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# You're paying the piper, but are you calling the tune?

# The first in a series of posts for The Gym by music rights specialist Richard Kirstein, author of Music Rights Without Fights.

THE CLASSES

Trust between brands and agencies has been a recent hot topic – partly fuelled by calls from ISBA and ANA for greater transparency in media contracts. ISBA's Debbie Morrison was reported in the FT saying "I don't believe that [the media agencies] have got the best interests of their clients at heart anymore." Many media agency chiefs would beg to differ.

There's a parallel here with how some creative agencies operate, particular with production costs and individual line items such as music. Whilst many senior marketers leave scrutiny of budgets to their procurement colleagues, smart brand leaders recognise that









challenging conventional agency practice can reap rewards in efficiency without impacting creativity. Agencies are always happy to spend their clients' money but when it comes to music buying, are you calling the tune? It's all about knowing the right questions to ask. Here are five key tips taken from my book Music Rights Without Fights:

#### 1. Timing

#### "Can we consider music before production?"

Many agencies leave music to the last minute; the justification being that music can only be considered during post production where there's a film to see. Less time means a weaker negotiation position with music rights owners who'll grant fewer rights for higher fees. Ask for presentation of music ideas at script stage.

#### 2. Choice

#### "Can we have plan B (and C, D & E)?"

Many agencies like to make a single music track recommendation - The result of extensive research distilled down to one perfect solution. This might appear creatively astute but it's commercially flawed. Insist that, whilst there might be a hero track, there should always be back-ups - all pre-checked for availability and cost.

#### ROI

#### "Will it make the boat go faster?"

When presented with multiple music track choices, demand clarity on costs and a compelling case to support inclusion in the shortlist. What does each track bring to the table? What emotional triggers does it stimulate? How does it test in Research? Carefully consider the price differentials. If track A costs £100K more than track B, how many additional sales does the campaign need to generate to deliver additional profits >£100K? If the agency is insistent that only the most expensive track works, will they back that belief by underwriting the price difference?

#### 4. Keeping it in the family

#### "Are they independent?"

Most creative agencies outsource music research and buying to specialist consultancies. However many of these suppliers are actually subsidiaries of the agency or sister companies within the same marketing services group. If such companies are your agency's default choice, in whose best interest is that decision being made? Insist that, for each project, the music search and buying task is put out to tender – and ask for proof of independent credentials.

## 5. Head I win, tails you lose

## "Who are they acting for?

When creative agencies outsource music research and buying, what's the supplier's remuneration model? In a Mystery Shopper survey, we found that nine out of twelve of the UK's most active music licensing specialist companies charge commission on the deals they broker for their agency clients. Of those nine, seven charge 10% and two charge 15%. The majority clearly operate with conflict of interest whereby their commercial incentives work in the wrong direction. Insist that no suppliers are paid on a commission model if their role is to buy goods or services, acting for the brand or agency.

## The prize

With ever greater pressure on budgets, brand leaders can secure quick wins by encouraging agency behaviour change. Smarter strategies for music sourcing and buying can deliver disproportionally high efficiencies to be reinvested in future projects. Look out for my upcoming posts with more tips in this important niche discipline.

Richard Kirstein is the author of Music Rights Without Fights, a regular speaker at industry conferences and the founding partner of specialist music rights consultancy Resilient Music LLP.

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