Crowdfunding Music

A look at crowdfunding as an alternative source of funding for independent creators within the recorded music industry

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This master’s thesis is carried out as a part of the education at the University of Agder and is therefore approved as a part of this education. However, this does not imply that the University answers for the methods that are used or the conclusions that are drawn.

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FOREWORD

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ABSTRACT

With larger crowdfunding campaigns getting the media hype for crowdfunding going, crowdfunding is often touted as the future of creative project funding. With examples like Amanda Palmer always being presented, is crowdfunding the future and saviour of funding for recorded music projects? This is what this thesis is trying to answer, to see if crowdfunding is a suitable alternate way of funding projects. The subject is an often-discussed one, but a subject that has not seen much academic research. The success of Amanda Palmer can often be put down to her already having fans from previous work with The Dresden Dolls. But that is exactly what you need to be able to crowdfund a new release: fans. A crowd. Through interviews with three subjects in different points of the music industries and/or the crowdfunding industry, and some interesting statistics this thesis concludes that there is a future for crowdfunding as an alternative way of funding music, but not in hundreds of thousands to a million dollar range like with Amanda Palmer. Most successful campaigns live in the $1000 to $10,000 range, which is a pointer to the true power of crowdfunding: smaller artists being able to activate the small fan base they have acquired through gigging and other releases to get them to fund new projects, from albums/EPs, to tours, to books. Crowdfunding is a tool for smaller artists to fund new ventures without record label support and doing it by themselves.
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I: INTRODUCTION

This introductory chapter will present the subject of research for this thesis and the reasons and motivations why this subject has been chosen. The main research question and some sub-questions will also be explained followed by some definitions and limitations.

1.1 Topic:

Since the advent of peer-to-peer services and digital music platforms the revenues from new, recorded music has gone down. Labels are less focused on releasing new albums and are taking less risks with new artists, and rather focusing more on back catalogues and established artists that can be massively consumed through online platforms. This has lead to smaller recording budgets from labels and less royalties for those who aren’t being streamed several hundred million times. This has lead to many artists dropping the album format and only focusing on singles and/or touring their back catalogues. For some artists this has lead to them going through other platforms to get funding for their albums. For some it means saving up money from touring, for some it means government funds and grants. And for some that means crowdfunding. And that is what this thesis is focused on: Crowdfunding for music.

In the last ten or so years the phrase crowdfunding has made it’s way into the public eye and popular culture. Crowdfunding as defined by the Oxford English Dictionary is “The practice of funding a project or venture by raising money from a large number of people who each contribute a relatively small amount, typically via the Internet.” or in other, simpler words: Getting your fans to fund the album. Over the last ten years several big online platforms has been helping creators and entrepreneurs get funding for their projects. These platforms include the likes of Kickstarter, IndieGoGo and Patreon.

Some of the larger success stories from crowdfunded music includes Amanda Palmer raising over $1.1million, the progressive metal band Protest The Hero raising over $340k and the bizarre and Internet-friendly Music for Cats by David Teie raising over $240k, which is over 1100% of his original goal of $20,000 (Kickstarter, Amanda Palmer/Music For Cats) (IndieGoGo, Protest The Hero). But does these examples really show the true value of crowdfunding? Amanda Palmer had a following from her previous band, The Dresden
Dolls, and Protest The Hero was established in the metal community and had released three albums prior. David Teie’s project did not have a history, but went viral through the Internet's love for cats. Would a band with a much smaller fan base and with a more standard “gimmick” stand a chance gathering music through crowdfunding? That is one of the things this thesis will try to answer.

1.2 RESEARCH QUESTION

For this thesis the main research question is as follows: *Can crowdfunding function as a sustainable alternative for funding for independent creators within the recorded music industry?*

1.2.1 MAIN CONCEPTS OF RESEARCH QUESTION

The main concepts of the research question is focused on the act of raising funds through your audience and fans, be that through project-based crowdfunding like Kickstarter or IndieGoGo, or through subscription-based models like Patreon. Othmar M. Lehner describes crowdfunding as following: “*Crowdfunding means tapping a large dispersed audience... for small sums of money to fund a project or a venture*”. He continues: “*Crowdfunding is typically empowered by the social media communication over the Internet, through for example embracing user-generated content as guides for investors*” (Harrison, 2016). His definition of crowdfunding is based on crowdfunding in general, over all different kinds of industries, not specifically for music but it is just as true for music crowdfunding.

For the music industries crowdfunding can be used for both recording albums/DVDs, but also for tours, one-off concerts, books, merch, etc. Trying to define all the areas crowdfunding can be used within the music industries is about as hard as to define the music industries, but for this thesis I will define music crowdfunding as raising funds for any musical venture that requires financial funds.

1.2.2 SUB-QUESTIONS TO THE RESEARCH QUESTION

One of the sub-questions for the main question is: *Will we see an increase or decrease in the popularity and financial draw of crowdfunding?* Another sub-question I want to look at is: *How are music projects compared to other creative fields in crowdfunding?* For the last questions the areas compared include success-rate, number of projects, etc.
1.3 Reason

There are several reasons why I want to research this particular subject. Firstly, around 2010-2011 there was a lot of hype and chatter around this new thing, “crowdfunding”, which was going to revolutionize how projects get funded. And then after a couple of years the chatter died down a bit. From the websites of the crowdfunding-services we can see that there is still a lot of music projects still using crowdfunding to success, even though it is not as much spoken about anymore. As a matter of fact recently the record for highest funded music project on Kickstarter, previously held by Amanda Palmer, was broken by the Voyager Golden Record: 40th Anniversary Edition, a book and triple-album recreating the gold discs on board the Voyager space shuttle. This project raised over $1.36 million. The fact that music projects still get funded, even though crowdfunding is not as present in the mainstream as before, is why I want to research crowdfunding for music.

Secondly, the fact that some quite obscure projects can gather huge budgets is a phenomenon that really interests me. As mentioned above, the progressive metal band Protest The Hero raised over $300k for their fourth album, a budget that they would never get from the independent label they were previously signed to. Also mentioned above, a project raised over $200k for an album with music for cats, which for most people would sound insane. Not even the creator of the album had expected that, as his goal was “only” $20k, which is a good budget for an independent artist or band. The fact that projects that would not warrant large budgets in the 2010s music business can get this much funding is also one of the areas that interest me.

1.4 Definition of Key Phrases

Project-based crowdfunding

Project-based crowdfunding is what we would typically think of as crowdfunding. It is when a single project is put up for crowdfunding, like an album or a movie.

Subscription-based crowdfunding

Subscription-based crowdfunding is a little more recent than project-based crowdfunding and has gained a lot of popularity within YouTube-creators through
services like Patreon that allows fans to subscribe either on a monthly basis, or a per-release basis.

**Investment-crowdfunding**
Investment-crowdfunding, also known as equity crowdfunding, is crowdfunding where backers are investing, rather than just donating. These kinds of ventures are not that common within the music industries, and while it needs to be mentioned; it will not be much in focus.

**Creator**
The creator of the crowdfunding project. For most music projects it is the artist/band, or someone representing the artist/band.

**Backers/Funders**
The backers are those who pledge money to the crowdfunding campaigns.

**Pledge rewards/Perks**
Pledge rewards or perks are what normally is offered as thanks for the money donated to the campaign. For a music project this can go from a digital/physical copy of the album for a smaller donation, to meet-and-greets, personalized recordings, etc. for bigger donations. The rewards/perks are often tiered so the more you donate the more you will get.

**Goal**
The goal is what the project is hoping to raise for the project to be fulfilled. Some platforms require the goal to be met for the money to be paid out; to make sure the creator of the project does not get money for a project they cannot go through with.

**Flexible goal**
A flexible goal is offered by some crowdfunding-platforms, where in the creator gets whatever they are able to collect, even if they do not reach their goal. This has higher risks for the backers, as a project may be hard to complete with a smaller budget.
Tiered goals

Tiered goals can be when the creator of the project sets several goals for the crowdfunding project, each with a higher goal. For a musical artist this might be: record and release an EP at one goal, an album for another goal, etc.

1.5 Thesis Limitations

For this thesis the subject will be limited to crowdfunding music. Crowdfunding as a whole is an enormous undertaking, and being able to cover everything would both not be feasible, but also as this is a master’s thesis in music management, the other areas are not relevant. There will however be drawn some comparisons between the music side of crowdfunding and other creative areas, as it pertains to some of the subjects that are to be researched.
II: THEORETICAL BACKGROUND

To understand crowdfunding and the place of crowdfunding in the music industries one need to look at the history of and changes to the music industries. The recorded music industry has gone from purely based on physical sales to an almost completely digital industry with the advent of music streaming.

2.1 MUSIC BUSINESS CHANGES

Up until the dawn of the 20th century music at home was mainly something you performed yourself or someone else performed in your presence. The music industry at the time was limited to those who wrote the music, those who performed the music in concert, and those who printed and sold the music as sheet music. One of the biggest sellers from the turn of the century was Charles Harris’ ‘After The Ball’, which was popularized by the Chicago World’s Fair and sold over 2 million sheet-music copies (Wikström, 2013, p. 62). In the late 19th century the technology for recording music was developed by different parties, and in 1906 The Victor Company released the first successful mass-market phonograph, the Victrola. In the early 1900s the music recordings were viewed as promotional material to sell the phonographs, but by the 1920s the focused shifted from selling the hardware to selling the music, and in 1925 The Victor Company released the first commercial electric recording. In the 30s and 40s the recorded music industry continued to evolve with technology and the needs of society. In the 1940s the 33-rpm and the 45-rpm albums were released (Wikström, 2013, pp. 63, 66).

In the late 1950s the music industry was shaken and turned by the unforeseen popularity of rock and roll-music and rhythm and blues-music. The major record labels, which controlled about 75% of the market share in 1955, viewed rock and roll as a trend that would soon be passé. This led to the major labels losing 2/3 of their market share, dropping down to 25% in 1962 (Moreau, 2013). This, combined with better and more cost-effective recording technology, led to an emergence of independent record labels staking a claim to a bigger part of the market share of the recorded music industry.

Over the next half a century the biggest changes in the music industry came with technological changes. In 1964 Phillips released the compact cassette tape-format, or simply
known as cassette. This format became easier and cheaper to reproduce as copying a tape is less time consuming than cutting a new record. This led to Sony releasing the first Walkman in 1979 that, for the first time, made music on the go a feasible option. The introduction of the cassette and Walkman started the recorded music industry on its way to a two decade long boom period. This boom period became even more lucrative after Sony and Phillips introduced the compact disc, or CD, in 1982 (Wikström, 2013, p. 64). Now with this new digital format reproduction became even easier and with it being smaller and cheaper to produce this became the preferred format. From the introduction of the Walkman in the late 1970s to the peak of recorded music sales in the late 1990s the number of units sold worldwide more than doubled, as shown by the graph below based on numbers from IFPI, from 1.3 billion units in 1973 to 3.8 billion units in 1996 (IFPI, 2015).

**Recorded Music Volume Trends 1973-1999**

![Graph showing recorded music volume trends from 1973 to 1999](source: IFPI, 2015)

By the end of the 1990s we would again see a monumental shift, after the recording industry tried and failed to introduce new physical formats to replicate the success of the CD. Formats like digital audiotapes (DAT), digital compact cassettes (DCC) and minidiscs (MD). However, none of these new formats became particularly successful, and in 1999 the service that would change the recorded music industry towards a purely digital business was introduced; Napster.

Napster was the first massively popular peer-to-peer file-sharing platform and allowed people all over the world share mp3-files on a massive scale. The mp3-technology was first introduced in 1989 and the first portable mp3-players hit the shelves in 1998 (Wikström, 2013, pp. 63-64). Napster allowed users to fill their mp3-players, for free. The increase in music piracy has been linked to the decline of recorded music revenues and sales from the
late 90s onwards, and this sent the recorded music industry on its way to the future. Slowly but surely the recorded music industry would evolve towards a modern, digital industry.

The year 2001 saw both the introduction of the iPod by Apple, one of the best selling mp3-players, and the first flat-fee all-you-can-eat music subscription service, Rhapsody. In 2004, three years after launching the highly successfully iPod, Apple launched iTunes, the biggest paid download service. iTunes allowed users to download full albums or single tracks for a set cost and by 2013 iTunes had sold over 25 billion tracks (TechCrunch, 2013). iTunes would soon be surpassed in popularity by the first hugely successful streaming service, Spotify (Wikström, 2013, pp. 63-64).

The Swedish streaming service Spotify launched in seven countries in 2008. In February 2016 Spotify was officially in 59 countries all over the world. Apple’s direct competition to Spotify, Apple Music, was at the same time available in 113 countries, just a mere 8 months after launch (MusicBusinessWorldwide, 2016). Even though Spotify is available in fewer countries they are leading the race with most paid subscribers. In March 2017, Spotify announced that they had surpassed 50 million paid subscribers, just 6 months after passing 40 million subscribers (Forbes, 2017). In December of 2016 Apple Music announced that they had passed 20 million paying subscribers in just about a year and a half since the service launched (The Verge, 2016). Apple Music’s growth in the first year and a half in bigger than Spotify’s first 18 months, but in the same time span that Apple Music grew from nothing to 20 million paying subscribers, Spotify grew from 20 million to 50 million paying subscribers, showing that Spotify is still the king of music streaming (Statista/Apple Music and Statista/Spotify). Apple Music’s rapid growth can be explained simply by Apple entering a growing market, just like they did when they launched the iPod or iTunes.

![Paying Subscribers since the launch of Apple Music (Million)](chart.png)
2.1.1 Structure of the Music Industries

For most of the life span of the recorded music industry, the label has been in the centre, and selling records have been the main focus. Everything from music production and distribution, to PR and marketing, to even concerts, were mainly just used to promote the record. The label and music publishers were the ‘gatekeeper’ between creators and fans. To release your music you had to sign to a record label and/or a publisher. And for a lot of artists and creators this was the best opportunity for them to do business. The bigger labels were more desirable for artists. Royalties, as stated in the contract, enabled the artist to earn a living selling records. The artists and creators could make money from collecting societies, but often needed publishers and record labels to get paid. Artists could not produce records as this was very expensive, and so was distribution (Wikström, 2016, pp. 15-16).

Today artists and creators can record, publish and earn money without those restrictions. The artist is now in the focus with everything being centred on them. This includes music production, distribution, concerts, merchandising, sync rights, partnerships and marketing (Wikström, 2016, p. 16). All though the label is not the main focus any more, many of these parts can still be covered by the labels, as contracted with artists. This has lead to the so-called ‘360-degree deals’, where record labels fill more positions than before, like publishing, booking, merchandising and management, as well as traditional record label tasks, like marketing and distribution (Wikström, 2016, p. 25). These deals are in essence transforming the record labels, from record labels to music companies. The new music business, focused on the artists, has enabled artists to go solo, without labels, but they need to have knowledge and expertise about the inner workings of the music industries. The artists need to learn what the labels have known for many years; how to run a music business (Wikström, 2016, p. 26).

Another big change that has happened in the music industries over the last 10-20 years is the importance of social media and social media presence. For an artist to become a hit, a media presence has always been key, but with social media platforms like Facebook, Twitter, etc., being so popular, this has lead to this becoming one of the most prominent platforms for marketing and promotion. The correlation between media presence and audience has been perfectly described by Patrik Wikström’s ‘Audience-Media Engine’, which shows that an increased media presence increases the audience reach. This increased reach lead to an
increased audience approval, i.e. more people liking what they hear/see. Then with higher audience approval, a larger portion of the audience will take action, to buy or stream your music, for example. This then increases your media presence, and so the engine keeps turning (Wikström, 2013, pp. 86-88).

\[ \text{Audience Approval} \rightarrow \text{Audience Action} \rightarrow \text{Media Presence} \rightarrow \text{Audience Approval} \]

‘Audience-Media Engine’ (Wikstrom, 2013, p. 87)

2.1.2 REVENUE

The decrease in physical album sales due to piracy and a move towards a digital market, and the following increase in single-track on-demand streams have had a huge effect on revenue and revenue flows for recording artists and other parties that claim revenue from the sale of a record. In the days of physical albums you could sell an entire album based on one track, but today people can go inline to stream just the tracks they want to hear from the album in question.

Numbers from Information Is Beautiful show that an artist has to have around 2500 streams to get the same amount of royalties that they would get from one physical album sold. The info-graphic provided by the site focuses on how many units an artist have to sell to be able to make the United States minimum wage, which at the time of posting was $1260. The graphic shows that the artist needs to sell 105 self-distributed CDs or 457 CDs if they are signed to a record label, 210 digital albums if unsigned released through a distributor or 547 digital albums if the album is released through a label. For streaming the artist would have to be streamed between 172,206 and 1,117,021 times if the artist is signed, or 70,391 and 180,000 times if self-released through a distributor, depending on which streaming platform.
they are streamed on (Information Is Beautiful, 2015). This gap for unsigned and signed
artists show how much the label and other parties take when going through a label rather
than doing it yourself. Though the rates are not set, they vary based on the label, the deal of
the artist, the streaming service, etc., there have been put forward some examples on how the
royalties gathered are split.

The royalties paid to the artist varies very based on many factors, including the popularity of
the artist, the record company, the country, how much work the artist does themselves, etc.
For the United States the ‘standard’ is for a new artist royalties are normally between 13% and 16% of PPD. For midevel artists, royalties are normally between 15% and 18% of PPD and for superstars, the royalties are normally between 18% and 20%. For the UK those rates are usually 16-20%, 18-24% and 24-30%, respectively (Passman, 2011, p.92). PPD is the published price to the dealer, the price that the dealers pay for an album, i.e. the wholesale price. This wholesale price is estimated to between $9 and $10 for a CD and about 70% of the retail price of a digital album (Passman, 2013, p. 98-99)

The artist is normally the last to get money, as other costs are prioritized ahead of the artist’s
royalties. The 80-90% of PPD that is used to cover all the other expenses related to releasing
an album. This includes, but is not limited to, the recording budget (recording, mixing,
mastering), advances to the artist(s), marketing budget, manufacturing, music publisher,
overheads for the record label and the record label’s profit. Other factors may factor in to
shrinking the royalties, as some expenses might be subtracted before royalties are calculated.
Some companies might have packing deduction, especially for physical albums, or some
companies might discount records or give away free copies, and this has to be covered from
the revenues from those records that are sold at full price. This may cut royalties by 20% or
more (Passman, 2011, p.93).

With a stream being valued at about $0.00437 at Spotify and $0.00735 at Apple Music, a
15% royalty would earn the artist $0,0006555/$0,0011025 per stream, given that this
number is after Spotify/Apple Music has taken their cuts (MusicAlly, 2017). With a physical
album being sold with a PPD at $10 that would earn the artist $1.5 per album sold, meaning
that you could make a living with a much smaller fan base than you can in a streaming based
music industry.
2.1.3 Funding

In the music industry of the 1950s the record companies would pay the artist a set amount of money as an advance for an album and they would cover all recording costs associated with recording that album. Both advances and the recording costs are recoupable from royalties. That was normally the main interactions between the label and the artist, after the recording they went their separate ways. At that time it took maybe two weeks to produce an album, three at max if you were very focused on making it perfect. Today an album normally takes three to four months, or if it is fast-tracked, about six weeks (Passman, 2011, p. 96).

Today, those monies are structured as funds in recording contracts. These funds are meant to cover both recording costs and any advance for the artist. These recording costs also include the producer’s advance, along with studio-time and all other costs associated with recording an album. This means that the artist can choose to cut costs on the recording to get a bigger advance. For example if the recording funds are set at $100,000 and the costs of recording is $75,000, then the artist would pocket $25,000 as an advance, or if the artist is a perfectionist, the artist might use all $100,000 on the album, and get no advance. Just like in the 1950s, these monies are all recoupable through the royalties the album collects, so the higher the recording funds, the longer it will take for the artist to get royalties paid out (Passman, 2011, p. 97).

