped me to excel my learning on the guitar.

## CHAPTER 4

### INNOVATION IN MUSIC RECORDING

Innovation in music recording has made it affordable for independent musicians to record their songs on a digital audio workstation (DAW). A DAW is usually a computer with music recording software and interfaces but it can also be in the form of a dedicated hardware sequencer. A sequencer is a digital music recorder. A DAW allows musicians to record instruments such as keyboards and guitars or voice into the sequencer. The musician can also edit the arrangement by mixing, adjusting levels, applying track effects. Computer based software sequencers are now powerful enough to function as virtual instruments. A musician can select a virtual instrument for a particular track such as a synthesizer bass. The MIDI (musical instrument digital interface) notes that were triggered by a keyboard are instructions that tell the software what notes to play at what time and how loud. The sequencer then takes these instructions and plays them along with any existing track in the song.

GarageBand is an entry level recording studio software from Apple that allows for both audio and virtual instrument recording for as little as \$15. The software also has piano and guitar lessons for you to learn on your Mac from major artists such as John Legend, Norah Jones, and Sting (Apple, 2012). However, it is not available for the PC. Table 7 presents some of the innovative features in GarageBand; Figure 5 is the main window arrangement for recording and editing; Figure 6. provides piano lessons.

Table 7. Features of GarageBand

**Flex Time**

- Quickly change the timing of your audio recordings
- Fix occasional timing mistakes or make creative changes to how a part was performed
- Click and drag the waveform to change the timing

**Groove Matching**

- Align the timing and rhythm of all your tracks with a single click
- Select a Groove Track, GarageBand analyzes its rhythm and instantly matches all other tracks.

**Guitar amps and stomp box effects**

- 12 guitar amps
- Modeled after clean sounds to heavy distortion

**Lessons for piano and guitar**

- 40 basic lessons and piano
- Full screen, interactive video lessons with an Apple instructor
- Synchronize notation with animated onscreen instrument
- Built-in glossary to reference tuning for your guitar and reading music
- Artist Lessons show you how to play a hit song taught by the artist who made it famous (sold separately)

Figure 5. GarageBand arrangement window



Figure 6. GarageBand Piano Lessons



The affordability and accessibility of high quality music recording software and hardware has allowed independent musicians to record their songs without the need for expensive studios or hiring engineers. Furthermore, they can record on their own time and space and even collaborate with other musicians on the Internet by sharing projects using email and online storage.

#### Personal Anecdote

In 1997, I built my first DAW to do home recording running 300Mhz Dell Computer, 16 GB Ram, and Cubase VST. My external hardware consisted of Mark of the Unicorn Midi Interface, Akai S5000 Sampler, Korg Trinity, TASCAM DAT Machine, and monitor speakers. Today, the majority of my setup is running on an iMac, MBOX interface, Logic Studio, and Yamaha Motif. Majority of my sounds are all within the Logic Studio software. The project files are synchronized to my portable Macbook Air by DropBox. Synchronization also serves as a backup in case of hard drive failure. I feel that having less hardware made me more creative by having less machines to maintain that lead to distraction. This leads to creative flow for more interesting music.

## CHAPTER 5

### DIGITAL MUSIC DISTRIBUTION

Independent music artist can distribute music to major digital stores such as iTunes and Amazon MP3 after they acquired the necessary skills to play an instrument or sing, and after they have recorded their songs. These digital stores sell downloadable songs in the form of MP3 files. MP3 is a software compression standard that allows digital audio to be compressed to approximately one tenth the size of the original audio with almost no perceptible loss of quality to the average listener was patented by Fraunhofer Institut in Erlangen, Germany (Gohsemajunder, Bangayan & Bonet, 2002). The MP3 file size was small enough to be stored, distributed, and shared across computers, devices, and networks freely without copyright protection known as digital rights management (DRM) making the standard widely popular and embraced. It was the introduction of Napster in May of 1999 that provided the exact functionality users wanted in searching for music from their favorite artists or discovering new ones through peer-to-peer (P2P) systems (Gohsemajunder, Bangayan & Bonet, 2002). Napster users were able to search by artist, title, sampling quality, and other characteristics and start downloading them immediately. Napster's popularity ended in December 2001 when the service went off-line due to legal challenges by record labels (Gohsemajunder, Bangayan & Bonet, 2002)..

