

## Catch up on Midem 2015 in the Quick Review!



HOME MUSIC BIZ TECH DIRECT TO FANS BRANDS

MIDEM.COM

YOU ARE AT: Home » Brands » 5 Tips for Sync Success in 2016

BRANDS

## 5 Tips for Sync Success in 2016

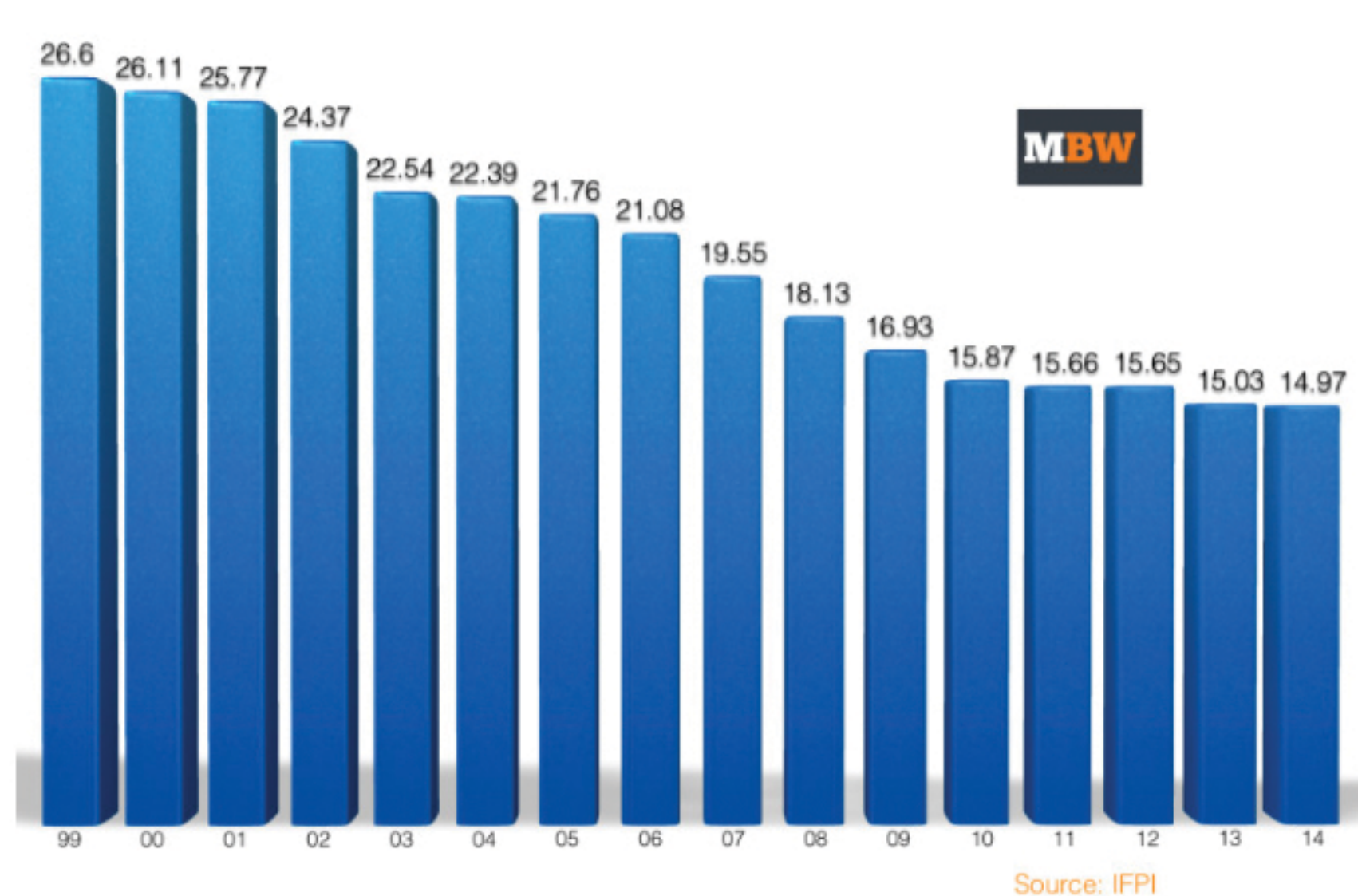
How can music rightsolders optimise their sync revenue this year? Here are 5 ways to optimise work with brands and agencies

by RICHARD KIRSTEIN on JANUARY 14, 2016 0 COMMENTS

29 25 55 Shares

Last week saw welcome news for the UK music industry, with the BPI reporting that the value of recorded music consumption **increased 3.5% in 2015**, buoyed by **explosive growth in audio streaming** (up **81.7%**) on platforms such as **Spotify** and **Apple Music**. But despite these apparent green shoots, and the phenomenal outlier success of Adele, there is no ignoring some fairly chastening long term trends – not least the fact that global recorded revenues have **fallen from US\$26.6bn to under US\$15bn** since the start of the millennium.