Just like with the royalty-rates, the size of recording funds vary wildly based on factors like size and popularity of the band, the label the band is signed to, the country, etc. In his book, All You Need To Know About the Music Business, Donald S. Passman gives a rough overview of the ‘standard’ recording funds that are given to artists (USA):

- **New Artist signing to an Independent Record Company:**
  Zero to $250,000. Depending on how popular you are, and if you are willing to take a lower royalty rate and bigger funds, or if you want smaller funds but more royalties. Most new artists signed to independent companies recording funds are in the range of $25,000 to $100,000.

- **New Artist signing to a Major Label:**
  A rock band might get between $100,000 and $250,000, in some cases up to $500,000 if they are really hot. For pop or hip-hop artists the deals are often
structured in a more old school style, with a separate advance and recording budget that are negotiated for.

- **Midlevel Artist:**
  A midlevel artist might get between $300,000 and $750,000, with some really popular artists fetching even more.

- **Superstar:**
  A superstar artist will fetch in the $1 million+ range, with some really big artists running in to multi-million budgets. Budgets of this size are calculated based on the performance of previous releases and expectations for the future.

(Passman, 2011, p. 97)

Bear in mind that these numbers are from 2011, so those numbers have probably shrunk, especially for the new artist-categories. The newer editions of Passman’s book show Independent funds for new artists from zero to $100,000, and Major funds for new artists at $100,000 to $200,000, with the two other categories staying the same. Those numbers are also based on the US, which in 2014 stood for 33% of all global music revenue, which means that US-based labels can give bigger budgets, as they have a larger pool of income (IFPI, 2015).

Recording budgets are not the easiest thing to find, as they often are kept hidden from the public, but there are some famous, or sometimes infamous, examples of albums with extreme recording budgets. Often touted as the most expensive album of all time, Michael Jackson’s *Invincible* released in 2001 is said to have cost around $30 million to produce, as Jackson recorded 50 songs over the span of five years (Guardian, 2001). For a star of Jackson’s calibre this is not too bad, as he had at that time released five albums that have sold over 20 million copies, with his biggest hit, Thriller, selling over 100 million copies. In the end, Invincible sold a ‘mere’ ten million copies, which for any other artist would be a mega hit, but with the extreme budget and Jackson’s previous sales, this was viewed as a disappointment (Telegraph, 2009).

Another album that often gets brought up when discussing big recording budgets is My Bloody Valentine’s shoegaze-classic *Loveless*, that has long been rumoured to have cost £250,000 to produce and nearly bankrupted their record label, Creation Records. My Bloody
Valentine’s guitarist/singer and producer, Kevin Shields, have since denied the rumour. He states that it is a myth that label owner Alan McGee strengthened, as he thought it “would be cool”. According to Shields the label was penniless when they started recording the album, and most of the funding for the album came from sales of their previous album and EPs, and from a $70,000 licensing deal with Warner Brothers. On what the real budget for the album was, Kevin Shields states that no one knows because they did not count, but that when they tried to estimate, they ended up at around £160,000, of which between £15,000 and £20,000 came from Creation Records (McGonigal, 2007, pp. 66-67). Even though the myths around the album are not true, £160,000, or about £315,000\(^1\) adjusted for inflation, was and still is a lot of money for such a niche band as My Bloody Valentine.

Today recording funds from labels are most likely smaller, especially for smaller, independent artists as it is a lot harder to earn back that money through streaming. For artists signed to major labels, budgets can still be quite high. IFPI estimated that for a major label to break a new artist would cost between $500,000 and $2,000,000, including a recording budget of $150,000 to $500,000, which is in the same ballpark as Passman’s estimates (IFPI, 2014). This $500k-$2m figure also includes an advance ($50k-$350k), video production (50-300k), tour support ($50k-$150k) and, where the label’s powers really lie, marketing ($200k-$700k).

Most artists will not be able to get those budgets, as the value of the blockbuster artist is stronger than ever. As put forward by Anita Elberse in her book Blockbuster with her tent-pole strategy. The tent-pole strategy states that the higher risks you take on something, the higher the rewards should be. This is quite normal in the film industry, as she demonstrates with her example of Warner Bros., who in 2010 released twenty-two movies, racking up production costs of about $1.5 billion, with an extra $700 million+ for marketing and other promotional efforts. Of that $1.5 billion a third went to their three biggest titles that year, totalling $550 million (Elberse, 2013, p. 19). These big bets can be found in the music industry, as mentioned earlier, to break a new artist is quite expensive.

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\(^1\) [http://www.bankofengland.co.uk/education/Pages/resources/inflationtools/calculator/default.aspx](http://www.bankofengland.co.uk/education/Pages/resources/inflationtools/calculator/default.aspx)
In a digitized world we see a big change in the costs of creating and releasing something creative. Digitization has lowered both the costs of selling and buying digital goods, as a digital product does not need physical transportation, a physical shelf to be put on and can be received in seconds. For the user this also includes costs related to getting the product and finding information about the product. But more importantly, a third cost factor that has been changes by digitization is the costs related to producing and reproducing a product. As I will get back to a little bit later, new technologies has made recording and releasing music available to anyone with a computer and an Internet access.

This digitization of products mean that they can be reproduced and distributed for next to nothing compared to physical media. This digitization has also however led to the problems discussed earlier: illegal distribution of products, or piracy. This digitization has also enabled the user to more freely explore what the creative markets have to offer. Music fans can find new music from all over the world on YouTube or Spotify, both from professional and amateur musicians and producers, which previously was a lot harder to do when music was a physical format (Elberse, pp. 154-156).

Those who hold to Chris Anderson’s long-tail theory have since digitization heralded the decline of the blockbuster. Chris Anderson stated that: “When consumers can find and afford products more closely tailored to their individual tastes... they will migrate away from hit products” (Elberse, p. 157). Online retailers and streaming services offer an unparalleled library of content, with millions of albums and songs available from anywhere in the world, and this makes finding content that suits you much simpler. In essence, Anderson’s theory states that in stead of the blockbusters doing most of their sales in the first few weeks, in the long-tail theory, sales will slowly build over time. Anderson believes that this will conclude with smaller artists getting more of the revenue from sales, and hits will be less prevalent (Elberse, pp. 158-159).

However, data collected show a completely different story. According to numbers put forward by Elberse, 102 different songs, or 0.001% of all tracks sold in 2011 stood for 15% of all digital sales, in a year where 8 million unique tracks were sold. 94% of all tracks sold, sold fewer than one hundred units, and 32% sold only one. And numbers from 2007 show the opposite of Anderson’s theory, as 91% of the 3.9 million tracks sold, sold less than one
hundred copies, and 24% sold only one copy, showing that hits are increasing in market share and importance. Elberse found a similar trend with album-sales, with 13 titles racking up 7% of all sold albums, both physical and digital. “*Deep in the tail*” as she puts it, you find nearly 60% of all albums sold, having sold fewer than 10 copies each (Elberse, pp.161-162). Elberse states that she has seen similar trends in other sectors, such as video sales. Rather than the market shifting to the long-tail theory, the market is concentrating around hits, moving more towards a ‘*winner-take-all-theory*’ than a long-tail theory (Elberse, p. 163).

With blockbusters being such a big part of post peoples listening habits, this results in some artists being left behind. Digital Music News reported in 2013 that 4 million songs of the then 20 million tracks offered on Spotify had never been streamed. Most artists lie in the grey area between the top 0.001% and the 20% that never get played. This has lead a lot of artists to go fully independent or the Do-It-Yourself (D.I.Y)-route. Though it is easier to release music independent and releasing your music yourself in 2017, this is not something new.

### 2.1.4 INDIE/D.I.Y

As mentioned earlier independent record labels started gathering traction in the late 1950s as the major labels failed to realize the true potential of rock and roll-music and rhythm and blues-music. From the 1950s and onward the major labels started a practice of signing smaller artists from independent label to capitalize on new trends. This has become a huge part of the major label’s business strategies, as independent labels often are more willing to take risks. This has lead to independent labels having pioneered new artists, genres and sounds that did not fit in to the mainstream major-label way of thinking. It became a norm for major labels to either buy an artist’s contract or even the whole label, if an independent artist grew to a certain size. One of the first examples of this happening was RCA deciding to acquire Elvis Presley’s contract from Sun Records for $35,000 in 1953, or just over $320,000\(^2\) adjusted for inflation (Wikström, 2013, pp. 67-68). This relationship between independent labels and the major labels has lead to the capitalisation, and to some extent bastardisation, of music genres like heavy metal, grunge, hip-hop, Britpop, electronica, etc.

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\(^2\) [https://www.bls.gov/data/inflation_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm)
D.I.Y culture has come and gone since the mid 1970s when bands in the punk, post-punk and art-rock scenes wanted a way to put out their music without going through the mainstream route, as neither part wanted anything to do with the other. This lead to bands like Black Flag and Desperate Bicycles recording and releasing music through their own labels, and encouraging others to do the same (The Guardian, 2014). Other genres that have seen a strong D.I.Y scene include hip-hop, indie-pop, heavy metal, etc.

The biggest change to D.I.Y-culture has been the technological advances and the ease of releasing your own music. Technological advances have lead to anyone with a decent computer or tablet can use cheap, or even free, software to record and mix their own music. Digital Audio Workstations (DAWs) are becoming more and more powerful, yet easier to use, and enables anyone to produce their own recordings.

However, like Hendrik Storstein Spilker points out in his article, *The Network Studio Revisited*, home recording and production will in most artists eyes be seen more as an auxiliary tool along with the professional recording studios, to use home recording mostly for pre-production, or to cut down on time spent in expensive studios. Spilker interviewed 22 musicians who had experience with using home recording, but as well as general experience working as a musician, both professional and more hobby based. As he concluded from his interviews: Home recording can function more along the lines of a preparation tool, or to save time and money while recording (Spilker). This does however not mean that home recording cannot be used for professional releases. The band Dorje has recorded most of their material with their own home studios, which can be seen in video blogs from their recording sessions [YouTube/Dorje].

Another aspect that has made releasing music is the advent of the Internet. The Internet has connected the world on a scale that has never been seen before, and therefore made it easier to release you music. P2P-services allowed anyone to share the music with each other, but Internet technology also allowed artists to release their own music to the public. In the early 2000s artists could upload their music through MySpace, which lead to a resurgence in British indie music with the likes of Arctic Monkeys and The Libertines (The Guardian, 2015). After other social media like Facebook and Twitter became popular, and MySpace faded away, platforms like Soundcloud, YouTube and BandCamp has allows anyone to
release their music. Soundcloud and YouTube are a free platform for listeners, while BandCamp allows artists to sell their music, either at a set figure, or with the pay-what-you-want-model. Soundcloud have helped many artists gain fans with their free releases, especially within the electronic music scene, with artists such as Kygo. YouTube have also allowed musicians share their music to a wide audience, with artists like Pentatonix breaking through, through the use of YouTube.

The biggest issue with the ease of making your music available in 2017 is the sheer amount of music that is released each week. According to a Forbes article from 2015 there were released 3,165 new albums in week 40 in 2015, and that number is as high each week. The numbers that this article is based on is collected from a list of new releases from the Spotify-spinoff-page Everynoise.com dubbed The Sorting Hat. Harry Potter-references aside, this page shows all new releases for a week, updated each Friday. As of writing, the new releases list for the 31st of March 2017, lists 4141 new album releases. If you include singles and other Spotify-releases you end up with 17,639 releases (EveryNoise/TheSortingHat). And as mentioned earlier, in 2013, 20% of all tracks on Spotify had never been streamed before.

2.2 CROWDFUNDING

Another new possibility for doing it by yourself in 2017 is crowdfunding. Crowdfunding is simply the act of gathering funds for a project from a crowd. As put by Othmar M. Lehner in his chapter Crowdfunding social ventures: a model and research agenda, from the book Crowdfunding and Entrepreneurial Finance from 2016: “On the very basis, [crowdfunding] means tapping a large dispersed audience, dubbed as ‘the crowd’, for small sums of money to fund a project or a venture”. Lehner continues by stating that crowdfunding is most often powered by communication via social media online (Harrison, 2017, p. 7).

Crowdfunding can be seen as a ‘spin-off’ from the much wider crowdsourcing. Crowdsourcing is when ‘the crowd’ is used to collect ideas, get feedback, solutions, etc. to create and develop ideas (Belleflamme et al., 2012). For the recorded music industries this can also include fan-created content like remixes, cover-versions or fan-art. The main difference between crowdsourcing and crowdfunding is that the most important part of crowdfunding is the fundraising. The crowd can give their input on an idea via funding, rather than through more active work. In the early days of crowdfunding a lot of
Crowdfunding platforms appeared. Platforms like Kickstarter, IndieGoGo, Fundable, Sellaband, etc. These platforms function as an intermediate between the crowd and the entrepreneurs looking to tap the crowd. These platforms can therefore be seen as an indirect fundraising as entrepreneurs and creators go through them, rather than contacting the crowd directly (Belleflamme et al., 2012).

Even though crowdfunding is a term that focuses on gathering funding from a large number of individuals through an intermediate, i.e. an online platform, crowdfunding can be split into five different crowdfunding models. The first model is the donation-based model, where individuals donate money to a project without a promise of anything in return (Belleflamme et al., 2016). This is mostly used on charity-based crowdfunding-platforms where people can raise money to charities or to help struggling individuals with medical bills, for example. The second model is the model that is most frequently used in the creative fields: the reward-based model. This model offers contributors a reward that is non-financial (Belleflamme et al., 2016). This can often be seen as pre-ordering the product, and is frequently used in music projects. They are often based on tiers, meaning that the more you contribute, the more exclusive reward you might get. Rewards can include getting the release in physical or digital formats, exclusive merchandise, meet-ups and studio-visits. These two models are grouped together as ‘non investment-based models’, as the funder is not expecting anything back from their contributions (Belleflamme et al., 2016).

The next three models are grouped together as ‘investment-based models’, where the contributor function more like an investor. The first of these is a model based on lending. This allows entrepreneurs to borrow money from the contributors. That money is expected to be repaid when (if) the project is successful, like with a normal bank loan. The second investment-based model, and fourth overall is a royalty-based model, where those who contribute to the project get a share of profits. For music projects this may include royalties based on the sales of the crowdfunded release. The fifth crowdfunding model, and third investment-based model is the equity-based model. With this model the contributor invest their money into securities: shares or bonds (Belleflamme et al., 2016). The only way I could see investment crowdfunding being relevant to the music industry is if someone crowdfunded to start a record label or another business.
2.2.1 WAYS OF CROWDFUNDING

As stated above, you can divide crowdfunding into five different models of crowdfunding, two of them being non-investment-based and three of them being based on investments from contributors. These models are based on how the money is intended and what the contributor gets out of their contributions. There is however another distinction that can be made, and that is related to how the funding is collected and how the money is supposed to be used.

2.2.1.1 Projects

The most used way of crowdfunding is project-based crowdfunding. This is how most crowdfunding platforms work, from the big ones (Kickstarter.com, IndieGoGo.com, GoFundMe.com, etc.) to the smaller, more local platforms (Crowdfunder.co.uk, Bidra.no/NewJelly, etc.). This is where you raise money for one particular project, for example an album or an EP.

This model has resulted in a lot of money collected. According to numbers available on Kickstarter’s statistics-page there have been over 123,000 successfully funded projects, collecting almost 3 billion dollars with over 12 million total backers (Kickstarter, April 18, 2017). IndieGoGo has reportedly raised over one billion dollars (IndieGoGo) and the mostly charity-fundraiser website GoFundMe has raised over 3 billion dollars from over 25 funders, or ‘donors’ (GoFundMe).

2.2.1.2 Subscription

Another popular method of crowdfunding is a subscription-based model that has gained popularity over the last few years. The big difference between this model and the project-based model is that this is more suited for creators who create content on a regular basis, rather than big one-off projects that require a lot more funding. The leading platform is Patreon.com. Subbable.com was once an option, but was bought by Patreon in 2015. On Patreon you can pledge a certain amount of money per piece of content released, or you can pledge a flat fee per month (CMF-FMC, 2014)

According to Graphtreon, the estimated monthly payout to creators from Patreon is about 9 million dollars from just shy of 2 million individual pledges. Graphtreon’s stats starts in February of 2016 and at that time the estimated monthly payout were just south of 5 million
dollar from around 850,000 individual pledges. This means that Patreon has grown a lot in the last year, and for a company that started in 2013, they have grown a lot and will surely keep on growing. Patreon has mostly been used by creators on YouTube, but lately content creators who are not YouTube-focused have started using the service to make a secure income. One example that I have mentioned in my interviews is the Australian extreme metal band Ne Obliviscaris who tries to use Patreon to make the Australian minimum wage for all six members of the band, which is about $15,000. They are currently hovering around $10,000 per month from about 1000 patrons (Patreon, NeOblviscaris)

2.2.2 Famous Examples

There have been several famous music projects for crowdfunding. The most famous, and the one that is always brought up is Dresden Dolls-singer Amanda Palmer who in 2012 raised $1,192,793 in a month from the 30th of April to the 1st of June. She got support from 24,883 backers to raise the sum, and her goal was a “mere” $100,000 to release an album, an art book and to go on tour (Kickstarter, Amanda Palmer). She is always used as an example to herald the powers of crowdfunding, but she, just like Radiohead when they released In Rainbows as a pay-what-you-want-release, had an existing fan base she could tap into to reach her goal. None the less, she still has the third highest grossing music-related campaign after the ‘Geek Wave: No-compromise Portable Music Player’ and the ‘Voyager Golden Record: 40th Anniversary Edition’, and is still the highest grossing artist-project with over $500k to the second highest, which is De La Soul who collected just over $600,000 in 2015 (IndieGoGo, Geek Wave)(Kickstarter, Voyager Golden Record/DeLaSoul).

Another famous project, which I also mentioned briefly in my introduction, is David Teie’s ‘Music for Cats’-project from 2015. The project raised $241,651 from 10,165 backers. Teie’s goal was a modest $20,000 but through the cat-loving mentality of the Internet and the project going viral, the project ended up 1208% funded (Kickstarter, Music For Cats). When looking at the relationship between goal and total actual funding, this project is slightly more successful than Amanda Palmsers, who got her project 1193% funded. Those two are most likely the most successful music campaigns, when accounting for funding-overage.
There are projects with much higher percentages of completion in other categories than music. One example is the card game Exploding Kittens, where the campaign functioned as pre-ordering. Starting with a goal of just $10,000, the campaign ended up being funded for $8,782,571, which is 87,826% over the original goal (Kickstarter, Exploding Kittens). Another example is the ‘Coolest Cooler’, a cooler with extras set out with a goal of $50,000, and in the end it ended up getting funded for $13,285,226, which is 26,570% of the original goal (Kickstarter, Coolest Cooler). The latter has faced a lot of criticism and backlash as the product got faced with major delays. As Mashable states, in 2016, two years after the campaign launched, only about one third of backers had received their products. One of the problems is that the creator set the price of the cooler, i.e. how much you had to donate to get one, too low, so backers could choose to pay extra to get it, or wait for profits from Amazon-sales (Mashable, 2016).

Another example of how the Internet can take a campaign and run with it is Zack Danger Brown’s 2014 campaign that ended up raising $55,492 on a goal of just $10, meaning this ended up 554,920% funded. And what was this project for? It was for him to make potato salad, because he had never done that before. As the campaign grew and became a viral sensation Brown added stretch-goals as well as perks for donators. The stretch-goals included using better mayonnaise for his salad, live-streaming him making the potato salad and a potato salad-party. Perks included a special t-shirt and a potato salad cookbook (Kickstarter, Potato Salad). In the end, Brown used most of the money on a charity-event, dubbed Potato Stock, to raise money for non-profits that fight hunger in Ohio (CNN).