I believe that Napster had a major influence in making MP3 the standard for software music players and devices because digital stores now use similar codec (compression/decompression) standards. Standards are important for commerce because

it allows for interoperability. A musician can sell his song in the form of MP3 with the certainty that the purchaser will be able to play the file on his or her system. There would be no trust in online commerce if the music purchase experience were not reliable. For example, there were efforts to prevent CDs from being ripped to MP3 by many players in the industry but they did not agree with the new scheme, which caused them to be incompatible with many players (Gohsemajunder, Bangayan & Bonet, p. 7).

Table 8 illustrates the tremendous growth of portable MP3 players compared to CD Players and Mini Disk Players.

Table 8. Estimated ownership in World Market (unit in thousands)

	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Portable CDP <sup>1</sup>	21,609	22,380	23,055	23,490	24,018
Portable MDP <sup>2</sup>	3,813	4,655	5,374	6,355	7,239
Portable MP3P	850	2,100	3750	5,225	7,500

<sup>1</sup>CDP = for CD Player.

<sup>2</sup>MDP = Mini Disk Player.

### Digital Distribution

There was a 1000% increase in the value of digital music between 2004 and 2010 (Moore, 2011). iTunes digital store has sold more than 10 billion downloads since it was established in 2003 and now has other competitors such as Amazon, 7digital, HMV and Tesco (Moore, p. 7). It is important for independent artists who have not released their music in digital format to do so in order to capitalize on the opportunities for growing

income. I find the easiest way to get one's music distributed to stores like iTunes and AmazonMP3 is to sign up with two independent distributors, CD Baby and TuneCore. Both of these distributors allow you to upload music in 16 bit 44.1khz WAV format, album cover, liner notes. They will then process the release to make sure they fit the standards for each store such as proper copyright and licensing, offensive language and album cover. CD Baby and TuneCore have different business models, however. Table 9 illustrates their key differences in commission and annual sales for digital distribution.

Table 9. CDBaby vs. TuneCore (CD Baby, 2012)

<b>CDBaby vs. TuneCore</b>		
	<b>CD Baby</b>	<b>TuneCore</b>
<u>Sign up fee</u>	<b>\$49</b>	\$49.99
<u>Annual fee</u>	<b>N/A</b>	\$49.99/yr
<u>Commission on Digital Sales</u>	<b>9%</b>	0%
Number of <u>digital retail partners</u> (iTunes, Amazon, etc.)	<b>60</b>	27
<u>CD Fulfillment and Warehousing</u>		
<u>Commission on Physical Sales</u>	<b>\$4</b>	N/A
<u>CD &amp; Vinyl Distribution</u>	 (Distribution to over 2500 retail stores)	
<u>Credit Card Swiper</u> for live gig sales	 (\$30 + S&H)	
<u>Sell Music on Facebook</u>		
<u>Music Store Widget</u>	 (Sell Mp3s, CDs & Vinyl)	
<u>Sync Licensing</u>		

I distributed my first album, Dream In Stereo, using CD Baby in 2006 and redistributed Dream In Stereo (Deluxe Edition) in 2007 and two subsequent albums with TuneCore. TuneCore's original sign up fee per album release was \$7 and another \$20 per year. TuneCore's competitive strategy over CD Baby was artists would receive 100% of their royalties after the store takes their cut. If a fan buys a song from iTunes, Apple takes a 30% cut leaving 70% to the artist. If a song was distributed by TuneCore and purchased for 99 cents from iTunes, the artist would get 70 cents. If a song was distributed by CD Baby and purchased for 99 cents from iTunes, the artist would get 63 cents. TuneCore argues the 9% that CD Baby charges stems from their original commission from distribution of CDs that were sold because there is a physical cost associated with inventory, distribution, and administration. However, once the song is distributed digitally to a store like iTunes, there is virtually no cost for the transaction from the distributor. I believed TuneCore's argument at the time the 9% is not a justified commission fee for digital distribution.

I continued to promote my TuneCore albums and made about \$750 per month from the distributor. The advantages of a digital music stores are their innovative discovery and recommendation engines. Recommendation engines display what albums other people bought that you might like that may to lead to additional sales. TuneCore, however, started to increase their annual fee quickly. In 2011, TuneCore raised their annual fee to \$50 without a grandfathered clause. If one does not pay the annual fee to TuneCore, they will notify the store to take down your album.

