

LABELS ARE BIGGER THAN EVER

Technology should give artists control, but it's just making record companies richer, says *Lisa Verrico*

Hands up who remembers Myspace. Fifteen years ago the pioneering social network promised to level the playing field for independent artists. In theory, anyone could upload their music to a global audience and, if millions of listeners liked it, become a pop star.

Lily Allen and Calvin Harris were hailed as Myspace success stories, but only after the muscle and money of major labels had sent their songs into the charts. Similarly, Myspace-spawned scenes such as emo and grime went mainstream when their biggest names ditched DIY.

On the surface, the rise of streaming and the explosion in social media has given artists more control of their careers. With luck, hard work and no label, you can now scrape a living from Spotify, sell out shows via Facebook and market your own merchandise. Yet the tech age has made the major labels more powerful than ever.

Take TikTok, the video-sharing app now flooding the charts with hits – in the US last year, nearly 90 trending TikTok tracks crossed into the Billboard charts, among them 15 No 1s.

Yet what takes off on TikTok isn't as random as it appears. Its biggest stars, aka influencers, are paid by labels to set their skits to certain songs. No pay, no play.

Genuine viral surprises still exist, but making money from them requires infrastructure and expertise. The Scottish postman Nathan Evans became a TikTok sensation by singing sea shanties. When his story made the national news last month he was snapped up by the UMG label Polydor, which had his most popular song, *Wellerman*, remixed by dance producers. Within weeks it was at No 3, with an album in the works. On his own, Evans might have managed a few thousand downloads before interest moved on.

This month UMG expanded its licensing partnership with TikTok, with the two companies promising to “work more closely than ever” and “experiment with exciting new features”. Days later, the UMG-signed Justin Bieber performed the first full concert on TikTok, for Valentine's Day.

While the pandemic has decimated live music, it has sent streaming

revenues soaring – up by about 20 per cent at each of the three major labels. That should be good news for every artist on services such as Spotify, Deezer and Apple Music, but that increase is heavily skewed by songs that appear on the most popular playlists. Good luck getting on one of those as a DIY artist. The majors have the clout to demand prominent placement for their biggest stars and for priority new names.

So profitable is streaming, however, that the top indie artists are now making a decent income from it too, despite their tiny portion of the pie. Hence, this month, Sony swallowed up Awal, a fast-expanding distribution and services company for indie artists, for \$430 million.

In recent years the three majors have massively expanded their interests in so-called indie – artists who get to retain control of their careers,

while benefiting from their benefactors' infrastructure.

However great a relationship you have with your fans via social media, someone still has to collect your streaming royalties – not a huge headache at home, but a timely, complex, expensive process if you become popular all over the world. The majors may take a smaller cut than they do from traditional deals, but the artists come with a ready-made audience, so require less investment.

As streaming takes off in new territories – last April Apple Music expanded into 52 new countries, while Spotify had 1 million users a week after launching in India in 2019 – it's the majors that are poised to profit. Last month UMG sold a second 10 per cent share of its business to the Chinese giant Tencent, 12 months after the first. The aim is to break its western artists in Asia, the holy grail for growth. The sale valued UMG at \$37 billion but, thanks in part to the pandemic, it's likely to be worth considerably more when it floats on the stock exchange later this year.

As more of us consume ever more music in every aspect of our increasingly tech-centric lives – on Peloton bikes, e-gaming on Twitch, on Facebook, Snapchat or TikTok – those with the power to do deals will continue to come out on top. The greedy gatekeepers haven't gone, they're just hiding in plain sight.

