



BUSINESS INTELLIGENCE AND DATA ANALYTICS FOR MUSIC INDUSTRY SMES

PART II: THE USE OF AI FOR ROYALTIES COLLECTION



The arrival of the internet and the availability of music in digital formats have altered the landscape of the music industry. While there have been a number of studies about the implementation of BI in other industries such as finance, healthcare, and education, there are not many insights of BI in the music industry.

Today business environment is characterized by rapid changes instigated by fast and furious advancements in technology; capricious customer cravings, international competition, and volatile global economy. In most industries, including the music industry, there has been an undeniable permeation of technology both to generate and manage products and services. On the other hand there is a growth of niche markets and SMEs as customers seek customization and a desire to satisfy their individual preferences. Innovation is happening at an accelerating rate resulting in shorter product lifecycles.



1. 1.Data Analytics within A&R (Artists and Repertoire)

Similar to the ways movie studios are leveraging predictive analytics to decide whether or not to release films, records labels are increasingly embracing advanced analytics to identify high potential talent.

Though record labels tend to be exceptionally secretive about what exactly goes into their predictive A&R models, numerous artificial intelligence-driven A&R tools have emerged over the past few years that shed light on some of these practices. For example, Sodatone, which was acquired by Warner Music Group in 2018, uses machine learning to mine the 40,000 or tracks uploaded to music streaming sites such as Spotify and SoundCloud every day as well as social media, music blogs and touring data. Using these insights, A&R executives can more easily and effectively identify new, emerging artists that may be a good fit for their label.

Another A&R tool making waves is Instrumental, a scouting platform that uses AI and machine learning to mine streaming and related internet data to discover high potential talent and align those artists with relevant partnerships (i.e. label, publishing, merchandising and licensing opportunities).

2.The Use of AI for Royalties Collection

Though artists are legally entitled to royalties - compensatory payments received by rights holders (songwriters, composers, recording artists, and their respective representatives) in exchange for the licensed use of their music - accurately tracking music consumption across the digital landscape has proven to be incredibly challenging.

For example, record labels, streamers and other stakeholders use metadata (the underlying information tied to a released song or album, including titles, songwriter and producer names, the publisher(s), the record label, etc.) to track usage. However, according to reporting by The Verge, "Not only are there no standards for how music metadata is collected or displayed, there's no need to verify the accuracy of a song's metadata before it gets released, and there's no one place where music metadata is stored. Instead, fractions of that data is kept in hundreds of different places across the world."

However, AI has the potential to help solve a number of these problems. In 2018, Spotify acquired Loudr, a music licensing platform, and Sonalytic Limited, an audio detection solution. The goal was to integrate these tools into Spotify's tech ecosystem to provide artists and music publishers with more visibility into and control over royalty payouts.





Indie music distribution platform, Amuse, has also created a number of AI-powered products to help their clients more efficiently and accurately distribute royalties as well as, using advanced analytics, predict upcoming payouts.

Last but not least, AI-powered music tagging tools such as Musiio Tag are very trendy at the moment. Using these tools, copyright holders can not only more effectively calculate and distribute royalties, but also ensure new releases are assigned the right descriptors so that they're easily found by the right listeners.

3. Conclusion

Data science is disputing the music industry. While the primary motivation behind employing data science is to make as much profit as possible, there is no doubt the idea that the use of it in the music industry is helping the industry along several dimensions. From forecasting trends to employing music analytics to predicting when's the best time to release music, set concert dates, and more, data science is leaving lasting imprints in the music industry. This trend will definitely change the course of the music industry in the years to come.