An example that is often pointed to as crowdfunding before crowdfunding was a thing was the British band Marillion who in 1997 found them selves without a record deal and they wanted to tour the United States, but due to costs and being un-signed they would end up losing $60,000 if they toured. At the time they had a mailing list with fans that were very interested in seeing the band perform, and when the band told them that they would lose $60k, the fans responded with “Why don’t we raise the money?” They set up a deal with an American friend and put the money in escrow, which his were a third party handles the money between two parties (Westword). Via that third party they raised the $60,000 they needed to tour (Virgin).
After the tour and seeing the power of the Internet Marillion wanted to release an album, and after firing their manager, who was negative about the future of the band. The band then reached out to their approximately 6000 fans in their database and asked if they were willing to pre-order the album. They ended up getting about 12,000 fans wanting to pre-order the album and Marillion used the money they raised to write and record their next album, which ended up being the album *Anoraknophobia* (Virgin)(Westword).
III: METHODOLOGICAL APPROACH

The music industry as a subject of academic research has been quite unexplored until more recent years. Before researchers like Patrik Wikström and Desmond Hesmondhalgh, there was very little research into the music industry as a main research subject. Desmond Hesmondhalgh’s book *The Creative Industries* (2002, 3rd edition released 2013) and Patrik Wikström’s books *The Music Industry: Music Industry in the Cloud* (2010, 2nd edition 2013) and *Business Innovation and Disruption in the Music Industry* (2016) combined with more and more academic papers being published has taken the music industry as an academic research topic contra the more experience-based publications that were, and still is to a certain degree, more commonplace when dealing with the subject of the music industry. Despite the research done by the likes of Wikström and Hesmondhalgh, there is still a lot more work to be done to make the music industry as academic as other subjects of research. A better academic understanding of the music industry would benefit both students and the industry itself with moving away from the more experience and personality-based method doing business and research.

During my research for this thesis I struggled with finding academic papers and publications on my subject. Crowdfunding as a method of funding is quite new, and finding publications about crowdfunding and music combined was nigh on impossible. With more and more students graduating from academic music business studies this quest for knowledge will hopefully become easier. With this thesis I hope to contribute to that.

According to Martyn Denscombe in his book *The Good Research Guide: for small-scale social research projects* he puts forward three important points to consider when choosing research method(s): Is the method a) suitable, b) feasible and c) ethical (Denscombe 2014, pp.4-5). Point A takes into consideration how useful and appropriate the method is to the subject of research and which purpose the research has. Denscombe states that unless you know what you want to research, it would be impossible to know if your research method is suitable. Related to a master’s thesis: unless you need to know your research question to be able to choose a method.
Point B takes into consideration how feasible the method is. There are several points to be considered from access to data sources, time constraints and whether there are some disciplines and styles to be considered. For a thesis all three points come into consideration, as you have limited data sources, a strict deadline and certain factors a master’s thesis must contain. The final point, point C, take into consideration if there are any ethical concerns with the research, such as privacy and if there could be any bad consequences for the subject of the research. All research projects focusing on people needs to consider the ethical context. This is also true for master’s thesis, if it focuses on interviews or surveys, as mine does.

3.1 DATA

There are several different ways of interpreting and explaining data, but in practice, most of those revolve around qualitative and quantitative research. The main difference between the two is that qualitative research analyses words and images, while quantitative focuses on numbers (Denscombe, 2014, p. 245). There are other differences between qualitative and quantitative research. Quantitative research is often associated with the researcher being dethatched from the research, more large-scale studies, more specific variables and that the data is often analysed after the collection. Qualitative research, on the other hand, features a researcher that is more attached; often directly involved with the data gathering, a smaller-scale study, a more holistic perspective and data that is analysed during (and after) the gathering (Denscombe, 2014, pp. 245-246).

3.1.1 QUALITATIVE DATA VS. QUANTITATIVE DATA

As mentioned previous qualitative data is data that is expressed through words, both spoken and written, and visual images, both observed or created. Methods to produce qualitative data includes, but not limited to; interviews, document studies and observation. An example is the use of open questions as part of a survey or interview (Denscombe, 2014, pp. 295-296).

Quantitative data is data that can be quantified, or easily compared and analysed. As mentioned the data take the form of numbers, and numbers can be more easily compared and analysed than words and images. Quantitative data can be organized into different types of data, like nominal data; data that has a name to it, for example related to gender or ethnicity.
Another type of data under the quantitative data-umbrella is ordinal data; data that is split into different categories that have a strict order. This is often used in surveys with questions where you have to answer if you agree or disagree, and to what degree. Other types include interval and ratio data (distance between data points), discrete data (data that come in natural whole units) and continuous data (the nearest unit, used for data that is variable and hard to lock down) (Denscombe, 2014, pp. 269-271).

For my subject there is some quantitative data to be gathered, but not enough to base an entire thesis on, which is why this thesis features a combination of the two; qualitative research supplemented with quantitative data. The quantitative data that can be relevant to this project are for instance numbers related to revenues of the music industry, statistics from crowdfunding platforms and numbers from individual projects. The main data used will be qualitative data gathered from interviews from a number of subjects from different aspects of the music industry that has experience with crowdfunding in one way or another.

3.2 Interview

Research interviews uses the answers given to questions set by the researcher as data. Interviews are similar to questionnaires, in that the data comes from answers given by the subjects to the researcher, only that a questionnaire often features a larger data pool. Research interviews contrasts with methods of research, like observational methods, where the researcher studies people or a situation, or like document-studies, where the researches observes what has been written and recorded. Research interviews are more focused on what subjects say they do, what they believe or what opinions the subjects have (Denscombe, 2014, p. 184).

There are some implicit assumptions that the researcher takes when conducting a research interview: Firstly that they have given their consent to be part of the research, this pertains to research ethics. It is assumed that the subject gives their consent when agreeing to meet with the researcher. Secondly that the statements made by the interview subject can be used as part of the research. Unless the subject has stated otherwise, all statements are assumed to be ‘on the record’. And, finally, that the agenda of the interview and discussion is set by the researcher. The researcher is most often the person who sets the questions for the interview,
which means it is the researcher that steers the conversation towards the topic of interest (Denscombe, 2014, pp. 184-185).

When conducting research interviews there are three different ways to structure the interviews. The first being structured interviews, interviews where the questions and answers are very controlled, like a face-to-face questionnaire. The second way to structure interviews is semi-structured interviews, which is interviews where the interviewer has questions prepared, but the interviewer may add questions on the fly based on the answers from the subject. The third and final way to structure an interview is to not structure it, or unstructured interviews. In unstructured interviews the researcher and the subject start of with the theme or subject of the interview, and questions are thought of there and then based on the conversation (Denscombe, 2014, pp. 186-187)

Interviews are most suitable for smaller research projects when the researcher wants to collect data based on opinions, feelings, emotions and experiences. Interviews are also suitable for data about complex issues or data that is based on privileged information (Denscombe, 2014, p. 186). Semi-structured and unstructured interviews seem more suitable for those subjects, especially for data based on the first category. I choose to use a semi-structured interview based on my wish to be able to have the conversation flow freely while still having an interview guide to keep the conversation going.

3.2.1 ADVANTAGES

There are several advantages or strengths to using interviews to gather information about a topic. As mentioned before, interviews are suitable to collect information based on the interview subject’s experiences and opinions. One advantage of using interviews is that they are good at gathering data about a topic that is detailed and allows the researcher to delve deep into the topic through conversations with the interview subjects. It also enables the researcher to question the interview subject for a length of time, to pick their brains. Interviews are also likely to gain the researcher valuable insights based on the information and knowledge of the interview subjects, as interviews often results in a depth of information that other methods might not be able to achieve. Interviews often show the subjects priorities along with their opinions and ideas. The interview subject may expand
their ideas, explain why they have their views and identify what they see as the most important factors (Denscombe, 2014, pp.201-202).

There are also several advantages to using interviews that are more related to the actual implementation of the interview. When using semi-structured and unstructured interviews the interviewer may add or subtract questions based on how the conversation is going. If the interview subject inadvertently answers a question that was planed for later on another question, the researcher might want to drop that question, or if an answer leads somewhere the researcher did not plan for, he might add a question to further the enquiry into the topic. Another advantage is that because interviews are planned and prearranged the researcher will have a much higher response rate than a survey. Another advantage to the implementation is how low cost the method might be. If the interview is done over voice chat all the researcher need is a computer, an Internet connection and some way to record the conversation (Denscombe, 2014, pp.201-202). If the interviews are to be done face-to-face, however, there might be higher costs, such as travel-costs (Denscombe, 2014, p. 185).

For the interview subject an interview might have a therapeutic effect. Interviews are more personal than a questionnaire or observations and experiments, which mean the interview subject, might connect more with the researcher. Most people tend to enjoy being able to share their opinions and experiences to someone being interested and someone who is not critical.

The last advantage worth mentioning is the validity of data an interview can give. When the interview is done face-to-face other factors such as body language can factor in to enable the researcher to assume the validity of the answers. The researcher can also check the data for accuracy and relevance at the time of collection. For online interviews the factor of errors at the data entry stage is eliminated. Online interviews can be recorded clearly and you can clearly hear what is being said so there will be less doubt about what was being said (Denscombe, 2014, pp.201-202).

3.2.2 DISADVANTAGES AND CHALLENGES

As with all choices for method, interview as a research method has its disadvantages. One of those disadvantages is the validity of data. Even though, as discussed in the advantages, you
can record interviews and clarify while doing the interview, there can be a discrepancy between what the interview subject says they do and what they really do. Statements on what the subject says about what they do, prefer or think should not automatically be taken as the truth (Denscombe, 2014, pp.202-203). For example if you interview someone from a company their answers might reflect company policy rather than their own opinion. Another disadvantage can be the effect that the interviewer has on the interview subject. The body language and presence of the interviewer might affect the answers of the subject. With online interviews some of this is removed, as interviews over voice chat are predominantly voice (Denscombe, 2014, pp.202-203)

Another disadvantage one might find when using interviews as a method for data gathering is that with interviews, especially with semi-structured and unstructured interviews, consistency is hard to achieve. The data that is collected as part of the interviews is affected by the context of the collecting as well as the specific individuals involved in the interview. Another disadvantage one might meet is that the interviews subject might see the questions as an invasion of their privacy, if they get too personal. Interviews can be, as mentioned above, therapeutic for the subject, but if the questions get too personal or digging the subject might become uncomfortable. For my thesis, this was not a factor, but it is worth mentioning. Another problem that might affect the answers from the subject is that not everybody is used to being recorded, and the sight of a recording device might be unsettling (Denscombe, 2014, pp.202-203). Again, for my thesis, this did not really affect me.

One of the biggest challenges I faced as an interviewer was my inexperience as an interviewer. I had never performed research interviews before, and therefore was unsure in my skills as an interviewer. Most of my problems with doing interviews were in the work before the interview, when choosing my questions. I was not sure of how many questions to write, because I wanted the interview subjects to not feel rushed, but I still wanted to be able to get 25-30 minutes from each subject. I also struggled to choose what order to ask the questions, something I changed for a couple of questions during the interviews, as it seemed appropriate. In the end all interviews ended up at the desired length, through luck and some on the fly questions added based on answers.
3.2.3 Ethical Concerns

There are some ethical concerns one has to consider when doing a research project. As Denscombe puts it: “Research ethics is not an option – it is a fundamental feature of all good research” (Denscombe, 2014, p. 306). Research ethics are really important, especially when the research collects sensitive or personal information about the research subjects. Data collected must then be handled with care.

During my preparations for my interview I considered the ethics of my research project. Except for my opening question about the interview subject’s background with the music industries and/or crowdfunding, none of the questions delve into areas that are personal. Most of the questions are focused on their opinions about a part of the music business that they have been involved with to varying degree. I did consider the fact that the interview subject that is employed by a crowdfunding company might have some restrictions on his given opinions, or considerations related to company policy, but since I had two other interview subjects to give answers from a different perspective, I did not find this too concerning.

Denscombe states that there are four key principles of research ethics (Denscombe, 2014, p. 309). These four principles are guidelines for the researcher to be able to conduct their research in a way that:

- Protects the interests of the participants;
- Ensures that participation is voluntary and based on informed consent;
- Avoids deception and operates with scientific integrity;
- Complies with the laws of the land.

These principles were followed, even though they were not directly considered while conducting the interviews. The principles stand to reason to be considered when conducting interviews, as they are quite logical and should be present in all research.

3.2.4 The Interview Guide

As stated earlier my interviews were semi-structured interviews, interviews with pre-written questions, but with the possibility to add or remove questions on the spot, or to rearrange questions to suit the conversation. The questions were also written to be open, yet still have a agenda to the subject of discussion.
The interviews were started with a question about the interview subject’s background with music industries and crowdfunding, before continuing to more general questions about crowdfunding. Then the interview guide moved on to more in-depth questions before being followed up with questions of interest, but that did not fit into the other two categories. Then to close the interview: a question about the interview subject’s final thoughts relating to crowdfunding for music.

### 3.2.4.1 The Interview Guide

1. **Introduction:**
   1.1 Can you give me a quick background on you and your relationship with crowdfunding and the music industry in general?

2. **Crowdfunding in general:**
   2.1 Do you think crowdfunding is a plausible replacement for the traditional way of releasing music?
   2.2 How does crowdfunding compare in your experience to going the traditional route?
   2.3 Do you think we will see more artists going the crowdfunding route, rather than through a label, in the future?
   2.4 What type of artist do you think suits crowdfunding the best and why?

3. **More in depth questions:**
   3.1 70% of successful music campaigns have been in the $1000 to $10,000 range. Do you think this factors into making crowdfunding more suitable for smaller, more unknown artists? Why is that?
   3.2 In what ways would you say crowdfunding benefits the fans?
   3.3 What do you see as the biggest positive with crowdfunding?
   3.4 And what do you see as the biggest negative with crowdfunding?

4. **Other aspects of crowdfunding:**
   4.1 Over the last years we've seen a rise in subscription-based crowdfunding. Some bands have started using this. What are your thoughts on this form of crowdfunding for artists rather than using project-based crowdfunding?
   4.2 Music is the area with the 4th highest success rate. Why do you think that is?

5. **Final thoughts:**
   5.1 Any final thoughts on the future of crowdfunding as a way of funding music?
3.2.5 Interview Subjects

When choosing my interview subjects I had some different points of view related to crowdfunding I wanted to find. When planning the thesis I wanted to get four aspects:

1. A smaller artists/band that has funded one or several music projects through the use of crowdfunding. The artist should have less than 20k fans on Facebook and the project(s) should have raised a maximum of $10,000 per project.
2. Some one from inside one of the biggest crowdfunding platforms to give an inside aspect to crowdfunding.
3. A producer (record label)/publisher that have experience from both the traditional way of funding music and crowdfunding, either through working with artists that have used crowdfunding, or that have funded projects themselves through crowdfunding.
4. A bigger artist that has successfully crowdfunded one or several projects. The artist should have over 100k followers on Facebook and the projects should have raised a minimum $50,000 per project.

In the end I ended on three subjects from different aspects of the music industries. The 4th category fell through, as I was unable to get a reply from any of the artists/artists managements I reached out to. The three interview subjects are:

1. Aaron Cupples
   Aaron Cupples is an Australian musician and producer based out of London, UK. He is a full-time producer and musician and plays in the instrumental electronic-rock duo Civil Civic where he plays guitars and keyboards. His experience from crowdfunding comes from two successful IndieGogo-campaigns where they crowdfunded Civil Civics two full length albums, raising approximately $7000 and $8500 (£7000) respectively

2. Joel Hughes
   Joel Hughes is a British crowdfunding expert working for IndieGogo covering their UK and EU-section, focusing on hardware/product campaigns. Joel previously worked with the UK crowdfunding platform Crowdfunder. Joel’s work with crowdfunding has not been directly related to the music sections, but has been in more of a management role. Nonetheless his
knowledge and expertise related to crowdfunding from over three years of in the field gives me an insight from the crowdfunding platforms point of view.

3. Christer Falck

Christer Falck is a Norwegian record producer, record label owner, book publisher and TV host. Christer has been a part owner of the record label C+C Records since its conception in 1995. Christer has used the Norwegian crowdfunding platform NewJelly, for which Christer works as the artist and repertoire manager (A&R), to fund several projects. Christer estimates that he has been involved with about 25 different crowdfunding projects, from tribute albums to artists like Prince and Raga Rockers, to books about music and other subjects, like football. Christer’s interview was conducted in Norwegian, and quotes are translated into English for the thesis, so there may be some nuances lost in translation, although I will work on keeping the translations as correct as possible.

3.2.6 ANALYSIS

All the interviews were recorded on my phone and were conducted via Skype or telephone. I then transcribed the interviews. My level of transcription evolved as I transcribed more and more. With the first one transcribed (Christer Falck) I noted almost everything being said except stuttering, thinking-sound, etc., but with the last two I started to edit out repeated words and such. As there is no standard way of transcribing interviews, I felt that that did not have any effect on my transcriptions, as the main point of the interviews still remained and could be analysed (Kale, 1996, p. 170). I also transcribed comments and extra questions that popped up, in a more condensed and more condensed way.

Denscombe puts forward four guiding principles for data analysis of qualitative data in the third edition of The Good Research Guide from 2007. These for principles were followed in the analysis of the data collected through the interviews. The first principle is that the analysis and the conclusions that the researcher comes to should be rooted in the data collected. The second principle is that the explanation the researcher provides should come from a “careful and meticulous reading of the data”, that the researcher should pay attention to the details, and not jump to conclusions to fast. The third principle is that the researcher should avoid introducing unwarranted preconceptions when analysing the data collected. This means that the researchers own opinions on the research should not inflict the analysis
of data, to stay objective. The fourth and final principle is that the data analysis should involve an iterative process, a process that “constantly moves back and forth comparing the empirical data with the codes, categories and concepts that are being used”. This helps in the development of hypotheses or generalizations. (Denscombe, 2007, pp. 287-288)

3.3 STATISTICS AND PROJECT NUMBERS

For this thesis statistics from the crowdfunding platforms and numbers from projects will be used in conjunction with the interviews. The interviews are still the main source of data, but numbers and statistics will also help reach a conclusion. The numbers will be collected from crowdfunding campaigns of interest, as well as official overall statistics that are available online. I reached out to some of the crowdfunding platforms for more detailed statistics that are available for everyone online, but was met by a wall of rejection and non-replies, therefore only publicly available statistics and numbers will be used.

Using numbers and statistics are quantitative data because, as mentioned earlier, quantitative research is research that collect numerical data. The method of collecting statistics is often classified as document studies. While most studies that rely on quantitative data use the data to look for patterns and create statistics, this thesis will mostly use it to supplement the qualitative data from the interview and to aid the discussion. I will not look at enough projects to create adequate statistics. I will however also look at the statistics that are available online but there might be some disadvantages with using statistics from crowdfunding platforms. Denscombe sites the quality of data as one of the disadvantages with Quantitative Data Research. He states that the: “appearances might be deceptive if the positive aspects of analysis and presentation associated with quantitative data flatter research that is actually based on weak data” (Denscombe, 2014, p.273). In a project focused mainly on quantitative data this might be a bigger issue than with my project.
IV: FINDINGS

After conducting the interviews, the interviews were transcribed and analysed. These are the answers from the interviews that are relevant and of interest for this thesis. The answers will be put forward on a question to question-basis, as it is a very suitable way to compare the answers from each interview subject. If there are any relevant numbers and statistics they will be mentioned with the relevant questions or answers.

4.1 INTERVIEWS

The first question pertained to the background with the music industries and crowdfunding that the subjects of this interview had. Although this question was used more to get a background from the subjects, some interesting points were put forward as answers to the first question. When asked about his experience with crowdfunding Aaron Couples said that he had run two campaigns with his personal band, Civil Civic. Though he did not remember the results from the first campaign, he stated that: “the second one we were going for £4000 and we got £7000 in the end”, which is correct when compared with the campaign. As for the first, the campaign shows that they got almost $7000 on $5000 goal, or about £5500 and about £3900 with the current exchange rates (IndieGoGo, Civil Civic LP1). Cupples also stated that they viewed the campaigns more like pre-ordering the album, even though they had not recorded it yet.