I do not agree with TuneCore's policy because the initial annual fees are not grandfathered with the new fees. A metaphor would be paying the post office an annual fee to send your packages. If you do not continue to pay the new higher fee, the post office would come to the location where they distributed your package and take it away. The real problem is that if you decide to renew the fees after TuneCore takes down your albums, the recommendation ranking and listener reviews will not reappear because the renewal requires a new UPC code which identifies the unique release even though the album, liner notes, and songs are exactly the same. I was very conflicted with continuing with TuneCore or redistribute with CD Baby for several weeks after I received the warning email that my music will be taken down by TuneCore if I did not pay the fee. I considered TuneCore's price hike and threat of music take down if the fee is not paid to be extortion. Figure 7 shows the email from TuneCore stating my music has been removed on February 2011.

Figure 7. TuneCore Take Down

★ TuneCore noreplies@tunecore.com to me [show details](#) Feb 4 [Reply](#)



Dear TuneCore Artist,

This is a notification to confirm that the releases below have been taken down from the online stores:

Artist	Title	Take Down Date	Plan	Price
Delta Dreams	<a href="#">Dream In Stereo (Deluxe Edition) (ID 14545)</a>	Feb 04, 2012	1 year	\$49.99 (only \$4.17/month)
				<b>total: \$49.99</b>

Thanks for being a TuneCore Artist,  
TuneCore Customer Care

Questions? [Get help](#).

I do not consider spending \$50 a year for your music career to be an unreasonable price. However, one must look at the leadership of a company as well. Pursuing a successful music career requires tremendous amount of effort and you want to be in a position of success.

## CHAPTER 6

### THE YOUTUBE STRATEGY

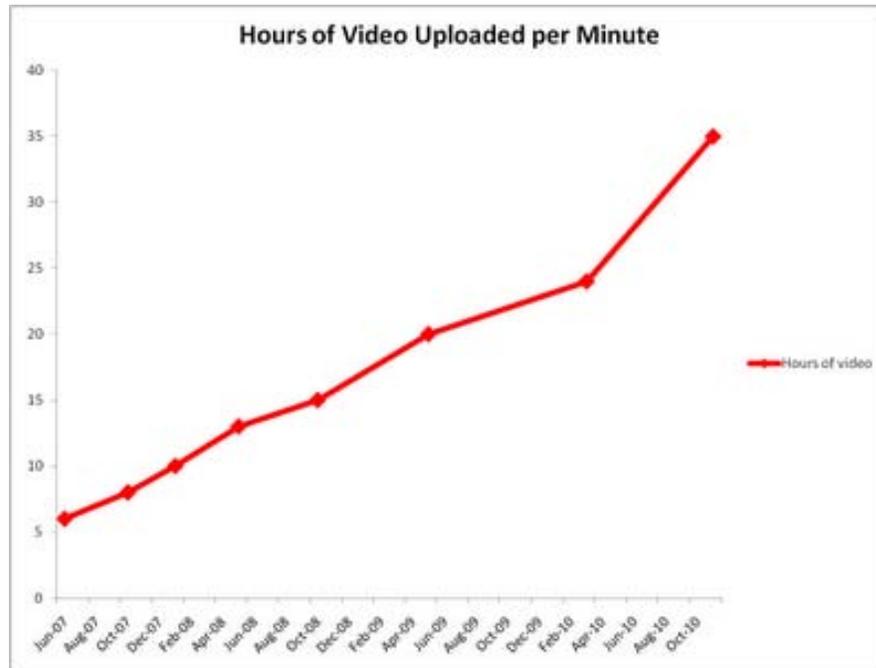
YouTube has become the third most visited website in the world (Alexa, 2011) behind Google and Facebook. I believe YouTube is the most effective social media platform for musicians to brand themselves and earn income from their videos if they are approved for monetization. Music branding should appeal to as many senses as possible for the audience. Music is very subjective and intangible. A music video helps to enhance the artist's message in their songs. This can be done with stories, special effects, or live performance in the video. YouTube appeals visually and auditory expressions through uploaded videos. I define branding as a product or service multiplied by the exposure in people. We can apply this to YouTube with my formula  $B$  (brand power) = Number of Videos x Total Views. An artist can leverage his brand power to negotiate more favorable deals such as endorsements or advertising on his YouTube channel. There are 3 main parts to the YouTube strategy: the content, network, and monetization.