### Annual global recorded music income in \$bn 1999-2014



For record labels and music publishers it's perhaps therefore little surprise that **sync licensing has become elevated to "priority" status** – providing a **dependable and stable revenue stream for large catalogue owners** amidst the choppy seas of digital disruption in the retail space.

However, it is my personal observation that the full potential of sync **is yet to be fully realised** – partly **due to short-sightedness from certain members of the music community**, but also because of a **continued failure to understand the modern needs of brands and marketers**.

I cover much of this disconnect in my recent book, **Music Rights Without Fights**, although the nub of the problem can usually be summarised by a simple question: *who's my client?*

From a rights owner perspective, the answer to this question has traditionally been straightforward: the "talent" is your client – writers appoint publishers, artists appoint record labels. These are the people you work for. In both cases, **rights owner sync teams are answerable to the talent's management from whom prior approval is usually required for sync licences**.

However, from a "supply chain" perspective – which is the language of brands and marketers – that talent, no matter how creatively brilliant they are, essentially represents the role of **"supplier"**. **Writers and artists license or assign their work to a rights owner – who in turn licenses it (effectively a "sale") to a third party for commercial use such as a brand marketing campaign**. This is the wheel on which business turns. In this context, the licensee is the client. **It is they who pay the rights owner, who then pays the talent** (minus a commission).

In practice, busy rights owner sync teams are therefore faced with an apparent dilemma of two opposing "clients" at either end of the value chain – **both demanding that their needs are prioritised**. (Please keep up with me here!)

Typically, **the brand wants a big song for a low fee**, cleared by tomorrow. Meanwhile, **the talent's manager wants a big fee for the same song**, and will withhold approval right up to the wire to achieve it. Against this backdrop, the bar is set higher each year for sync teams' annual revenue target. Their bosses need increasingly larger golden eggs from the sync goose to satisfy the CEO and shareholders.

It's a tough gig and no wonder that rights owners sync teams comment **how competitive the market has become!**

So, as the New Year gets underway, here are my 5 Tips To Sync Success in 2016:

### 1. Walk A Mile In Your Clients' Shoes

If you accept the above premise, that you have two "clients", you'll cut easier deals if they understand each other. Consider the different lives and perspectives of a 25-year-old inner city artist, versus a 45-year-old brand marketing director in a regional business park. Whilst there's rarely time on individual deals to sit both sides round the table, **what industry initiatives can you develop to improve mutual understanding and reduce acrimonious negotiation?**

### 2. Sweat Your Assets

It's an established practice for innovative publishers to circulate contemporary covers of evergreen copyrights in their catalogue. This is a smart move in the advertising market where many brands seek "re-inventions" of classic songs. Entrepreneurial publishers take it a step further by commissioning music trailer houses to re-work their songs to the precise requirements for film trailers e.g. a 2'30" edit length with builds and drops and key moments. Effectively adapting a song asset to the formulaic needs of a licensee client – subject, of course, to the writer's approval. This is a great example of rights owners thinking like a service provider rather than a gatekeeper.

### 3. Clarify Your Pricing Strategy

In the ad market, brands frequently complain that sync licence fee pricing appears **arbitrarily volatile**. It doesn't seem to follow normal relationship rules between buyer and seller. Of course, music rights owners have a monopolistic position on the specific rights they control – the brand can't license them from anywhere else. That said, when quoting and negotiating, explain how your fees are calculated to avoid accusations that they're "plucked out of thin air".

### 4. Embrace New Models

The way you structure deals isn't always how licensees need them. In the ad market, you'll probably want to define tight limitations around context of use, number of films, term, territory and media – all for a flat fee. Any deviation from that will require **renegotiation**. In contrast, brands will be looking for a **more flexible approach** where any activation within a campaign can be covered under a single fixed term licence – and on-going "public archive" online usage is licensed on a pay-per-view basis. Can your current licensing strategy accommodate that?

### 5. Join Hands

Commercial catalogue rights are fragmented – some brands fail to appreciate there are almost always separate owners for song and master recording, and frequently co-publishers for the song. Brands want the ease of **one-stop licensing (evident in the production library music world) and don't understand why it can't be implemented** for commercially-released tracks by recording artists. Smart rights owners can help by bringing all the jigsaw pieces together. A label can help facilitate clearance for a copyright control song or clarify the liability for session musicians on the recording. A majority publisher can help license the minority unpublished share or an unsigned recording. **It's all about being customer-centric and giving the client a great experience**. Following the above steps should help you hit that target sync revenue for 2016. For a better understanding of the brands' perspective, read my book, **Music Rights Without Fights**.

29 25 55 Shares

record labels rights sync tips

#### ABOUT AUTHOR



RICHARD KIRSTEIN

Richard Kirstein is founding partner of Resilient Music LLP - follow @ResilientMusic on Twitter - a leading authority on music+brands, and a regular Midem speaker.

JOIN US!



MIDEM 2015 FULL CONFERENCE VIDEOS



THE MIDEM DAILY NEWS SHOW!



INDUSTRY NEWS



MIDEM ON TWITTER



MIDEM ON FACEBOOK