On the same question Christer Falck, giving a more Norwegian perspective, he said that one of the reasons why crowdfunding has used longer time to gain popularity in Norway, than in other countries is the fact that Norway has a lot of government funds and grants, as well as other non-government funds from businesses and organisations. Falck also stated that these grants and funds are being trimmed and that might lead to an increase in the usage of crowdfunding in Norway.

Speaking of his experiences with crowdfunding Falck said he had crowdfunded about 25 projects, from books to tribute concerts. His experiences with running that many crowdfunding campaigns is that is that if someone has a close enough connection with the subject of a project, it can be easier to crowdfund. From crowdfunding a book about the folk music in Setesdalen to books about 15 small Norwegian football clubs, Falck experienced
that as long as there is an audience that is passionate enough about a subject, you can
crowdfund to a smaller audience. When speaking of the books about the football clubs,
Falck noted that it seemed that the smaller the club, the easier it was to crowdfund.

On the second question on whether the interview subjects see crowdfunding as a plausible
replacement to going through a label to release music the answers were mixed. Two of the
subjects were hesitant to whether this might happen, while the third was a little more
positive, although he did not state that he was sure that might happen. When asking Joel
Hughes of IndieGogo he stated:

“I don’t think it will ever be a replacement for it, what it does do, in my opinion is
make it a lot more accessible, it gives artists, musicians, whoever, the opportunity to
engage directly without the restraints or fees or costs of actually using an actual
label or producer, for example”

He continued:

“They [The artist] have to be really good at engaging with people and there’s a lot
of work to do. People often don’t understand that actually crowdfunding is quite
hard work. So, whereas that might be done by the agency or whoever it is, the label
in the first instance, unless they can do that themselves, they’re really gonna struggle
to reach the kind of numbers they currently can through traditional channels”

Aaron Cupples also did not think it would be a replacement as crowdfunding only works if
you have an active and dedicated fan base, and artists that are unsigned might not have a big
enough fan base to get the higher numbers. Cupples did however see that it might be an
option for a certain subsection of artists:

“I would say it’s an alternative for bands that might not be attractive to labels for
whatever reason. Labels are sort of less likely to take risks these days, so a lot of
more underground or alternative music has to, you know, they don’t get signed at all,
so it’s a great opportunity for bands like that”

Cupples stated that this category is where his own band falls:

“I think that’s probably more the category for our band ‘cause we’re pretty
unorthodox kind of music, we don’t really fit into a genre and we sort of had to do
sort of all the hard parts ourselves, establish a fan base ourselves, and that’s why it works”

Christer Falck seemed more positive, but just like Hughes and Cupples he stated that this only works if you have the fan base needed to be successful on crowdfunding platforms. He stated that if artists are able to build a fan base through the use of mailing lists and use that to relay information, they might be able to sell directly to the fans. This may include crowdfunding, but also works for normal sales of non-crowdfunded releases. Falck reckoned that if you sell directly to you fans rather than over a counter you may earn three times as much. Falck stated that the alpha and omega is to be able to build a community of fans who love everything you release and wants to hear news about the band.

The third question, on how they feel crowdfunding compares to releasing music though a label, was dropped with two of the subjects; Joel Hughes, because he have not released music through a label, and Christer Falck because I felt he answered it in previous answers. Aaron Cupples stated that crowdfunding said that crowdfunding was only one part of what it takes to release an album because:

“...To release a piece of music, a physical piece of music, you need to have distribution networks and PR-campaigns and all the rest, and of course, you could pay for that, you could raise money through crowdfunding and pay for all of that.”

Cupples continued:

“I think labels still have a role to play through just having the kind of contacts and the clout, and sort of the kudos that is associated with labels and to push artists out there and to get the attention of journalists and make journalists pay enough attention to kind of listen to it in the first place”

He also mentioned that his own band had really struggled to get the attention of album reviews for their releases because they did not have the same network and reach, as an artist signed to a label would have. He finished with stating that he did not see crowdfunding as a fair comparison with crowdfunding but rather as an “Alternative to labels with it’s own strengths and weaknesses”.
The next question, question 2.3, focused on if we were going to see more artists go the crowdfunding route, rather than going through crowdfunding. For this question all three subjects were positive to the possibility of more artists going through crowdfunding platforms. Joel Hughes said that had seen an increase in more established artists going through crowdfunding, both on IndieGoGo and other services. The example he used was the fact that ‘Weird Al’ Yankovic was going to release an album through crowdfunding. The release he was talking about was a career spanning collection box with all of Al’s releases, on the website PledgeMusic, where his campaign works purely as a pre-ordering method, rather than funding a goal (Pledge Music, Weird Al Yankovic). Joel also talked about how important a strong online presence and fan base was, which is going to be a sort of red thread throughout all the interviews.

On the same question Aaron Cupples gave a positive answer, but also stated that we are still in the early days of crowdfunding, and if enough people start having bad experiences with crowdfunding it might end up being a fad. Projects can be delayed or people might not end up getting the product they wanted. Aaron stated in his answer for Question 1.1 that it took two years from the start of their second crowdfunding campaign was successful to the album was released, which annoyed some of the funders, but that most were patient.

Christer Falck was also very positive to more and more artist going through crowdfunding, as he views record labels as a very old school way of thinking, and especially in the music climate as it is now with labels only signing artists that they hope will be an instant hit, he thinks more and more artists will go their own way. Falck believes that bands or artists that works hard to build things from scratch, bands that you have to listen to several times to really like the music, are the kinds of artists that are more interesting and suitable for crowdfunding.

Question 2.4 asked what kind of artists the interview subjects thought fitted crowdfunding the best. All had similar answers, but with slight differences. Joel Hughes said he think crowdfunding suited artist in more niche genres as “it gives them an opportunity that they might not have access to otherwise”. He followed that up with:

“If they can tap into a particular fan base through their digital channels, then that’s great. We often say that people associate with like-minded people so if you bring on
one found fan through crowdfunding it’s quite likely they want to share that they’ve supported you with their close network, as well, so you probably are gonna find some other fans that also wants to come on board and join the crowdfunding campaign“

Joel believe that we will se more mainstream artists embrace crowdfunding because the concept of crowdfunding is becoming more household concept as time passes and he believes there is potential for even more growth:

“I don’t think it has quite reached its peak yet, in terms of the potential that’s there, so certainly I’d like to see some more artists with relatively strong followings using crowdfunding as a way of actually putting their next album out there...”

Aaron Cupples does not think that there are any particular genres that suit crowdfunding better or worse than other genres but as he put it:

“It works best for anyone where their fan base is very passionate and I think that the more niche genres tend to have ... more passionate, connected, fans where they really feel like they’re part of a more social movement perhaps ... are connected to their artist more closely, whereas with the more mainstream ... it might mean that the fans, ... the music isn’t so much part of their identity, so, I think maybe you’re right, that it would work better with the niche genres ... I can’t say for sure, I don’t have the data, I’m just, can only really speak from our experience, but I think we’re very niche, and it’s worked well for us”

Christer Falck’s answer was in the same vein as Aaron’s. He believes crowdfunding works best for artist with a defined audience and fan base. He also believe that more mainstream pop music is not as suitable because no one is as passionate for that music on the same level as more niche genres, but that heavy metal and punk-rock are very suitable genres because the fans are really passionate and still buy a lot of physical product. He also thinks that even though hip-hop have passionate and defined fans, the hip-hop genre might not be so suitable, because physical products are not as important for those fans. He also believes, based on his own experience that very locally based projects might succeed. The example he puts forward if that if you were to try to raise money for a record about a small town, you will have those
from that town as your target audience, and need to reach out to them to have a chance of funding your project.

The next question was about the fact that 70% of all successful music projects on Kickstarter is in the $1000 to $10,000 bracket and if this factors into making crowdfunding more suitable for smaller artists. This question is based on statistics that are found on Kickstarter’s own statistics page, and the numbers will be further discussed in Chapter 4.2.

Joel Hughes’ answer gave an insight to those stats that the two other did not. He started with saying that:

“I think you have to put it into perspective, it’s very hard to make assumptions based on purely the numbers, one of the biggest thing that we see is that for anybody raising money through crowdfunding, the first 15 to 20%, really, needs to come from your personal network, your work colleagues, your contacts, your network, your friends, your family”

Joel continued with:

“And that’s how momentum is built, in most crowdfunding campaigns, even the biggest and most successful, they already have a small audience of people that have signed up to their email newsletter or are following them on Facebook or Twitter, they have to start somewhere, regardless of how good the product actually is, so I think if you are finding so many that fall into that category, it’s quite likely that a good amount of money they raised is actually raised via their own personal network”

When interviewing Aaron Cupples I added a line about you how you do not see many large music projects and that only two music projects on Kickstarter has passed one million dollar. His response was:

“I think to a certain point, once it get’s too big people feel, they don’t have that connection anymore, because there are so many other people ... yeah, might make people feel like they’re not ... they’re just sort of giving, a million dollars is such a large amount of money that it’s sort of unachievable amount of money for most people, so, and those people might be your fans, and they might just feel like... “What’s the point”...”?
When I asked whether it is more like a social thing, rather than a fan giving when it reaches these heights Aaron responded with:

“Yeah, the story of crowdfunding is usually that you really need the money, you... you can’t sort of make due without it, so it’s like a part of the story, but if you’re making a million dollars of crowdfunding, or you’re Justin Bieber, no-one is going to believe that Justin Bieber is poor, and can’t afford to pay for his own record... so what’s the motivation... it’s sort of: that’s why it works well for smaller artists, I think, because they struggle so much”

On the same question Christer Falck said that there is no reason to go for a large sum if you cannot reach that sum. A successful crowdfunding campaign also looks good for the artist when pertaining to marketing and press. He also stated that the great thing about crowdfunding is that it can be used to look at how effective your marketing is, because you have to market the campaign to reach your goal. Another perspective he gave is that if you knew you were going have to use $10,000 to record an album and risk losing that money, you might crowdfund half of it to make the break-even point lower than if you were to pay everything yourself.

Question 3.2 was about what the fans get from taking part in funding a crowdfunding campaign. Once again the answers from all three subjects were in the same vein, related to a closer connection and communication between the artist and the fan. Joel Hughes answered the question with:

“It gives them, in a similar way to social media, I would say it gives them a feeling that they are connecting on a deeper level with the artist in question. They don’t have the opportunity with a lot of the bigger artists and they’re contacting them via Twitter and Facebook, etc. But this is an opportunity for them to show their loyalty, to support a campaign that a lot of their peers are also supporting, and one of the really great things that crowdfunding can do, is give the artist the ability to make sure that fans that want to support with 5 dollars can do so, but also, the mega-fans that want to support maybe with $500 also have the opportunity, even though there will be fewer perks available at $500 than there would be at $5...”
Aaron Cupples answered similarly with a focus on the direct and personal communication between the artist and fan:

“Well, I think it’s, the fan get to have that kind of warm, fuzzy feeling that they have direct communication with the artist, they support directly, they will get, well in our case they get sent records from us, personally, usually with a note inside or something like that. So it’s a bit more of a unique experience, since it gets you a bit more part of the story and I think that’s kind of that is what the fans get out of it. A connection with the artist that they like”

Joel Hughes mentioned the perks system that many crowdfunding platforms use, and when asked about the usage of perks for his band’s campaigns, Aaron Cupples explained:

“Yeah, the top tier, we had: digital, cd, vinyl, cd and t-shirt, vinyl and t-shirt and then we had some rarities once, with like white label test pressings of our previous album, 45, 7 inch records, early EPs and singles that were no longer available to buy anywhere, you know. Other kind of one-offs and rarities and our first EP on cassette, which we sold way back years ago. And things like that, we had in our archives that we got out and made special packages, and they’re worth a lot more money, and they were all popular too, they all sold out straight away, actually, so. So yeah, that was our sort of top-tier, but still physical things. We didn’t do kind of more cheesy things like: we will come around and cook you dinner, you know. Paint you a picture or anything like that, which some people go for”

Christer Falck gave a more cynical view on the answer with stating that crowdfunding really is tricking the fan without you actually tricking them with some fans being willing to pay a lot more for a limited edition of a release just to be one of those with the rarer edition. He explained that using small extras to make the release for those who crowdfunded a little more special than for those who just by the album after release is a good incentive for fans to give. Extras like for instance special coloured vinyl for backers contra normal black vinyl for those who buy the album later. He pinpoints the importance of making the product feel special with the use of extra content like images, extra songs, special covers, etc., to make the fans more likely to pre-order the album through crowdfunding. He also thinks this very genre based, just like with crowdfunding in general, that people are not as interested in special editions from mainstream pop acts.
For the next question the subjects were asked about what they thought was the biggest positive with crowdfunding. For this question the answers were quite different and did to a certain extent show where the subjects came from with their thinking. Joel Hughes, who works for IndieGoGo viewed the biggest positive as the following:

“If you plan correctly, don’t just launch into a crowdfunding campaign really quickly, if you spend maybe 4 to 6 weeks planning before you actually launch your campaign, regardless of what you’re actually raising money for, you’ve got a fantastic window of opportunity of 30, 40, 60 days to generate quite significant amounts of money“

He followed that with saying that crowdfunding is not all about the money, but that a successful crowdfunding campaign gives the artist some validation from their fans. It shows if fans are truly engaged and willing to support the artist directly, rather than the traditional method of getting a hold of music. He explained:

“Then it’s a great booster for that particular artist, and the money is almost secondary to the validation that actually that their fan base in quite engaged, they want to listen to the next piece of music that’s coming out and they feel like they are connecting on a slightly deeper level, to the artist in question”

The view from Aaron Cupples, who have released two albums through crowdfunding, was more related to the money and revenue to the artist. He reasoned:

“[It’s] just the direct way of making money and to cut out a lot of the middle-men, I mean: obviously there is still IndieGogo and Kickstarter taking a slice, but apart from that... direct kind of, straight to consumer model of selling records, it’s fantastic that, I think the only way it could be improved was if you made a more decentralized sort of platform where there wasn’t an internet site taking their percentage, I forgot how much it is, but it quite a bit I think, it kind of adds up if you have raised a lot of money”

The fees in question for IndieGoGo and Kickstarter is a 5% fee to the platform as well as a varying fee for payment processing, which is 3% for Kickstarter plus a small sum per pledge, and between 3% and 5% for IndieGogo.
Christer Falck, who comes from a record label and record producer-background, viewed the biggest positive about crowdfunding being that it helps you limit your risks. As he stated, those you reach through crowdfunding are three times as much worth as those you reach over a store counter, as those who are willing do fund a project once, are more than likely to buy from you again, either through direct sales or crowdfunding.

Following that they were asked about the opposite, what they see as the biggest negative about crowdfunding. Once again the answers were different, but not as different as with the positives. Joel Hughes gave an answer about the dangers of a ill managed crowdfunding campaign:

“Campaigns can quickly spiral out of control and they’re perhaps not managed, ultimately it comes down to what skills does the person have who’s running the campaign. If they don’t respond to questions in comments the comment-section can get pretty volatile pretty quickly, because people are really frustrated. And there can be a delay in the perks, in when they can actually be delivered to the backers, and that can cause a lot of frustration, particular if the person behind the crowdfunding campaign isn’t communicating and being completely upfront and honest with the people that supported them”

He follows by stating that a lot of the negatives can be avoided by running the campaign effectively by communicating with the funders and being completely open about any delays or problems.

Aaron Cupples views on the negatives with crowdfunding are those you would expect from an independent artist who have run crowdfunding campaigns by themselves. It puts a lot of the responsibility on the artists themselves, as he explained:

“... It puts a lot more responsibility on the artist to deliver everything and promote the... record themselves, whereas labels give you money, they are invested in your record and they got teams of people trying to win the money back so they’re invested in... if you crowdfund then you don’t have that investment from anyone else, it’s just all up to you. And I think that can be a hard task if you already have to make the record and... record it, mix it, master it, do the artwork, and then you’ve got to be
the record label as well, that’s a big deal, and I think a lot of artists under-estimate how difficult that is to do well”

Christer Falck’s biggest negative about crowdfunding is more PR-related. If you have a campaign that wants to raise $10,000 to release an album and you only raise $3000 and drop the album, that will not look good in the eyes of the media and the fan. He states that designing a campaign that is reasonable and is possible to complete is of high importance. He also reasoned that some creators might end up paying for some of the funding themselves. If you are a bit short off your goal, it might be wiser to pay that yourself, as successful campaign is very positive, and you will get that money back, minus the fees.

When speaking of crowdfunding not having any guarantees for the funders that the product will be made or live up to the expectations set by the fans Aaron Cupples answered:

“Yeah, it’s a risky model... maybe it will prove to be a bit of a fad... ‘Cause it have opened up to a lot people kind of, try to run scams, and not delivering what they promised... and therefore... it will get a bad reputation and people will stop using it”

When talking about the same thing, Christer Falck did not see this as a huge problem as a campaign not completing their project and keeping the money could end up with a lawsuit or police report. As for the product not living up to expectation, he reasoned that that is something you risk with any product you buy, especially creative products.

Question 4.1 asked about subscription-based crowdfunding through platforms like Patreon. In all interviews the example of Ne Obliviscaris from chapter 2.2.1.2 was used, as it is an example of musicians who’s content is not centred on YouTube-videos, but rather full length albums, touring, etc.

Joel Hughes answered that you see more campaign that use the subscription model coming to platforms like IndieGogo, and that it is a great way to secure regular income for those who use it. He informs me that subscription models have been around for a while, and that you can see that they work. He does however think it might be a bit more limiting than the normal project based crowdfunding:
“I think that it does limit perhaps the amount of people it would appeal to, rather than going off to a mass market that might want to make a one-off purchase, make a very quick purchase decision, they’re instead reaching out to maybe that more loyal fan base, are genuinely engaged and genuinely interested in supporting them and rather than everybody else, rather than the people who just follow the flock. It’s those people that are actually engaging with a lot of people that are truly dedicated and interested in what they have to say.”

Aaron Cupples had not really heard about subscription-based crowdfunding and did not really have an opinion, but after telling him about the example he came with a comment in a similar vein as the one from Joel Hughes:

“... You need to have some pretty dedicated fans if they were going to kind of just, you got to tap into their bank-accounts and a take a part of your wage from their fans... that’s asking a lot of fans, I can see it being popular for certain bands that are really... some artists are just very active and very connected to their fans and they communicate a lot and they really enjoy the process, and other are more aloof, and they just want to be locked away in the studio and not really, they’re not really on social media...”

Christer Falck answered in a similar vein as well, but commented on that if people are going to want to stay subscribed to you and pay you per creation or per month, you need to keep the quality of your product up, and even sometimes surpass the expectations of those who support you with their subscriptions. If you deliver a product that does not live up to your expectations they can quickly unsubscribe with a few clicks.

For question 4.2 the interview subjects were again presented with statistics from Kickstarter, now relating to the success-rate of music projects contra other ‘typical’ crowdfunding categories. Music project are hovering around 50% success rate, or 49,72% to be specific, which is the 4th highest success-rate. Music is also the category with the most successful campaigns. These numbers will be further discussed in Chapter 4.2. The interview subject were asked to give their opinions on these stats and why they thought that music has such a high success-rate.
Some of the subjects had similar answers to that question. Joel Hughes would put it down to music being easier to produce than other products:

“Generally, because it is much easier for somebody to put some music together, record some music, and they need a lot less money than you would to launch a new product, a piece of hardware, or to launch a game or put a film together. A bit of music can be composed in the comfort of your own home, all of the other things require a lot more resources and money to put together, so you’re much more likely to be successful if you have a low target, which I imagine a lot of the musicians do, than any of the other, because the targets ultimately would need to be higher”

Christer Falck answered similarly stating that music and books are simple to create while making a movie or a game take a lot more time and a lot more money. Today you can record yourself singing with your guitar and get that released digitally and physically easily and it does not cost a fortune.