#### YouTube Content

YouTube allows anyone to upload videos to the website for free. YouTube was created in 2005 and at the end of its first 5 years of service; YouTube was receiving more than 2 billion views per day (YouTube, 2010). Figure 8 shows the users were uploading more than 35 hours of video per minute (Walk, 2010). The time limit for videos is 15 minutes and the upload file size is 2GB via the standard uploader (2010). Users can also upload their videos using their mobile phones (2010). The simplicity and convenience of

uploading videos via a mobile device most likely was a contributor to the increase in hours of video every minute to YouTube.

Figure 8. Hours of Video Uploaded per Minute (Walk, 2010)



Artists can upload more than just their music videos. They can also upload live performances, video blogs (video journals), instructional videos, behind the scenes, and cover songs. It is important to continue to publish high quality content because it helps increase one's brand power.

### The Network Strategy

Search, discover, and recommended videos are one of many ways YouTube users find your channel or videos. Interacting with your audience by responding to their comments or engaging in other music YouTube channels that are similar in genre or style to your band or project are also paths that lead to discover but also user loyalty. There are several ways to increase YouTube viewers (TechCrunch, 2011).

- **Blogs:** Reach out to relevant blogs that promote independent musicians. They can embed the videos leading to increase exposure.
- **Forums:** Participate in forums with other fans of popular artists. You can leave a signature in each post with a link to your video.
- **Facebook:** Sharing on Facebook provides a sense vetting since more people will likely watch what a friend shares rather than an email spam asking to watch a video.

I find one of the most effective content strategies is to do interesting covers of current popular songs that people are searching for. Once someone watches your cover video, they can discover your original videos as well. Wade Johnston is a musician who had most of his views from cover songs; in particular Jason Mraz's *I'm Yours* (Cayari, 2011, p. 15).

“It’s really about [search engine] algorithms... If people look up I’m Yours, there was a period of time where I was the first song that would come up out of the ‘I’m Yours’ songs; which is really big. And I got a ton of views from that. When people search it, sometimes my video will come up on the first page, and they will click that and that gets me a lot of views.” – Wade Johnston.

I highly recommend having both original videos that you can monetize while having cover songs so users can discover your originals and YouTube channel.

### Monetizing Videos

YouTube allows certain videos and artist channels to monetize from the shared ad revenue. At the August 2006, YouTube announced two new advertising concepts; participatory video ads and brand channels complementing other offerings including banner ads, promotions, and sponsorships (A Short History of YouTube, p. 9). In August 2007, YouTube offered select partners the ability to incorporate YouTube InVideo ads into their content; animated overlays appear on the bottom of 20 percent of a video (p. 9). YouTube will send you an invite to be a part of the monetization program once your video channel reaches a certain number of viewership. This number can appear random since YouTube does not provide a view count threshold for monetization. It is important to note that YouTube does not allow musicians to monetize or put ads in their videos for cover songs unless you have appropriate permissions from the artist YouTube (2012). It is wise to not challenge this YouTube's policy otherwise your account can be permanently disabled and you won't be allowed to monetize in the future. I also believe it is unethical to make money on other people's work without permission or license.

My channel [www.youtube.com/deltadreams](http://www.youtube.com/deltadreams) was approved for YouTube monetization in December 2011. Since then, my Google AdSense account, which tracks revenue performance, increased tremendously. Below is a report on earnings between August 6, 2011 and March 5, 2012 on my Google Account. Figure 9 illustrates the immediate increase in ad revenue earnings starting December 2011 when YouTube monetization was activated. I did not monetize my cover songs because permission and license from the original copyright owners and publishers are required. There are

services such as Limelight that handles the administrative tasks for licensing songs for you.

Figure 9. YouTube Ad Revenue



## CONCLUSION

This thesis was written for independent artists who want to learn how to play, record music, or pursue a career in the music industry with the latest innovation in recording, distribution, monetization, and marketing. This thesis provides academic and applied perspectives in project management such as the traditional Iron Triangle, Systems Perspective of Success, SMART Strategy, Creativity, and VARK learning preferences.

Individuals who want to learn how to play instruments but do not have access or resources from traditional methods of learning such as private tutor or attending a class can leverage online websites to learn from the crowd if it suits his or her VARK preferences: visual, aural, read/write, or kinesthetic. I still recommend working with a good music teacher who understands your learning preferences, needs, and purpose for learning. For example, do you want to play other people's songs or do you want to learn how to write your own?

Creativity helps individuals to discover or create something new by combining different domains, appealing to experts who vet the quality of work, and your own personality. This creativity can be recorded, synthesized, and edited by innovations in digital audio workstations that are now much more affordable, portable, and accessible than ever before.

### New Pathway

Independent artists can now distribute their work for sale to online digital stores using distributors such as CD Baby or TuneCore. These companies also let you keep

your copyrights and receive majority of the revenue. These services charge a minimum fee for initial distribution but have different long term cost in their business models.

Therefore, it is important understand which model suits you better.

YouTube can be both an effective branding and monetization platform for musicians. Branding can include merchandise sales, fan funding, fan club, persona licensing, product endorsements, acting, sponsorship, and grants (Thomson, 2012). An artist brand can supersede technology platforms because fans will find you rather than having to migrate them from one platform to another.

Musicians should apply the different project management perspectives while executing these strategies because they not only assist in establishing the scope, time, cost, but also what is considered success which isn't always only profit.

### Personal Pathway

These modular activities in this thesis were inspired by my own experiences in the old and new model of the music industry. I never received any money from a record label even though I invested my own time and effort into the music. The innovation in the music industry allowed me to create my own path for success based on these strategies that my previous record label did not provide. What I learned from these experiences and writing this thesis is that music success does not have to equate to monetary income. Money is just an enabler and form of currency for other opportunities. This is why I introduced the systems perspective for success, which can also include cultural relevancy and personal satisfaction in addition to finishing projects on time, within budget, and satisfy the fans. Making and performing music solely for the sake of creativity are also

important for our own spiritual and cultural significance. Songs are reflections of our own memories, love, happiness, insecurities, and desires. Songs, like many other social experiences, are more powerful when they are shared because they help connect us to one another. From a technology perspective, the most effective online platform that provided the most exposure to my music and brand through sharing is YouTube. Even though I present ways to distribute and monetize from your music, money does not have to be the only measure of success. I believe the number of video views is important for branding and exposure. For example, as of April 1, 2012, I received 2,172,228 views to my music videos on my YouTube channel since I joined April 8, 2006 (Delta Dreams YouTube, 2012). The level of exposure through my YouTube channel greatly surpassed any marketing effort from my record label.

#### Case of Redd Stylez

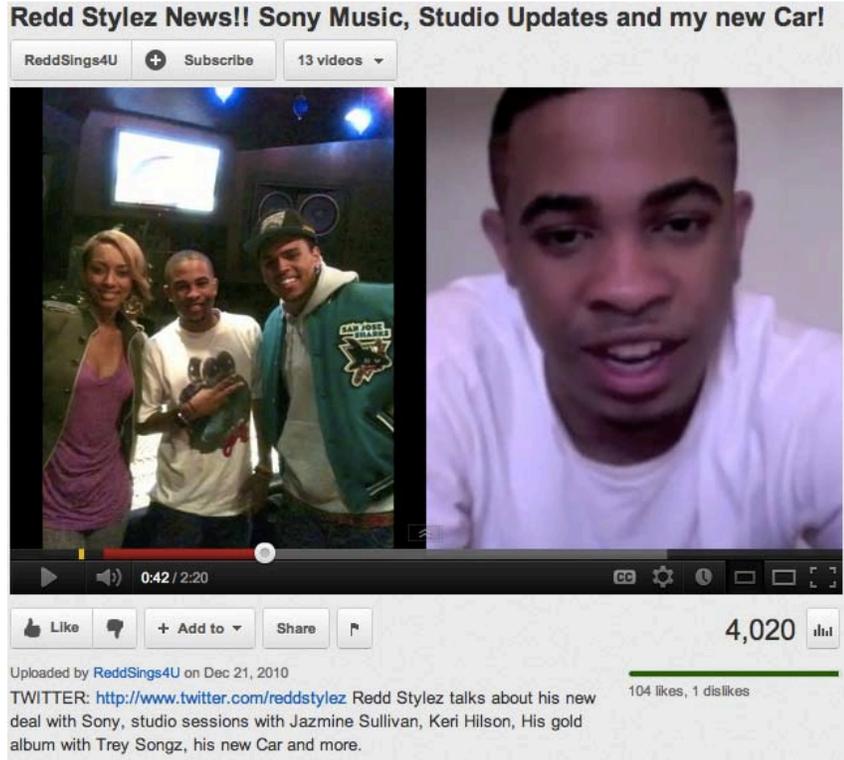
A lot of independent artists have been discovered on YouTube and signed by major artists. David, a close friend of mine who is an artist manager and music producer, met a writer/rapper named Redd Stylez who was working as a waiter at a restaurant that served him. David produced Redd's first album and worked with him to cover popular songs on YouTube and release an independent album on iTunes. Redd's YouTube videos were discovered by an industry agent who contacted them to write for major artists. As a result of YouTube and other strategies presented in this thesis, he is now writing for major artists like Chris Brown, Usher, and Trey Songz (Redd Stylez YouTube, 2012). The reason why I illustrated Redd Stylez in this paper is because I met him when he was starting out and his manager utilized these strategies. Therefore, I