Aaron Cupples’ would put it down to fan base, rather than ease and costs like Falck and Hughes. As he put it:

“I think that bands generally will have a more active... fan base than someone who makes technology or even film... just because of that kind of live, well especially if bands are playing live, then the internet could connect them with their fans, whereas other forms of artistry may be a bit more step away, a bit more disconnected from people, they are kind of consumers and I think it’s a culture, I think it’s a music culture thing... so it generates this kind of fan, people are really identifying with the music more so than they would with a piece of technology or ever perhaps a film, so I’d put it down to that”

Finally the interview subjects were asked for their final thoughts on the future of crowdfunding for music. Joel Hughes’ final thoughts were very optimistic and predicted even more growth:

“My prediction is that over the next 12 to 18 months we will see many many more mainstream artists use crowdfunding as a tool for: 1) engaging with their fans, 2) raising money outside of the traditional music industry and how that has worked previous years. Are we gonna get Ed Sheeran, Justin Bieber? No, absolutely not.
Whilst they might throw some support behind someone else’s campaign, I don’t see them using crowdfunding yet, as a way of engaging, unless there were some real revelation in the way that crowdfunding works, or that one of the big platforms created a new feature that was particularly beneficial to musicians, that’s when we’ll see quite significant surges in numbers coming through to us”

When asked about if pop-fans being less likely to crowdfund because they typically do not have the same connection, Joel explained about Louis Tomlinson from One Direction who tried to crowdfund money to buy the local football club from his hometown, where he barely raised half of his goal of £1 million. Joel reasons that the reason this failed is because Tomlinson did not realize that his fans and the people willing to support him buying a football club did not crossover, as most of his fans are teenagers, and most likely not located in Doncaster. Another reason Joel gave for fans of teen pop-stars like Justin Bieber or One Direction being a suitable crowdfunding audience is simply that you have to be over 16 to use the services.

Aaron Cupples final thoughts on the future of crowdfunding were more about the structure of crowdfunding platforms:

“I would like to see like a site, a more decentralized site pop up, which doesn’t, which takes the middleman out of it, like IndieGogo and Kickstarter out of it, and connects people in a more peer-to-peer-way. I think that would be exciting”

When asked if he wanted a service without fees, he simply answered: “Yeah, no fees. Yeah exactly, that’s like, a peer-to-peer one. I don’t know how it would work”.

Christer Falck was also very optimistic. He said that he believe it will only increase more and more as the years go by, as more artists and bands discover that they can do a lot of the jobs a record label normally does, themselves. He reasons that you can be your own manager; you can get your own distribution, both physical and digital with two phone calls. He states that the only thing that is going to generate money in the future are your rights, and keeping all your rights ensures you the most revenue. Generally: if artists really learn how to do business we will see more artists use crowdfunding.
4.2 NUMBERS FROM CROWDFUNDING

In this chapter some numbers and statistics of relevance will be put forward and explained. This includes relevant project-numbers, overall statistics or other numbers that will be used to discuss the subject of the thesis.

4.2.1 SUCCESSFULLY FUNDED PROJECTS

These numbers were used to build a basis for question 3.1. These numbers show that 18,026 of the about 25,212 successful music projects were in the $1000 to $10,000 range. This is about 71.5% of all successful music campaigns. The majority of all successful campaigns lie in the same value-group, with 56.7% of all successful projects collected in that range. In the music category only 66 projects have been funded for over $100,000, with only two projects reaching $1 million (Kickstarter, Stats). All numbers from Kickstarter can be found in the appendix in table Appendix I, Table 1.1.

4.2.2 PROJECTS AND DOLLARS

These numbers built the background for question 4.1 where the interview subjects were presented with the statistics that music has the 4th highest success-rate at 49.72%. Music is also the category with the highest number of successful projects. The next three on the list of most successful projects in numbers, which are other ‘typical’ crowdfunding categories are the categories Film and Video, Publishing and Games, which have success rates of 37.16%, 30.21% and 34.39% respectively. Another popular and much talked about category, Technology is at 19.8%, which is the lowest success-rate. (Kickstarter, Stats). All numbers from Kickstarter can be found in the appendix in table Appendix I, Table 1.2.

4.2.3 PROJECTS AND GENRES

In his interview, Christer Falck stated that heavy metal-music is a very suitable genre for crowdfunding, and there are some examples of projects that may support that. As mentioned earlier, the extreme metal-band Ne Obliviscaris get around $10,000 each month from fans on Patreon. Also mentioned earlier is Protest The Hero who in 2013 raised $341,146 on IndieGoGo on a goal of $125,000 for 8361 backers (IndieGoGo, Protest The Hero). Protest The Hero currently has just below 350,000 followers on Facebook, which gives them a
sizable audience to crowdfund from. Ne Obliviscaris have just below 80,000, and is still able to get $10,000 a month.

A more recent very successful heavy-metal campaign is the Finnish heavy metal band Wintersun who in the spring of 2017 raised €448,420 on a €150,000 goal from 9004 backers. The goal was reached in 20 hours. The average donation for this campaign was just under €50 and the only two payment-tiers were a €20 package and one at €50. Only 61 people went for the €20-package with most going for the €50, showing that they have fans that are willing to pay a lot of money for the bands music (IndieGoGo, Wintersun). The packages are still available to pre-purchase, so the numbers are still increasing. The numbers recorded were recorded on April 25th, 2017.

Those are just some examples of success stories within crowdfunding for metal projects. But how does that genre compare with other genres? Kickstarter offer genre specific viewings of their projects. At the time of writing the five most popular genres are rock, indie rock, country & folk, hip-hop and pop. There are twice as many projects labelled as rock than as pop. Where does heavy metal fit into this? Currently there are just over 6500 rock projects. Heavy Metal is at just barely one tenth of that, at 662 projects, but heavy metal is a lot more niche then rock music, and Kickstarter may not be as good for that as other platforms. The highest funded non-tech music project on IndieGoGo is the aforementioned Wintersun-campaign, so metal-bands can still crowdfund for a lot of money (Kickstarter, Live Projects). All numbers from Kickstarter can be found in the Appendix I, table 1.3.

These numbers may however be somewhat inconclusive as there are about at 20,000-project discrepancy between the number of projects sorted into genres and the overall music projects. This group of 20,000 projects include the second highest funded music project on Kickstarter, Amanda Palmer. As her project is from 2012 the option to put your project in to a genre might be a newer option, or simply because a lot of artists does not like to limit themselves by placing their music within a specific genre, but there is no steadfast information on that subject available online. This group also includes non-musical music-projects, like music-technology, statues, workshops, radio stations, etc. Nonetheless, the statistics represent over 3/5 of all music projects, and therefore are relevant for discussion.
V: DISCUSSION

Throughout the interviews the interview subject’s answers raised several points of discussion, and with the answers sometimes being slightly or sometimes vastly different, this enables the answers to be discussed further to try and reach a conclusion.

5.1 CROWDFUNDABLE ARTISTS?

One of the points discussed in all interviews was about what type of artist suits crowdfunding the best. One of the most important aspects of a successful crowdfunding campaign for an artist or a band is the fact that they need to have an active fan base that they can get both actual funding from, but also some free marketing through them sharing the campaign with their friends through social media and word-to-mouth. In essence, you need to have a ‘crowd’ to be able to crowdfund.

What about music genres? Are there any genres that are more crowdfundable than others? Some genres have typically stronger fan bases than others. Generally, the more mainstream pop music acts do not have as strong fan loyalty as in more niche and alternative genres. To be fair, mainstream pop acts tend to have a much larger and broader audience, hence being mainstream, but that audience tend not to have the same level of fan activity and support as artists that have a more niche sound. Of course, this is not always the case, but as discussed in the interviews, this is how it tends to be.

As indicated by numbers from Kickstarter, rock is the most popular music genre for crowdfunding, followed by indie-rock, genres that typically have more active fan bases than mainstream-pop music. Heavy-Metal music have also been viewed as a genre with a lot of potential for crowdfunding, because it is maybe the music genre with the most loyal fans, a statement supported by statistics from Spotify which analysed listeners loyalty by seeing how many listeners returned to core artists of the different genres (Spotify). These statistics put pop slightly ahead of rock, but it should be noted that both heavy metal and rock still have a physical presence, while pop is almost exclusively digital.

Another pointer towards the crowdfundability of the heavy metal-genre is the campaign by Wintersun discussed earlier. When a medium-sized metal-band from Finland can raise
€150,000 in under 24 hours, and almost €450,000 in the span of their month long campaign, this shows that the heavy metal genre is quite suitable for crowdfunding, but as shown with the numbers from Kickstarter, it is still in its early days for heavy metal, as the subject of money and raising funds are still quite taboo, as witnessed from the backlash that both Protest The Hero, Ne Obliviscaris and Wintersun received from the metal community when launching their campaigns (HeavyMetalGM).

Is there a genre that is better than other genres for crowdfunding? Probably not. There is potential in all genres, the main consideration has to be put towards the band or artist. The artist needs to be able to activate the audience through their presence in social media. To get the proverbial wheels turning on the Audience-Media Engine that Patrick Wikström presented. There are bands and artists within all genres that who would be hugely successful with crowdfunding, and there are bands and artists that would fail; it is all about how many fans you can reach, and how willing those fans are to support the band in advance.

5.2 FOR THE FANS

The biggest requirement for a successful crowdfunding campaign is, as previously discussed, the fans being willing to help the artist with finance, but the fans also get something out of helping.

On the most basic level the fans get to feel like they are a part of a community. Crowdfunding helps the fan feel closer to the artist that they want to support. That gratification from helping to fund your favourite artist’s next album can be priceless for a lot of fans, but with most campaign the fans get more than just that feeling of gratitude from the artist.

The perks or rewards system has become an essential part of any music campaign that pertains to a physical product, as this essentially changes the campaign from a charity to pre-ordering a product. This differentiation is crucial for the campaign to be viewed in a positive light in the eyes of the media and fans. If the backers did not receive anything tangible from their donation, it might be seen like begging, rather than a request for funding, which might turn some people away from supporting the campaign. It is also a good incentive for your fans to give, or to get them to give more, because for a fan limited items and special
goods are desirable and part of the draw for fans to crowdfund. As stated by Christer Falck; getting your fans to crowdfund once make them more likely to support you again, especially if the experience and results were satisfactory.

Campaigns that use rewards and reward-tiers are also more likely to get the fans to act because it shows the fans and backers that you have a plan for the project, that you are not just trying crowdfunding on a whim. Planning everything, from the size and scope of the project, formats for release, budgets and costs, deadlines, etc., is a very effective way to limit potential setbacks and negative reactions from fans. As stated by Joel Hughes in his interview, proper planning is essential for a successful campaign.

5.3 Music compared to other genres

Music is the second most popular genre for crowdfunding on Kickstarter at around 51,000 total launched projects only surpassed by film & video with around 61,000 launched projects. But these are not the numbers that show how successful music is compared to other genres. Music projects have a success rate of almost 50%, while film and video have a success rate of about 37%. This has lead to music having around 2,500 more successful projects overall, and claiming the throne of the most successful genre, in total successful projects, and the 4th highest success rate.

One of the reasons put forward in two of the interviews to why music is so popular is that music is simpler and cheaper to produce than a movie. Anyone with a powerful laptop can create and produce recordings of songs, and can release them to the public. The same can be argued for movies, as the cameras on mobile phones are becoming a lot more powerful, but the quality of a movie shot with a smart phone is nowhere near the quality of a million dollar camera. Digital audio production-tools are powerful enough to create professional productions, and generally, most people would not notice production flaws in a song, while the quality of a movie is much more visible, as we are used to HD video and cinemas. Most people listen to compressed mp3-files downloaded or being streamed on cheap earplugs or through the speaker on their phone, so audio quality may not be as important to the average user as quality of visuals.
Another reason put forward is that there are more fans of music acts than there are for movie-series, actors or directors, and whilst this might be true in most cases, there are some that attract a lot of mega-fans, just look at any huge franchise, like Star Wars or Harry Potter. All in all, there are maybe more bands with mega-fans than there are movie-franchises, but there are still some examples.

One reason why music is so effective at activating the crowd may be the economic aspect of the music industry. For well over a decade the “death of the music industry” has been put forward in the media and “everyone” knows that there is no money in the music industry. This statement is not true, but even though there is money in the recorded music industry, there is a lot more money in the film industry. The global recorded music industry was recorded at $16.1 billion in 2016 (MusicBusinessWorldwide, 2017). In the same year, just the ticket sales of the film industry recorded over double that, at $38.8 billion worldwide (LA Times). These numbers do not include home video, digital downloads and on-demand-streaming, the latter being very popular, and still increasing in popularity and revenue. These factors may factor into why music is so successful compared to other genres.

Compared to other genres music has a fairly low barrier to entry and a very active and a more loyal fan base. This low barrier to entry is not exclusive to the creator, but also for the fans, as getting a vinyl record requires a much lower donation than getting a new piece of technology. It is hard to know if music will still be as popular compared to other genres down the line, but currently music is one of the strongest genres within crowdfunding.

5.4 CROWDFUNDING REPLACING RECORD LABELS

Crowdfunding is a great way for a musician or a band to get an album or EP funded without going through a record label or without getting funding from their label. But will this end up replacing the label completely? Most likely not; at least not within the near future. As mentioned earlier, the music industries have changed to a more artist centred business, with the label becoming merely a side player. This does however not mean that they are obsolete. The labels still have a lot to offer to certain artists, especially those who are in more mainstream genres, and those who have the potential to become superstars.
The fact that labels still have a part in the modern music industries was also confirmed by all of the interview subjects, as all of them agreed that the record labels bring more to the table than just the finances. They bring experience and knowledge. They bring marketing, publishing, distribution, etc. In essence they know how to do a lot of things that most artists does not know anything about, but that more and more are becoming aware of though music business education and seminars at festivals like SXSW and ByLarm.

What crowdfunding does is to give an alternative to going through a label, not replacing it. If an artist feel confident that they can do the tasks that the label did, as well as writing, performing and recording the music, or if they want to hire the people to do those tasks, then crowdfunding is a suitable option for the finance part of what a record label brings to the table. Chance The Rapper is an example of an artist that have gone completely independent, with no label behind him, releasing everything by himself and getting chart success with his music (The Guardian, 2016). Even though he has not crowdfunded his records, he is a great example of the fact that you can get success without going through a label.

The fact that artists can really do everything by their rules and their way was something that Christer Falck really believe in; the fact that an artist could go completely independent, with or without crowdfunding. With this comments about how distribution of music can be arranged in a couple of phone-calls, and that artists can market themselves through active use of social media, as well other ways of marketing, like mailing-lists, really drove the point home. All of the interview subjects did think that crowdfunding is a feasible alternative, but none of them wanted to state that crowdfunding would replace the labels.

5.5 THE FUTURE AND SUSTAINABILITY

Even though none of the subjects saw crowdfunding as a ‘label-killer’, all of them saw it as a nice alternative for those artists who may not want to, or are able to go through a label. When asked about the future of crowdfunding, everybody was very positive to the future of crowdfunding for funding music, and believing that it would only get bigger over the next years. And if the revenue for smaller artists go down even further, then they will start looking for alternative ways of getting funding, and then crowdfunding is seem like a very lucrative alternative.
Even though statistics for crowdfunding-platforms, outside of the statistics that the platforms chose to give the public are hard to find, there are some statistics collected by other websites that show an increase that support the rise in popularity of crowdfunding. Numbers collected by Statista.com show that the annual amount raised became almost twentyfold from 2010 to 2014, from $27,64 million to $529 million, respectively (Statista/Kickstarter\(^1\)). Other numbers from Statista show that the total amount of money raised on Kickstarter trebled from March 2014 to April 2017, from $1 billion to $3 billion (Statista/Kickstarter\(^2\)).

These numbers show how crowdfunding have increased in popularity and usage over the last years. When asked, all of the interview subjects seemed positive to the future of crowdfunding, and though we would see larger artists use crowdfunding. The example used by Joel Hughes, ‘Weird Al’ Yankovic, turned out to be more like a pre-ordering campaign for a box containing all of his releases, so it is not directly crowdfunding. It does however show that artists that were popular before the Internet ‘killed’ the music industry are opening their eyes to the possibilities of less traditional ways of funding music.

There are however some trapdoors that crowdfunding might trigger, that can lead to crowdfunding starting to decrease in popularity, essentially just becoming another fad. As mentioned in the interviews, if crowdfunding become a more normal route of releasing music, there is a possibility that badly managed campaigns can lead to fans being disappointed by the results, or by not even getting any the results. As seen with the Coolest Cooler, if the person running the campaign is not very good at their job and does not estimate time or price correctly, or does not communicate with their backers, this can lead to a lot of negative feedback and experiences for the backers, and if a lot of people have bad experiences with crowdfunding, they will just stop using it. Crowdfunding will just become ‘a fad’, as Aaron Cupples put it in his interview.

Also, when looking at the winner-take-all model that the research by Anita Elberse shows the recorded music industry adapting, we can see medium sized artist’s revenue becoming smaller, which mean they might end up struggling. This is surely what has led some artists to look for alternative ways of funding, like crowdfunding. We will probably see more of this in the future, as bands and artists who are struggling in the hit-focused winner-take-all
market of single song streaming, will most likely follow suit and try crowdfunding to make
the economic risks and obstacles smaller.

So what is the future of crowdfunding, and how sustainable is it? It is hard to say. The
largest music campaign ever on Kickstarter was run during the last year, but as stated before:
70% of all campaigns are in the $1000 to $10,000 range, and this is where we need to look
for the answers. The huge campaign look great in the media, but truth is that most bands and
artists do not need a million dollars to record an album. As of writing, on the 4th of May
2017, there are 431 live music campaigns on Kickstarter. Of those 431, 292 have their goals
in the previously mentioned $1000 to $10,000 range. 101 projects have goals in the $10,000
to $100,000-range. 54 of those 431 live projects have reached their goals (Kickstarter, Live
Projects). These are the numbers that really drive crowdfunding for music. Crowdfunding is
not for the bands that fill arenas all over the world. They would most likely have enough
money to record and release an album without a label by funding it themselves.

Crowdfunding is for the smaller, struggling artists that have been able to build a fan base
through touring or previous releases. Bands that are able to raise in the thousand to ten
thousand range, are the bands that really need to find alternative ways to raise money, as
labels are less risk taking in today’s streaming market, and using money on an artist that
have a smaller audience might not be in their company policies at the time. When a band
like Civil Civic, that have around 12,500 likes on Facebook, and less than 10,000 monthly
listeners on Spotify are able to run two successful crowdfunding campaigns, raising about
$7000 and $8500 (£7000) for each of the campaigns, then this is a sign that crowdfunding
does what it is supposed to do for artists. It gives smaller artists the opportunity to release
music without taking too many financial risks. The future of crowdfunding for music does
probably lie in the sub $10,000-category, not in the $100,000 plus-category that fetches
headlines and keep media hype going.

The case can be argued that if a band is so popular that they are able to raise several hundred
thousands or even more, do they even need crowdfunding? A band or artist with a following
of that size should be able to go more traditional routes, or use revenue from touring or
previous releases to fund their next albums. This obviously depends quite from artist to
artist, as some artists have a lot of loyal fans that want to support the artist, but there are
some reasons why labels will not sign some artists, from the artist’s genre or image, to label politics and music trends. Universal would probably not a band like Wintersun the same budgets, as they are able to crowdfund, when most people listen to electronic pop-music like Kygo.

Some artist may choose to not go through labels for various reasons, from bad experiences, to lack of financial or creative support, to just wanting to do everything by themselves. And some of those bands can be able to raise huge sums of money, which is not a negative, even though the sub $10,000-projects are driving crowdfunded music. There is still room for projects in the hundred thousands and million-ranges, as these will show other artists that crowdfunded is a suitable alternative for independent funding and it will give crowdfunders positive publicity and media presence, opening more and more audience members eyes to crowdfunding, increasing the crowd.