know from firsthand experience that these tools and strategies can be very effective in pursuit of musical success. There are also other factors that contributed to Redd's success such as his natural song writing and singing abilities. His success would not have been possible if Redd did not have the musical talent or was disciplined with working hard to achieve his goals. However, the innovations made it possible for the opportunities to present themselves to Redd and his manager.

Figure 10: Redd Stylez Cover Neyo's Closer



Figure 11: Redd Stylez Record Deal Announcement



### Thoughts on the Future

We still see challenges for music artists despite these innovations in the music industry. These include piracy for major artists and anonymity for independent artists. One of the problems with digital stores is the supply of inventory is continuing to outpace the demand. More and more content is being added to online stores that are not consumed fast enough for the user. The other issue is competition for attention from other mediums such as video games, Facebook, and YouTube. Industry critics also believe that music delivery will eventually take the form of streaming and subscription services. However, based on the income metrics for many artists including myself, the streaming revenue does not come close to download revenue. Streaming a song typically

pays less than a fraction of one cent to the artist; an iTunes download pays about 70 cents to the artist.

In order to prepare for unknown future challenges, independent and major artist should focus on creating a brand for longevity and monetizing other opportunities besides music sales. For example, branding can lead to music sponsorship, commercial and film licensing, and film roles in. Branding can also lead to merchandise sales. The point is that artist should think about selling more than just their music.

### Final Words

I hope you find this thesis to be a helpful guide from different academic and practical perspectives in pursuing your musical aspirations whether it is learning, recording, or monetizing your work. The music innovations have made it not only possible but also probable for you to earn a living or create supplemental income based on your music without compromise from traditional gatekeepers, artistic integrity, or large costs. This has always been my childhood dream. The music income and royalties are lifelong and passive to create a legacy for generations to come. Listen closely.

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## APPENDIX A

## SWOT Recommendations (Proven Models, 2012)

<b>Positive Factors</b>	<b>Negative Factors</b>
<p>Increase Strengths</p> <ul style="list-style-type: none"> <li>• Continue to expand brand.</li> <li>• Practice before performance.</li> <li>• Eat well and exercise.</li> <li>• Collaborate with other artists.</li> </ul>	<p>Reduce Weaknesses</p> <ul style="list-style-type: none"> <li>• Track and control expenses.</li> <li>• Test demos before full production.</li> <li>• Do not abuse drugs or other vice temptations.</li> <li>• Make sure promoter puts deposit down before a show.</li> </ul>
<p>Seize Opportunities</p> <ul style="list-style-type: none"> <li>• Offer free downloads such as ring tones and wallpapers</li> <li>• Record and film a live show and release for free or purchase.</li> <li>• Have online meet and greet sessions</li> <li>• License music for film and television</li> <li>• Provide production, mixing, and recording services for other artists.</li> </ul>	<p>Remove Threats</p> <ul style="list-style-type: none"> <li>• Register new songs with the Copyright office</li> <li>• Verify cover licenses from</li> <li>• Do sound check before a show</li> <li>• Buy insurance for music equipment</li> <li>• Back up music recordings, videos, and assets.</li> </ul>