As discussed with all interview subjects, for an artist to be successful at crowdfunding they need an audience that is willing to fork over their hard earned money for a product that is not even finished yet. And if the fans are willing to keep paying artists in advance, then crowdfunding for music is in safe hands. To keep this willingness to support up and increasing, artists and bands need to run efficient and transparent campaigns. They need to use social media to build an audience, to market their campaign. They need to deliver on what they are selling the fans with their campaigns. They need to communicate with their backers if there are any questions and comments from backers; they need to let the backers know if there are any delays or problems. If artists are able to do this then crowdfunded music is probably going to keep going and become even more popular.
VI: CONCLUSION

There are a lot of positives to music being crowdfunded. Music has, traditionally, a very strong and active fan base. Fans are often willing to spend a lot of money to support their favourite artists and bands, by buying albums, merchandise, tickets, etc. Crowdfunding removes the middlemen between the artist and the fan, giving the artist a more direct way of selling their music, even before anything has been recorded. It gives the artists a way around the traditional channels, and gives artists that want to, or has to, release their music independent an alternative way of getting their releases funded without funding it from their own pocket. Crowdfunding is fuelled by the usage of the Internet and social media, and is very suitable for artists with a strong online presence and fan base.

The biggest problem with crowdfunding is, as with all big ventures: if the project is mismanaged, the project may end in catastrophe. If the campaign is run badly, without any planning or budgeting, then the campaign might become a failure. If the artist or the person running the campaign on behalf of the campaign does not communicate with fans, then the campaign might end up failing or leaving backers unsatisfied.

Along with the main research question, I looked at a couple of sub-questions. The first was “Will we see an increase or decrease in the popularity and financial draw of crowdfunding?”. Based on what the statistics show, and what was said during the interviews, I would certainly say that we most likely are going to see an increase. Maybe not at the same rate as it has been over the last year, but I would say that we are still a long way from music crowdfunding stagnating. There are still a lot of campaigns being run and being successful, mostly in the sub $10,000-range, but also those collecting in the six and seven figures, with the success of Wintersun being a prime example. Kickstarter and IndieGogo show no signs of stopping, and along with those there are several music-only crowdfunding-platforms, like PledgeMusic, ArtistShare and RocketFuel, as well as more local crowdfunding platforms, like Crowdfunder in the UK, or the newly merged NewJelly/Bidra.no in Norway.

My second sub-question was: “How are music projects compared to other creative fields in crowdfunding?”. After looking at the numbers I can conclude that music is one of the most
successful and popular genres for crowdfunding. On Kickstarter music has the most successful campaigns, with over 25,000 successful campaigns, the 4th highest success rate at almost 50% and the 2nd highest total projects launched. Based on the interviews I can also conclude that my interview subjects thought that music had a lower barrier to entry with recording and releasing music being cheaper and easier to do, and that music had more fans that were willing to spend more money on helping their favourite artists release music.

Finally the main research question, which for this thesis was: “Can crowdfunding function as a sustainable alternative for funding for independent creators within the recorded music industry?”. When looking for answers to this I asked several questions, on whether crowdfunding would increase, replace labels, what artists suited crowdfunding, etc. After all of the interviews had some conclusions based on their answers. Firstly, as concluded in one of the sub-questions, crowdfunding for music will probably keep increasing and become more popular. One thing that points to this, is the fact that the heavy metal-audience is just starting to accept crowdfunding, and when the heavy metal-audience gets behind crowdfunding, there will be a lot more people willing to back projects.

Will crowdfunding replace the labels? No. Crowdfunding is a nice alternative to labels and crowdfunding allows artist to go completely independent without taking all the financial risks themselves. What kind of artists suits crowdfunding the best? Artists that have a fan base that are willing to pay up front for a future release. Fans that tell all their friends and family about the project, and try to recruit more people to fun the projects. All genres can crowdfund, though more niche genres, like indie-rock, have shown to be more successful than others, but generally, it depends a lot more on the fans than the genre of music.

So: is crowdfunding a sustainable alternative for funding for independent creators within the recorded music industry? Based on statistics pointing towards music being a very popular and successful genres of crowdfunding, and the plethora of music-only crowdfunding platforms, and the answers given from my three interview subjects, my conclusion would have to be: yes, crowdfunding is a sustainable alternative. That is exactly what crowdfunding is. An alternative. It will probably never completely replace record labels and other more traditional ways of releasing music, at least not in the near future; as thee knowledge, experience, pool of contacts and their financial stability of the “old guard” still
have a place with the more mainstream and bankable pop megastar-artists, but it gives the other 99% an alternative way of funding their creative work.
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# APPENDIX I: TABLES

## Table 1.1

Successfully Funded Projects by category from Kickstarter Stats (April 18th 2017)

<table>
<thead>
<tr>
<th>Category</th>
<th>Successfully Funded Projects</th>
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<th>$1000 to $9,999</th>
<th>$10,000 to $19,999</th>
<th>$20,000 to $99,999</th>
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<td>Publishing</td>
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<td>1,640</td>
<td>6,889</td>
<td>1,430</td>
<td>950</td>
<td>70</td>
<td>0</td>
</tr>
<tr>
<td>Games</td>
<td>10,363</td>
<td>812</td>
<td>4,121</td>
<td>1,896</td>
<td>2,617</td>
<td>840</td>
<td>77</td>
</tr>
<tr>
<td>Art</td>
<td>10,309</td>
<td>2,363</td>
<td>6,435</td>
<td>917</td>
<td>548</td>
<td>41</td>
<td>5</td>
</tr>
<tr>
<td>Design</td>
<td>8,759</td>
<td>572</td>
<td>3,011</td>
<td>1,537</td>
<td>2,654</td>
<td>937</td>
<td>48</td>
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<tr>
<td>Theatre</td>
<td>6,174</td>
<td>872</td>
<td>4,495</td>
<td>518</td>
<td>271</td>
<td>18</td>
<td>0</td>
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<tr>
<td>Technology</td>
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<td>595</td>
<td>2,335</td>
<td>1,325</td>
<td>1,258</td>
<td>62</td>
<td>6</td>
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<tr>
<td>Food</td>
<td>5,575</td>
<td>340</td>
<td>1,548</td>
<td>776</td>
<td>1,769</td>
<td>1,066</td>
<td>76</td>
</tr>
<tr>
<td>Comics</td>
<td>4,914</td>
<td>624</td>
<td>3,060</td>
<td>622</td>
<td>534</td>
<td>73</td>
<td>1</td>
</tr>
<tr>
<td>Fashion</td>
<td>4,690</td>
<td>517</td>
<td>2,135</td>
<td>881</td>
<td>990</td>
<td>164</td>
<td>3</td>
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<tr>
<td>Photography</td>
<td>3,058</td>
<td>580</td>
<td>1,724</td>
<td>429</td>
<td>307</td>
<td>18</td>
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<tr>
<td>Dance</td>
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<td>206</td>
<td>1,713</td>
<td>202</td>
<td>66</td>
<td>1</td>
<td>0</td>
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<tr>
<td>Crafts</td>
<td>1,816</td>
<td>622</td>
<td>957</td>
<td>141</td>
<td>91</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Journalism</td>
<td>935</td>
<td>175</td>
<td>511</td>
<td>120</td>
<td>122</td>
<td>7</td>
<td>0</td>
</tr>
</tbody>
</table>
**Table 1.2**

Projects and Dollars by category sorted after success rate, from Kickstarter Stats (April 18th 2017)

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Projects</th>
<th>Total Dollars</th>
<th>Successful Dollars</th>
<th>Unsuccessful Dollars</th>
<th>Live Dollars</th>
<th>Live projects</th>
<th>Success rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>348,851</td>
<td>2,988 B</td>
<td>2,61 M</td>
<td>337 M</td>
<td>40 M</td>
<td>4,645</td>
<td>35.79%</td>
</tr>
<tr>
<td>Dance</td>
<td>3,538</td>
<td>12.19 M</td>
<td>11.31 M</td>
<td>817,800</td>
<td>53,949</td>
<td>37</td>
<td>62.5%</td>
</tr>
<tr>
<td>Theatre</td>
<td>10,348</td>
<td>41.08 M</td>
<td>36.61 M</td>
<td>4.33 M</td>
<td>137,630</td>
<td>96</td>
<td>60.22%</td>
</tr>
<tr>
<td>Comics</td>
<td>9,500</td>
<td>63.02 M</td>
<td>57.77 M</td>
<td>4.44 M</td>
<td>809,100</td>
<td>173</td>
<td>52.69%</td>
</tr>
<tr>
<td>Music</td>
<td>51,178</td>
<td>192.44 M</td>
<td>175.15 M</td>
<td>16.05 M</td>
<td>1.23 M</td>
<td>466</td>
<td>49.72%</td>
</tr>
<tr>
<td>Art</td>
<td>25,755</td>
<td>79.89 M</td>
<td>69.88 M</td>
<td>9.28 M</td>
<td>727,090</td>
<td>345</td>
<td>40.57%</td>
</tr>
<tr>
<td>Film &amp; Video</td>
<td>61,447</td>
<td>370.52 M</td>
<td>310.61 M</td>
<td>58.08 M</td>
<td>1.82 M</td>
<td>548</td>
<td>37.16%</td>
</tr>
<tr>
<td>Games</td>
<td>30,677</td>
<td>626.53 M</td>
<td>564.30 M</td>
<td>54.69 M</td>
<td>7.54 M</td>
<td>541</td>
<td>34.39%</td>
</tr>
<tr>
<td>Design</td>
<td>26,085</td>
<td>608.94 M</td>
<td>541.49 M</td>
<td>57.19 M</td>
<td>10.26 M</td>
<td>518</td>
<td>34.26%</td>
</tr>
<tr>
<td>Photography</td>
<td>10,177</td>
<td>33.94 M</td>
<td>29.48 M</td>
<td>4.25 M</td>
<td>203,550</td>
<td>89</td>
<td>30.31%</td>
</tr>
<tr>
<td>Publishing</td>
<td>36,812</td>
<td>114.29 M</td>
<td>98.05 M</td>
<td>15.21 M</td>
<td>1.04 M</td>
<td>473</td>
<td>30.21%</td>
</tr>
<tr>
<td>Food</td>
<td>22,622</td>
<td>111.81 M</td>
<td>93.30 M</td>
<td>17.90 M</td>
<td>598,890</td>
<td>317</td>
<td>25.02%</td>
</tr>
<tr>
<td>Fashion</td>
<td>19,813</td>
<td>113.09 M</td>
<td>97.25 M</td>
<td>13.85 M</td>
<td>1.99 M</td>
<td>313</td>
<td>24.05%</td>
</tr>
<tr>
<td>Crafts</td>
<td>7,813</td>
<td>11.88 M</td>
<td>9.73 M</td>
<td>2.00 M</td>
<td>150,200</td>
<td>137</td>
<td>23.66%</td>
</tr>
<tr>
<td>Journalism</td>
<td>4,396</td>
<td>11.24 M</td>
<td>9.44 M</td>
<td>1.68 M</td>
<td>119,340</td>
<td>56</td>
<td>21.54%</td>
</tr>
<tr>
<td>Technology</td>
<td>28,690</td>
<td>593.67 M</td>
<td>502.80 M</td>
<td>77.12 M</td>
<td>13.76 M</td>
<td>536</td>
<td>19.8%</td>
</tr>
</tbody>
</table>
### Table 1.3

**Total projects per genre as collected from Kickstarter’s Explore Page on April 25th 2017.**

<table>
<thead>
<tr>
<th>Genre</th>
<th>Projects</th>
<th>Highest earning Project</th>
<th>Sum earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rock</td>
<td>6517</td>
<td>All-American Boy</td>
<td>$326 593</td>
</tr>
<tr>
<td>Indie Rock</td>
<td>5470</td>
<td>Murder By Death</td>
<td>$278 486</td>
</tr>
<tr>
<td>County and Folk</td>
<td>4214</td>
<td>Chely Wright</td>
<td>$247 181</td>
</tr>
<tr>
<td>Hip-Hop</td>
<td>3628</td>
<td>DeLaSoul</td>
<td>$600 874</td>
</tr>
<tr>
<td>Pop</td>
<td>3160</td>
<td>TLC</td>
<td>$430 255</td>
</tr>
<tr>
<td>Classical</td>
<td>2465</td>
<td>Let's Save Classical Music</td>
<td>$140 005</td>
</tr>
<tr>
<td>World Music</td>
<td>1959</td>
<td>Voyager Golden Record</td>
<td>$1 363 037</td>
</tr>
<tr>
<td>Jazz</td>
<td>1739</td>
<td>Paula Cole</td>
<td>$76 899</td>
</tr>
<tr>
<td>Faith</td>
<td>964</td>
<td>Carman Licciardello</td>
<td>$538 103</td>
</tr>
<tr>
<td>Metal</td>
<td>662</td>
<td>Deathmøle</td>
<td>$141 115</td>
</tr>
<tr>
<td>R&amp;B</td>
<td>399</td>
<td>Alice Fredenham</td>
<td>£40 075</td>
</tr>
<tr>
<td>Punk</td>
<td>285</td>
<td>John Otway</td>
<td>£38 916</td>
</tr>
<tr>
<td>Kids</td>
<td>251</td>
<td>Slugs and Bugs</td>
<td>$55 366</td>
</tr>
<tr>
<td>Blues</td>
<td>242</td>
<td>God Don't Never Change</td>
<td>$125 154</td>
</tr>
<tr>
<td>Latin</td>
<td>117</td>
<td>Nelson Garcia</td>
<td>$26 020</td>
</tr>
<tr>
<td>Chiptune</td>
<td>35</td>
<td>Anamanaguchi</td>
<td>$277 399</td>
</tr>
<tr>
<td>Comedy</td>
<td>11</td>
<td>TK Jingles Live 2017</td>
<td>$9 016</td>
</tr>
</tbody>
</table>

Total Projects Sorted into a specific genre 32118
All Music Projects 51036

There are no recent snapshots on WaybackMachine (the service used to get the numbers for Table 1.1 and 1.2) for this page, so seeing the exact numbers might be hard, but these are the numbers I recorded on the 25th of April 2017, and since projects seldom are deleted, these will surely only keep on growing.
APPENDIX II: INTERVIEW TRANSCRIPTIONS

JOEL HUGHES

Question 1.1
Yeah, so I started in crowdfunding almost three years ago, spent two and half years working for a UK platform that were called Crowdfunder, they supported social enterprises and charities and actually more artistic crowdfunding campaigns, so we had a lot of musicians, a lot of performers, comedians and all of those kind of things using crowdfunding as a way of raising their profile, and getting their name out there and ultimately generating the funding they need to launch an album or to engage with fans in a slightly different way, so that’s where I spent most time, and then in September I joined IndieGogo after they approached me, to manage the UK and Europe, less focused on music, much more focused on physical products, so ways we can help product makers and start-ups to raise money for manufacturing.

Question 2.1
Replacement: no. I don’t think it will ever be a replacement for it, what it does do, in my opinion is make it a lot more accessible, it gives artists, musicians, whoever, the opportunity to engage directly without the restraints or fees or costs of actually using an actual label or producer, for example. Obviously, the negative side of things: they have to be really good at engaging with people and there’s a lot of work to do. People often don’t understand that actually crowdfunding is quite hard work. So, whereas that might be done by the agency or whoever it is, the label in the first instance, unless they can do that themselves, they’re really gonna struggle to reach the kind of numbers they currently can through traditional channels

Comment: “One of my other interview subjects crowdfunded two albums with his band, getting about £7000 pounds for the last one.”
It’s great if they can do it and they feel they have the skills to be able to do that, but there are also, I imagine, plenty of people who try it and fail because they don’t fully understand how to make the most of the crowdfunding opportunity
Question 2.2 skipped as the previous answer answered that, and because the subject only has experience with crowdfunding from the perspective of the company.

Question 2.3

I certainly hope so and based on what we’ve seen at IndieGoGo in 2016, even, there are more and more established artists already turning to crowdfunding. Not necessarily on IndieGoGo, there are a lot of platforms out there, but I know that; I think it was announced just a few weeks ago, it’s slightly different because if you take somebody like, that already has a strong online presence, then crowdfunding makes a lot of sense. So this might not be a great example to use, but if you look at somebody like Weird ‘Al’ Yankovic in the US, who has decided to do a crowdfunding campaign in the next few weeks, he already has a strong online follow, but you do see, we are beginning to see a lot more movie stars and TV-shows that have been pulled and then the crowd rallies around a particular individual that wants to put it back on the air, and they prove that there is still the desire there

Comment: “One of the most famous examples of music crowdfunding is Amanda Palmer who raised over $1million, but she already had that presence and fan base from her previous band”.

Yes, if they already have it, then they’ve got a real strong chance of being successful with crowdfunding of any kind

Question 2.4

I would certainly say more niche genres, because it gives them an opportunity that they might not have access to otherwise. If they can tap into a particular fan base through their digital channels, then that’s great. We often say that people associate with like-minded people so if you bring on one found fan through crowdfunding it’s quite likely they want to share that they’ve supported you with their close network, as well, so you probably are gonna find some other fans that also wants to come on board and join the crowdfunding campaign. But then again, crowdfunding is becoming more mainstream every year. I don’t think it has quite reached its peak yet, in terms of the potential that’s there, so certainly I’d like to see some more artists with relatively strong followings using crowdfunding as a way of actually putting their next album out there, so yeah, that would be really great to see.
Question 3.1

I think you have to put it into perspective, it’s very hard to make assumptions based on purely the numbers, one of the biggest thing that we see is that for anybody raising money through crowdfunding, the first 15 to 20%, really, needs to come from your personal network, your work colleagues, your contacts, your network, your friends, your family. And that’s how momentum is built, in most crowdfunding campaigns, even the biggest and most successful, they already have a small audience of people that have signed up to their email newsletter or are following them on Facebook or Twitter, they have to start somewhere, regardless of how good the product actually is, so I think if you are finding so many that fall into that category, it’s quite likely that a good amount of money they raised is actually raised via their own personal network, anyway, so success is difficult to measure, when you think about it in that perspective.

Question 4.2 (moved here due to the previous answer)

Generally, because it is much easier for somebody to put some music together, record some music, and they need a lot less money than you would to launch a new product, a piece of hardware, or to launch a game or put a film together. A bit of music can be composed in the comfort of your own home, all of the other things require a lot more resources and money to put together, so you’re much more likely to be successful if you have a low target, which I imagine a lot of the musicians do, than any of the other, because the targets ultimately would need to be higher.

Question 3.2

It gives them, in a similar way to social media; I would say it gives them a feeling that they are connecting on a deeper level with the artist in question. They don’t have the opportunity with a lot of the bigger artists and they’re contacting them via Twitter and Facebook, etc. But this is an opportunity for them to show their loyalty, to support a campaign that a lot of their peers are also supporting, and one of the really great things that crowdfunding can do, is give the artist the ability to make sure that fans that want to support with 5 dollars can do so, but also, the mega-fans that want to support maybe with $500 also have the opportunity, even though there will be fewer perks available at $500 than there would be at $5, for example.
Question: “So think the perks-system that is frequently used is a good to get fans involved in the campaign?”

Yes, it mean that the artist can create something more personal, it doesn’t just have to be a download or a physical CD or a signed picture or something, they can increase the value at the same time as increasing the cost as well.

Comment: “I’ve seen project with perks in the $10,000-range, with for example studio-visits or Skype-chats, and some mega-fans go for those, showing that people from all walks of life take part in crowdfunding music”

Yes, absolutely. It’s an opportunity for those artists that are comfortable with it, they can give a small number of fans the opportunity to meet them in person, but for the fan to be able to do that, they need to pay the money, it has got to be limited in number, which increases how exclusive it feels, but it’s also a great opportunity for the artist to get a good amount of money in one go.

Question 3.3

I think it’s: If you plan correctly, don’t just launch into a crowdfunding campaign really quickly, if you spend maybe 4 to 6 weeks planning before you actually launch your campaign, regardless of what you’re actually raising money for, you’ve got a fantastic window of opportunity of 30, 40, 60 days to generate quite significant amounts of money. But then again it’s not all about the money; a lot of it is about the validation for people as well. You got an artist that want to find out if their fans are truly engaged and they are willing to support the artist directly, rather than going through a record label, for example. Then it’s a great booster for that particular artist, and the money is almost secondary to the validation that actually that their fan base in quite engaged, they want to listen to the next piece of music that’s coming out and they feel like they are connecting on a slightly deeper level, to the artist in question.

Question 3.4

Campaigns can quickly spiral out of control and they’re perhaps not managed, ultimately it comes down to what skills does the person have who’s running the campaign. If they don’t respond to questions in comments the comment-section can get pretty volatile pretty quickly, because people are really frustrated… And there
can be a delay in the perks, in when they can actually be delivered to the backers, and that can cause a lot of frustration, particular if the person behind the crowdfunding campaign isn’t communicating and being completely upfront and honest with the people that supported them. A lot of it doesn’t have to, there doesn’t have to be a negative at all, if every crowdfunding campaign, the person behind it communicated effectively, on a regular basis with their backers. They were completely open and upfront about shipping times, any delays, any issues they that might be experiencing. A lot of the negativity towards crowdfunding actually would be there, because the customers and the backers would ultimately feel a lot more reassured that their questions and views are being listened to.

**Question 4.1**

It’s certainly, you’re absolutely right; there are more campaigns that use the subscription model coming on to platforms like IndieGoGo. For the business, for the start up, for the artist, whoever it is behind the campaign it’s a great way of securing regular income, subscription models have been around for a long time, so we know from a business perspective that it absolutely works. I think that it does limit perhaps the amount of people it would appeal to, rather than going off to a mass market that might want to make a one-off purchase, make a very quick purchase decision, they’re instead reaching out to maybe that more loyal fan base, are genuinely engaged and genuinely interested in supporting them and rather than everybody else, rather than the people who just follow the flock. It’s those people that are actually engaging with a lot of people that are truly dedicated and interested in what they have to say.

*Comment: “You see this more with YouTube-video creators, but now it’s increasing with musicians, both YouTube-musicians and musicians who are not mainly creating for YouTube. One Australian band, Ne Obliviscaris, are trying to make minimum wage for the entire band”*

Yeah, absolutely. If they combine that with the gigging they’re doing and any other promotional activities that they do, then it’s a great way of boosting the income, and ultimately achieve what they set out to do.

**Question 5.1**
The main point that I would make, we sort of covered it already, my prediction is that over the next 12 to 18 months we will see many, many, more mainstream artists use crowdfunding as a tool for: 1) engaging with their fans, 2) raising money outside of the traditional music industry and how that has worked previous years. Are we gonna get Ed Sheeran, Justin Bieber? No, absolutely not. Whilst they might throw some support behind someone else’s campaign, I don’t see them using crowdfunding yet, as a way of engaging, unless there were some real revelation in the way that crowdfunding works, or that one of the big platforms created a new feature that was particularly beneficial to musicians, that’s when we’ll see quite significant surges in numbers coming through to us.

Comment: “Even though Justin Bieber and such have a large fan base, they might not have such a loyal and active fan base as smaller artists. And they might not want to pay $20 for a new album when they can listen to music for $9.99 a month on Spotify”

That’s very true. At the moment, the way that crowdfunding platforms are set up, if you want to support a campaign you need to be 16 or over, because you need the debit card, you need the credit card; you need the PayPal-account, to be able to do that. It does exclude younger people, you could argue that those younger people are perhaps more influenced and would be maybe a bit reckless if they were spending their, what little money they have on supporting artists, because they don’t know any better, perhaps. It’s something that I’m sure we’ll see more and more artists and musicians and all sort people using crowdfunding as a way of raising their profile, getting their foot in the door and generating the initial few thousand pounds or dollars or euros they need to get a little step closer to their dream.

Comment: “And you need to engage the fans to get them to help you raise the money, and not to be stereotypical, pop-fans are more fickle, they would maybe just go to another artist if someone they liked stopped putting out music”

Absolutely, there is actually one example I just remembered. There’s a guy from One Direction called Louis Tomlinson, who tried to launch a crowdfunding campaign on CrowdFunder, the UK platform that I used to work for. It wasn’t music related; he wanted to use his influence as a big music star to buy a football club from his hometown, Doncaster Rovers in the UK. And I think he needed over a million pounds, he generated not far of half a million in the end, but what I don’t think he
thought about was that the majority of his fans, the 13-14 year old girls, they’re not
the people who are gonna want to support, or help him buy a football club, there was
a real disparity in terms of the audience that he had, on paper should have meant that
he was successful, but in reality they’re not the kind of people that were interested in
this other area that he was trying to branch into. And ultimately the campaign was
stopped and it failed. So there was a lot of restrictions around him as a mainstream
artist, trying to use crowdfunding, and ultimately failing.
Question 1.1
I’m a musician and a music producer, so as a musician I’ve been playing in bands for probably about 15 years now, I’m originally from Australia and I moved over to the UK 10 years ago, and as a music producer I work with many other artists, producing records, sometimes just mixing and recording and mixing records, so in the studio, studio work basically.

Question: “And music is your full time job?”
It is, yeah. It’s all I do.

Question: “Can you give me a quick rundown on your crowdfunding campaigns?”
I’ve run two, both for my personal band, Civil Civic, and the first one, well both of them were to fund albums, we’ve released two records now, and both have been crowdfunded. The first one, both of them were ran through IndieGoGo and yeah, both really successful, I can’t remember the actual final amount of the first one, but the second one we were going for £4000 and we got 7000 in the end, which is great. And we ran it basically as people were pre-ordering the album, we weren’t asking for money without anything tangible in exchange, they were basically pre-ordering the album, the cd or vinyl or with a t-shirt and a few other perks, but basically that’s kind of the setup.

Question: “So you were using it more for pre-ordering, rather than funding the project? You had recorded music already?”
No, we hadn’t recorded, ‘cause we had people pre-order an album that hadn’t been recorded, basically, and with the last one it actually took a really long time to complete after the funding, it took two years and a few people got pretty annoyed by that, but most people were patient, which we appreciated, so yeah, no, they pre-ordered an album, which hadn’t been, that wasn’t even finished.

Question 2.1
Not necessarily, I mean, it only works if you have a fan base that is, and a lot of bands that may not be signed by labels would not have a fan base yet, they might be
signed just of the strength of some recordings and they may not have played live. So no, I wouldn’t say it is, I would say it’s an alternative for bands that might not be attractive to labels for whatever reason. Labels are sort of less likely to take risks these days, so a lot of more underground or alternative music has to, you know, they don’t get signed at all, so it’s a great opportunity for bands like that, I think that’s probably more the category for our band ‘cause we’re pretty unorthodox kind of music, we don’t really fit into a genre and we sort of had to do sort of all the hard parts ourselves, establish a fan base ourselves, and that’s why it works.

**Question 2.2**
Crowdfunding is kind of only one part of that really, of course it’s just raising the money to pay for the record, as far as releasing it goes it doesn’t really solve any problems there, because, you know, to release a piece of music, a physical piece of music, you need to have distribution networks and PR-campaigns and all the rest, and of course, you could pay for that, you could raise money through crowdfunding and pay for all of that, but again, I think labels still have a role to play through just having the kind of contacts and the clout, and sort of the kudos that is associated with labels and to push artists out there and to get the attention of journalists and make journalists pay enough attention to kind of listen to it in the first place, we really struggled, like getting album reviews and things like that, because we don’t have the sort of, these networks, so, it’s an alternative method, it’s a different method, it doesn’t really…, I wouldn’t really see it as a fair comparison with labels, I just think it’s an, I see it more as just an alternative to labels with it’s own strengths and weaknesses, really.

**Question 2.3**
Yeah, I think it’s sort of proven it self, it’s possible that it’s just a… we’ve seen more and more artists use it over the last five years of course, and I guess time will tell whether, it could be a bit of a fad, I think artists, I think it will remain attractive to artists, it’s also down to the funders themselves, of course. If people want to fund records, you know. If they, it’s pretty early days you know, if people have bad experiences from funding records, you know, if they fund a record that doesn’t get made, or you know, cause it’s quite risky, and a lot of people who use crowdfunding
for technology things, you know, a lot of bad stories about people never even getting their product, so, it might end up getting a bad reputation and people are less likely to use it, so I worry about that. We might find that it doesn’t solve all the problems that we hope that it might, but I think it will remain an important part of the independent musicians kind of, you know, tools.

**Question 2.4**

Well, I wouldn’t necessarily say that there is a particular genre that it would suit; I could only speak from my own experience.

**Question:** “Is it more popular music, i.e. pop music, or more niche, alternative genres?”

It works best for anyone where their fan base is very passionate and I think that the more niche genres tend to have, you know like, more passionate, connected, fans where they really feel like they’re part of a more social movement perhaps, or you know are connected to their artist more closely, whereas with the more mainstream, it might be, it might mean that the fans, you know the music isn’t so much part of their identity, so, I think maybe you’re right, that it would work better with the niche genres, but I’m just sort of, I can’t say for sure, I don’t have the data, I’m just, can only really speak from our experience, but I think we’re very niche, and it’s worked well for us, so.

**Comment:** “You don’t see a lot of pop-acts going the way through crowdfunding, I know from my interview with IndieGogo that Weird ‘Al’ is planning to crowdfund his next album, but we would probably never see Justin Bieber go through crowdfunding”

You know, it would work really well for him, but he is so popular and you know those mainstream artists, they teams are so huge, that they really rely on labels to, because they are huge companies and they’re just involved in such big, large scale things that they almost need a large company behind them. To go independent they would basically have to build their own company to manage a project of that scale.

**Question 3.1 + Comment:** “We don’t see many large projects. There have only been two projects that have passed $1 million.”

Yeah, there is a famous one, the Dresden Dolls girl, what’s her name?
Comment: “Amanda Palmer, she is always mentioned in all our text books, but she had a really big fan base behind her, when she started”

Yeah, exactly. I think to a certain point, once it get’s too big people feel, they don’t have that connection anymore, because there are so many other people, so it’s sort of, yeah, might make people feel like they’re not, you know, they’re just sort of giving, a million dollars is such a large amount of money that it’s sort of unachievable amount of money for most people, so, and those people might be your fans, and they might just feel like, you know, “what’s the point”, you know.

Question, “It’s more of a social thing, rather than a fan giving?”

Yeah, the story of crowdfunding is usually that you really need the money, you know, you can’t sort of make due without it, so it’s like a part of the story, but if you’re making a million dollars of crowdfunding, or you’re Justin Bieber, no-one is going to believe that Justin Bieber is poor, and can’t afford to pay for his own record, you know, so what’s the motivation, you know, you, it’s sort of: that’s why it works well for smaller artists, I think, because they struggle so much.

Comment: “And according to the interview with IndieGogo, the first 10% of a smaller project would have come from your own circle of friends and family, and then the project might get some momentum behind it, so that other people might find, that you use your network of people to get your project out there”

Yeah that might be the case, yeah. Personally, like with our band we probably didn’t rely on our friends and family very much, we just felt we had toured a lot, and sort of created a fan base prior to that, so we had some people that were gonna get on board straight away, regardless.

Question 3.2

Well, I think it’s, the fan get to have that kind of warm, fuzzy feeling that they have direct communication with the artist, they support directly, they will get, well in our case they get sent records from us, personally, usually with a note inside or something like that. So it’s a bit more of a unique experience, since it gets you a bit
more part of the story and I think that’s kind of that is what the fans get out of it. A connection with the artist that they like.

**Question:** “Many bands use scaling levels of perks for their projects. Did you use any perks?”

Yeah, the top tier, we had: digital, cd, vinyl, cd and t-shirt, vinyl and t-shirt and then we had some rarities once, with like white label test pressings of our previous album, 45, 7 inch records, early EPs and singles that were no longer available to buy anywhere, you know. Other kind of one-offs and rarities and our first EP on cassette, which we sold way back years ago. And things like that, we had in our archives that we got out and made special packages, and they’re worth a lot more money, and they were all popular too, they all sold out straight away, actually, so. So yeah, that was our sort of top-tier, but still physical things. We didn’t do kind of more cheesy things like: we will come around and cook you dinner, you know. Paint you a picture or anything like that, which some people go for.

**Comment:** “Some have Skype-calls with the band or get invited to the studio”

Yeah, I’m not sure if our fans wanna talk to us, I think they just like our music.

**Question 3.3**

Just the direct way of making money and to cut out a lot of the middle-men, I mean: obviously there is still IndieGogo and Kickstarter taking a slice, but apart from that, you know, direct kind of, straight to consumer model of selling records, it’s fantastic that, I think the only way it could be improved was if you made a more decentralized sort of platform where there wasn’t an internet site taking their percentage, I forgot how much it is, but it quite a bit I think, it kind of adds up if you have raised a lot of money.

**Question 3.4**

Well, good question. I guess if you were putting it up against a record label they would just give you the money and I think it puts all the kind of, the negative would be that it puts a lot more responsibility on the artist to deliver everything and promote the, kind of, record themselves, whereas labels give you money, they are invested in
your record and they got teams of people trying to win the money back so they’re
invested in, you got people that are invested in basically, if you crowdfund then you
don’t have that investment from anyone else, it’s just all up to you. And I think that
can be a hard task if you already have to make the record and you know, record it,
mix it, master it, do the artwork, and then you’ve got to be the record label as well,
that’s a big deal, and I think a lot of artists underestimate how difficult that is to do
well.

Comment: “And also for the fans, there aren’t any guarantees that the album will be made,
even if the project is successful”

Well of course, there’s that too. Yeah, it’s a risky model, and this is what I was going
to say. You know, maybe it will prove to be a bit of a fad, you know, ‘cause it have
opened up to a lot people kind of, try to run scams, and not delivering what they
promised, yeah, and therefore, you know, it will get a bad reputation and people will
stop using it.

Question 4.1

It’s interesting, I don’t really have an opinion on it, because it’s the first I’ve heard of
it. Yeah, I have to look into it.

Comment: “They (Ne Obliviscaris) are trying to make minimum wage for the entire band
through subscription-based crowdfunding, and then have sales on top.

It’s a good idea, is it working for them?

Comment: “They’ve passed $10,000, but they are 6 in the band, and this model is more used
with YouTube-creators, but they are the first non-YouTube musicians I’ve seen use it”

I have to look into that, I can’t really comment on that, but yeah, you need to have
some pretty dedicated fans if they were going to kind of just, you got to tap into their
bank-accounts and a take a part of your wage from their fans, yeah, that’s asking a
lot of fans, I can see it being popular for certain bands that are really, I mean, some
artists are just very active and very connected to their fans and they communicate a
lot and they really enjoy the process, and other are more aloof, and they just want to
be locked away in the studio and not really, they’re not really on social media, so.
Comment: “They are currently getting about $10,000 a month from about 1000 fans, so each fan is giving about $10 a month”

I think that for the people that are really sort of doing this first too, they get the advantage of being kind of a bit novel, and a new thing, and as it goes on, you know, it won’t be novel and new, so it’ll lose some of its appeal I think, but hopefully you know, it could become standard too, it could become normal, but if you had lots of bands that, you know, if you listened to a lot of different music, you couldn’t possibly afford to pay every band $10 a month, so you’d have to pick just a couple

Question 4.2

I would put that down to fan base, and I think that bands generally will have a more active, kind of, fan base than someone who makes technology or even film, you know, just because of that kind of live, well especially if bands are playing live, then the internet could connect them with their fans, whereas other forms of artistry may be a bit more step away, a bit more disconnected from people, they are kind of consumers and I think it’s a culture, I think it’s a music culture thing, in which, so it generates this kind of fan, people are really identifying with the music more so than they would with a piece of technology or ever perhaps a film, so I’d put it down to that

Question: “Do you think cost might have something to do with it?”

Yeah, I guess that doesn’t hurt either, I mean, you need to raise less money so, so yeah, of course, that has to be a factor.

Question 5.1

Yeah, I would like to see like a site, a more decentralized site pop up, which doesn’t, which takes the middleman out of it, like IndieGogo and Kickstarter out of it, and connects people in a more peer-to-peer-way. I think that would be exciting. But so yeah, I think I’d leave it at that. Send that message out to the programmers of the world. And make that one happen.

Question: “A crowdfunding site with no fees?”
Yeah, no fees. Yeah exactly, that’s like, a peer-to-peer one. I don’t know how it would work.
Question 1.1

Norsk platebransje jo er kanskje den i verden, musikkplatebransjen, som er, som har det best med tanke på subsidier og støtte, og mulighet for støtteordninger og alt i fra kulturråd og fond for lyd og bilde, fond for utøvende kunstnere, lokale banker, lokale kommuner, fylkeskommuner og alt mulig, og det gjør det jo at, det gjør det veldig enkelt for en artists, som da har lyst å få til ett eller annet og ta sånne runder, så er man veldig ofte sånn mer eller mindre i mål når man går i gang med studio-innsparing og det gjør at det på en måte ikke utvikles en sånn sult som det gjør, for eksempel bare i Sverige så er det sånn at når man bestemmer seg for at man skal gi ut en plate så er man avhengig av å bruke alle triks i boka, som for eksempel crowdfunding eller om det gjelder kronerulling fra familie og kjente og sånt noe, det er liksom helt andre måter å tenke på. Litt mere frie markeder, og ikke så mye, på en måte sosialistiske støtteordnings-kultur, som gjør, det gjør jo at man, at det blir mindre sånn typ desperasjon som igjen også gjør at crowdfunding ikke får helt fotfeste i Norge, og det har det jo ikke fått enda. Det er jo det stedet, også et av de stedene i verden hvor crowdfunding er minst, det er jo i Norge. Men det kommer til å komme og jo mere man ser nå, nå har jo kulturrådet begynt å få mindre penger, riksscenen har blitt halvert, så det er klart det kommer til å jobbe seg fram en sånn typ crowdfunding-kultur, men det er klart når norske, det blir crowdfunding, det crowdfundes for, ja, jeg vet ikke, fikk noen tall på det for lenge siden, som var så lave tall at det var helt nifst å se hvor lite som egentlig, det blir crowdfundet for i Norge da, i forhold til andre land.

Comment: “For sånn jeg har forstått det, så har du crowdfundet et par tribute-album”

Ja jeg har vel crowdfundet rundt 25 forskjellige ting, det er alt i fra bøker til tributekonsert har jeg crowdfundet, jeg har plater, jeg har gjort liksom ganske mye forskjellige, men…

Question : Hvordan var din erfaring med [crowdfunding]?

Erfaringen er jo det at hvis du har noe som folk liker og kjenner til veldig godt, eller hvis ting er smalt nok sånn at man på en måte er en oversiktlig kundegruppe, så er crowdfunding veldig bra, jeg har gjort alt i fra Motorpsycho som er på en måte
Norges største band, målt i antall blodfans som kjøper alt, når jeg gir ut en bok om Motorpsycho så vet jeg jo det at rundt tusen personer kjøper det jeg selger, uansett hva jeg selger, bare fordi det der motorpsycho, men jeg har også gitt ut en bok, og crowdfundet en bok med folkemusikk fra Setesdalen og det er jo grunnen til at det gikk bra er jo fordi at Setesdalen består av 600 mennesker, så henger du opp en liten plakat på torget i Setesdalen, så vet alle i Setesdalen at det skjer noe i løpet av fem minutter, og det er jo sånt, merker jeg når jeg crowdfundet 15 fotballbøker, så merka jeg jo det, at jo mindre klubbene var, jo mindre byene klubbene var fra var, jo lettere var det å crowdfunde også, for da spredde ting seg veldig mye fortere fordi folk syns det var veldig gøy.

Question 2.1

Hmmm, ja, du må jo uansett, det som er med crowdfunding er det at en trenger jo et publikum for at noen skal være interessert i, det er ikke sånn at folk går å leter opp, og tenker, jøss, i dag har jeg lyst til å kjøpe en plate, spennende å se om det er noe som kanskje skal lages i framtiden, det er jo ikke sånn crowdfunding funker, det er jo sånn at man må jo jobbe det over tid, men jeg tror at de artistene som er lure nå, de, for eksempel, har en konsert på Oslo parkteater for eksempel da, også får de til de 400 eller 200 som var å se på dem, også bygger de opp et kundeforhold på en måte direkte til sluttforbruker, hvis du skal selge plate over disk, så tjener du omtrent en tredjedel av det du ville tjent hvis du hadde solgt det direkte til kunden din, og det er også, å selge over disk, er jo veldig sånn lite nyttig for for framtiden, med tanke på at ingen vet hvem det er som faktisk skal kjøpe plata. Men hvis du greier å selge da, hvis jeg vet at du kjører plata mi, så har jeg på en måte mail-adressen din, og vet at at neste gang jeg gir ut en plate med noe du har faktisk vært interessert i å kjøpe før, så er sannsynligheten veldig stor for at du kjører det igjen, og hvis du på en måte, du er veldig fan av Prince da, la oss si det, så hadde vi jo, jeg hadde kommet med Prince-ting, nye ting som jeg viste du var interessert i, så er jo sjansene for at du syns det er gøy å få direkte mail av en som faktisk driver med noe du faktisk liker, det er sånn jeg sendte ut en mail til alle Motorpsycho-fansene, 980 personer og sa da at hvis noen syns at det er her er spam, og hvis noen syns at det er mase av meg, så si ifra så skal jeg fjerne dere i fra lista, jeg fikk jo ikke en person som syns at det var dumt, fordi at vet jo at Motorpsycho fans som elsker å få mail fra meg når jeg har noe nytt.
med Motorpsycho, så det er liksom en sånn “hvordan greie å få en community” og disse tingene de, det er jo det som er alfa og omega, jeg tror de artistene som skjønner det, at du faktisk kan få en, det er forskjell på de streaming artistene som bare, om å gjøre å ha mest mulig streams, også tjener de ikke så veldig mye penger, men det gjør jo, åpner jo muligheten for konserter eller event-jobber, eller hva som helst, men.

*Question 2.2 skipped as I felt interview-subject answered that in the previous questions.*

*Question 2.3*

Ja, det er absolutt. Det er nok store sjanser for. Men man må jo på en måte, det er jo en veldig sånn gammeldags måte å tenke på, dette her med, sånn som det er nå så er det jo at plateselskaper er jo bare ute etter å signe artister som treffer umiddelbart, det er derfor det er musikk ikke som funker, og som selger mye nå er veldig sånn lite og lett å like og veldig umiddelbar da, det er sånn band som som liker å jobbe å jobbe opp ting fra scratch, og slik som trener fem lyttinger før du liker det, det de bandene som er interessante, hvertfall mere for crowdfunding enn Astrid S og Julie Bergan og Kygo.

*Question 2.4*

Nei, det er artister som har en veldig sånn definert målgruppe, driver du med ren popmusikk så er det liksom sånn, alle liker jo pop men altså ingen som egentlig bryr seg sånn nevneverdig om det, men hvis du, for eksempel har, jobber i veldig sånn sjanger-betont ting som metall eller sånt, du vet at heavy metal-folk er veldig sånn lette å please, hvis du sier at det er en metall-festival som skal komme så er de nesten mest opptatt av at det er metall-festival, og kanskje ikke så opptatt av artister som skal komme. Det er jo kanskje det aller enkleste publikum å please, og de også kjøper fysisk format, de liker fine utbrettbare covre ikke sant, de er sånn lette å glede da, og det er jo en sånn aller fineste publikummerne vil jeg si, så er det jo mye sånn sjangre om punk-sjangeren, der er det jo mye sånn, det er også en oversiktlig gruppe; hip-hop folk er veldig oversiktlige, men de er ikke så opptatt av fysisk format, så det er liksom i retning rock er det nok veldig enkelt, også er det jo endel jazz-folk som også drar mye nytte av crowdfunding, så er det jo, hvis man skal gi ut en plate om
Drammen, en hyllest til Drammen, så er jo det også sånn sted hvor du da møter Dрамmensere veldig raskt på alt i fra sosiale medier til lokalaviser og sånne type ting. Så det er jo klart, det også er en sånn, hvis det er enten sånn konkret målgruppe, enten geografisk eller sjangermessig, jo mere du kan 'narrow it down', jo lettere blir det.

**Question 3.1**

Ja hvis du ber om en million kroner så får du sjeldent det, så det er derfor det er liksom, og Kickstarter har jo veldig sånn klare retningslinjer og IndieGogo også sier jo at det er ikke noe vits for oss å ha en kampanje som vi vet går dårlig, derfor så lager vi heller en kampanje som det ikke er alt for mye penger på, og ikke sant, hvis du ber om fem tusen kroner så er jo det veldig lett å få, da kan du jo egentlig bare betale selv, også har du noe som er vellykket så kan du spre det på sosiale medier at jeg har en vellykket crowdfunding kampanje bak meg, det er jo super-enkelt, så det er veldig mye sånn psykologi ute der, men crowdfunding er ikke bare salg og for å tjene inn penger, men det er også veldig viktige markedsføringsfaktorer som kommer inn, det er jo at du kan starte en markedsføringskampanje lenge før plata på en måte er spilt inn hvis du, du kan profilere et cover på en plate som ikke er en gang innspilt, flere måneder før den kommer ut, og at du begynner å gjøre, at folk begynner å liksom...., ja, det begynner å gro seg inn i bevisstheten til folk da, hvis jeg hadde sett liksom en Motorpsycho-plate som hadde et skjelett på forsiden så hadde jeg tenkt “hm, skjelett - motorpsycho”. Og når jeg da ser den andre og tredje gangen så begynner jeg å glede meg, sånn som det er tradisjonelt nå, så er det jo sånn at du spiller inn en plate, ingen vet om at du er i studio, og når du slipper den første singelen, da er du avhengig av at den skal gå bra, hvis ikke den går bra, så er du liksom også dårlige forutsetning for at album, hele albumet skal gå bra, og til slutt så kan det gå galt, for det at du har ikke greid å oppnå en effekt, det som er fint med crowdfunding er at du kan jo måle den effekten, du kan jo se: er det noen interesse for dette her. Du kan måle antall delinger, antall likes, du kan måle det i kroner og øre, penger som kommer inn, så det er jo en sånn derre, veldig målbar måte, det er sånn, hvis du skal spille inn en plate og hvis du visste at du tapte 100,000 kroner på den, så hadde du kanskje ikke gjort det i utgangspunktet, den gamle måten å tenke på var jo at man spilte inn denne plata, så tapte man 100,000. Nå kan du faktisk si at: vi
skal spille inn en plate, hvis vi får dekt hvertfall 50,000 da. Og hvis du klarer det, så veit du at da kan du ikke tape mer enn 50, og da blir det jo litt interessant igjen. Og før så tenkte man jo kanskje: du må selge tusen plater for å gå i null, og hvis du selger de via crowdfunding, så trenger du selge 300 for å gå i null. Så du har jo veldig sånn, det er er veldig sånn oversiktlig og fint.

**Question 3.2**

Nei det er jo det., det som er gøy er jo at dette er jo egentlig luring av kunder uten at du lurar de, på en måte. Jeg merker jo selv når jeg har mine favoritt band, kommer med en bok, eller en plate eller en boks eller hva det noe enn skal være, så betaler jeg jo gledelig 1000 kroner for å være den ene som får den ene av tusen eksemplarer, så er jeg kjempelykkelig når jeg klarer å trykke meg inn og egentlig blir rundlurt av bandet, fordi at jeg er blodfan, og det er jo en sånn greie, det er en veldig sånn vinn-vinn-greie da. En annen ting er jo at du kan tilby de som forhåndsbestiller får blå vinyl på plata di, mens de andre får bare svart, som kjøper den etterpå for eksempel, det er en sånn morsom greie som gjør at: shit, det lønner seg å kjøpe den med en gang, for da får jeg den som er litt mere verdet på sikt, og den som er litt mere fancy. Kanskje man kan nummerere de, man kan putte i noen bilder, signere, masse gøy man kan gjøre med en sånn plate, som gjør at det blir attraktivt å være tidlig på den, og hvis du skal kjøpe den plata likevel, så er det ekstra kult å få lov til å kjøpe noe som ikke alle andre har, hvis det kommer en plate, en CD-plate med favorittbandet ditt ut, så er det jo ekstra kult å vite at du har fått en CD-plate med et bonus-track på, eller en håndstrikket cover, bare fordi det er litt sånn gøy da. Du skal være ganske opptatt av fysisk format for at dette skulle, at det her skal funke. Så det er klart, driver du å er Julie Bergan så er det jo ingen som er så fan av Julie Bergan at de er villige til å kjøpe seg en plate som er signert eller nummerert, eller noe sånt noe, for det er jo bare musikk som skal konsumeres, så du er jo avhengig av at dette her treffer en målgruppe som faktisk bryr seg om det fysiske.

**Question 3.3**

Det mest positive med crowdfunding er at du kan begrense risiko, du kan begrense tap, du kan vite at hver eneste person du når via crowdfunding er tre ganger så mye verdt, minst, som en tilfeldig kjøper i butikk. Som også er potensiale for å gi det
penger, hver gang du gir ut noe de neste 2, 10 eller 15 eller 30 gangene på en måte, så det er på en måte, det er som en bank da, som du har en person som er i banken, du vet at de er der, så lenge du pleaser de, og sørger for at det skjer noe der, stadig vekk, så vil de heller ikke bytte bank, og da vil de også benytte seg av alle tjenestene som kommer. Så det er først og fremst økonomiske grunner, men også markedsføringsmessige.

**Question 3.4**

Det negative med crowdfunding er at hvis en kampanje går dårlig, så er det veldig sånn synlig. Du står og går fram og sier: hvis jeg får tak i 100,000 kroner, så kommer jeg til å gi ut en plate, og hvis du da får inn 30,000 og du dropper plata, så ser det veldig dårlig ut på papiret, det er veldig sånn dårlig for både band og for framtida og rykte og image og alt, så du er ganske avhengig av å lage en kampanje som faktisk er så nøktern at den vil gå bra. Det er mange også som lager kampanjer å heller er villige til å betale de siste pengene selv, for at kampanjen skal se vellykket ut, sånn at det, at hvis du skal gi ut en platen likevel, så er det det enkleste, hvis du mangler 30,000 kroner på en plate du vet du skal gi ut, så er det like gjerne å betale inn 30,000 kroner også får du tilbake, ja, 30,000 minus 5% da. Så det er ikke sånn at det koster deg noe mer, så det er veldig få ulemper ved crowdfunding, den eneste er det som er tilknytta det som kan gå dårlig, at folk ikke bryr seg.

**Question:** “Med crowdfunding så er det ingen garanti til de som funder, for at det blir et bra resultat, eller at det kommer noe i det hele tatt, tror du det også er en ting som kan få folk til å være litt negative til crowdfunding?”

Ja, det er veldig få eksempler av folk som har lurt noen i crowdfunding, det er for det er ganske håndfaste, ikke sant, du spores tilbake til en person, en privatperson, alltid, og det er liksom hvis du skal svindle noen, du kan jo bare gå inn i en bank og stjele penger også, men greia er at hvis du går inn og sier: jeg skal gi ut en plate hvis jeg får inn 100,000 kroner. Og hvis du da får inn 100,000 kroner og du ikke gir ut den plata, så vil jo da det være et sted mellom 400 og 500 mennesker kanskje som er fullt klar over at du er en svindler, også vil jo det være dårlig for deg som artist, det ville være dårlig, sannsynligvis blir du anmeldt, og da vil jo måtte betale tilbake og går det galt, kommer du i fengsel, så det blir litt sånn. Det er jo en viss sjanse for at noen
roter og kåler til ting, men sånn generelt så er jo folk, hvis du først er villig til å, å ha fått inn penger på en sånn kampanje, så skal du være ganske dum hvis du tar de pengene i lomma og reiser til syden, det skal være mange millioner det er snakk om før du er lur.

Comment: “Det er også prosjekter hvor resultatet ikke har blitt det fansen var ute etter, som med noen spill og i andre kategorier, som da har fått backlash, fordi resultatet ikke ble det fansen ville ha. Jeg vet ikke om noen eksempler hvor noen bare har stukket av med pengene.”

Neida, det fins jo de som på en måte går inn og sier: vi skal lage verdens kuleste spill, for eksempel. Også blir det ikke verdens kuleste spill, men da har jo folk betalt 200 kroner. Det blir som å gå inn i en butikk også leser du en annonse hvor det står: dette er den beste plata i hele verden, også kommer du hjem, så hører du at nei, ikke verdens beste plate, også blir du skuffet, men du går jo ikke rundt å, du legger deg ikke ned å dør, hvis du ikke er en hovedsponsor som går inn med mange hundre tusen kroner for eksempel, fordi du har troen på det, også viser det seg at det ikke er bra, men det blir jo som investorer generelt, at av og til så satser du på noe som er stort, hvis du har 100,000 å satse på at et spill skal gå veldig bra, så har du nok ikke brukt de siste 100,000 kronene. Det er som å kjøpe en tomt også viser det seg at det er et synkehull i tomta di, liksom, det er jo sjansen vil alltid være til at man gjør en dårlig deal, men sjansen er også mindre hvis du gjør det via crowdfunding, enn at du på en måte går inn og... ja, hvis et band skal gi ut en plate da, så sier du til faren din at: jeg trenger 100,000, jeg lover at det kommer til å gå bra, det er veldig vagt, men hvis du går inn også vet faren din at du har fått inn 70,000 allerede, det er altså lettere å gå inn med de siste pengene sånn at da vet du at det blir noe av. så får du jo, kvalitet vet man jo aldri, du kan jo si at du skal spille inn verdens beste plate men det vet du jo ikke egentlig før du har gått ut av studio og sett om det faktisk funker.

Question 4.1

Ja det er jo det som er hele poenget med hvis du greier å få folk til å signe opp for en sånn type subscription type ting, så er det jo det som på en måte er grunnleggende, enten at de signer opp for det eller at de mottar informasjon fordi de har signet opp for det og ikke melder seg ut igjen fordi, er du fornøyd med, enten det er hvis du
elsker Quentin Tarantino så ser du alle Tarantino platene eller filmene helt til han gir ut noe så dårlig at du vurderer ‘Skal jeg gidde gå neste gang, for nå har det vært så dårlig’. Sånn er det jo med musikk også at hvis du kjøper en plate med en du liker veldig godt, så kjøper du automatisk nummer 2, hvert fall hvis du blir minnet på det, det er ikke alltid man får det med seg hvis man bare står å ikke er sånn gjennomsnittlig musikkinteressert, men hvis du er for eksempel da Motorpsycho, som jeg liker å bruke som eksempel fordi det er helt vanvittig magnetisk band til fans så er jo det liksom, så fort jeg får vite at Motorpsycho skal gi ut noe nytt så er jeg jo der og bestiller det omtrent før jeg har tenkt tanken om noe annet, det er fordi de fortsatt gir ut gode plater, å det er jo på en måte den aller beste forsikringen, det er jo bare å gi ut kvalitet og gjør det lekkert liksom, når man lager en fin boks, så gjør det fint sånn at folk ikke føler at de har gjort et dårlig kjøp, for det er noe som på en måte av det å gjøre noe sånt da.. Hvis du sier at du skal lage noe lekkert noe, så må du bare sørge for at det blir litt mer lekkert som det du har solgt inn så folk sier ‘wow, trodde jeg skulle få noe lekkert, men det her er jo sykt lekkert’.

Comment: Et eksempel jeg liker å dra fram er er Australisk extreme metal-band (Ne Obliviscaris) som får $10,000 i måneden fra fansen gjennom patreon. Du ser at niche band kan tjene penger på det”

De kan det. Det var jo det som var hele starten på crowdfunding var jo Marillion som ikke fikk lov av plateselskapet til å dra på, de ville gi ut en dvd og skulle ut på turné og Marillion var jo såpass små at de hadde kanskje klart å trekke 500 mennesker i hver eneste by, kanskje 1000, men alikavel var det så dyr produksjon at de rett og slett ikke turte å betale, å ha noen garantier fra plateselskapet sitt på at dette sku ut, så det de gjorde da var å gå ut til fansen og si ‘dette var synd, men hvis alle er villige til å betale 200 kroner hver så kan vi lage en dvd ut i fra det, hvis vi får inn nok penger’. Og da endte det opp med at fansen, først ga de mange millioner kroner til å produsere dvd, som kostet et par hundre tusen, og så når de skulle ut i verden, så begynte folk å forhåndskjøpe billetter på steder som gjorde at de visste at ‘oi vi har solgt allerede 1000 plater i Vancouver, da er det bare like greit at vi drar dit for da veit vi at vi er i null før vi omtrent har begynt også hvis det kommer flere så er det bare en bonus, og det er fordi de hadde mange blodfans, men ikke så veldig mye store sånn, de var jo et 80-talls fenomen som var gigantisk store på 80-tallet også mista de jo ganske mye av
posisjonen sin, men det er fordi at de har vedlikeholdt fansen sin i alle de årene, så det er noen som vil se de uansett, koste hva det koste vil.

**Question 4.2**

Nei, det er rett og slett veldig, musikk og bøker er vel det enkleste ikke sant, skal du lage en film så koster det oppi en million omtrent før du har begynt fordi det er, det skal klippes og limes og sånt, musikk kan du jo faktisk spille inn en plate til 20,000 kroner hvis det gjøres blant venner og alle spytter i en egeninnsats og tid, og hvis man får låne et studio så er det ikke mer enn opptrykk av plata som koster, så det er jo veldig sånn lett å få til, og veldig lav terskel. Du trenger ikke å være ekspert for å verken gi ut bok eller plate, du kan sette deg ned å spille inn kassigitar version av Creedence Clearwater Revival også kan du gi det ut på plate to uker etterpå hvis du har lyst, for det at det er ingen som kan nekte deg, og det er jo sånn lavterskel ikke sant. Å skrive en bok, det er litt høyere terskel for, for det at da må du stort sett hvertfall tenke at: shit, har jeg noe særlig på hjertet, men i år blir det alene gitt ut 6000 bøker i Norge, og da er det ikke mer enn 500 av de som egentlig er verd å bruke tid på, men film før eksempel, hvis du vet at skal du lage en film så tenker du: shit, hvordan skal du, ikke sant. Det er mye som begrenser seg selv, så akkurat musikk er nok det aller enkleste, det samme med spill også, om du først skal lage et spill, så må du ha en idé, også må du., det er ganske mange faktorer som spiller inn som gjør at du gjerne stoppes ved tanken, men akkurat plate og musikk er jo, til og med jeg har gitt ut plate, er jo ingen som kjøpte den, men jeg ga den i hvertfall ut

**Question 5.1**

Jeg tror det bare vil øke og øke, jeg tror jo flere band som kvitter seg med tanken om å drive igjennom plateselskaper, jo flere band som tenker at de må lære seg businessdelen, de må lære seg hele næringskjeden innen musikk selv, og ikke bare stoler på at, i gamle dager var det liksom så fancy å være artist og si at: jeg er kunstner, jeg skal bare gi ut musikk, også skal alle andre ta resten. Sånn tror jeg verden kommer til å gå bort fra, det kommer til å bli mye mer at du er din egen manager, du er din egen plateselskaps-direktør og du eier alle rettighetene selv, for det eneste som genererer penger framover er jo rettigheter, og hvis du skal gi ut en plate nå og gå til et plateselskap så er jo det kanske det dummeiste man kan gjøre som artist for det at
hvis du da ikke er sånn som er på universal, som har en million kroner i
markedsføringsbudsjett, så er det jo egentlig bare å, du skal gå inn et sted, du skal
trykke opp en plate, det kan du gjøre selv, du skal skaffe distribusjon, det er bare å..
Veldig enkelt, det er to telefoner så har du både digital og fysisk distribusjon også
har du, det er liksom ingen grunner til at plateselskap skal gjøre noe, hvis du ikke får
enormt mye tilbake igjen i markedsføring. Og en annen ting er jo hvis du selger 1000
plerter, så sitter jo plateselskapet igjen med mellom 80 og 70 prosent av inntektene,
hvis du hadde tatt de pengene istedet for og kjøpt en eller annen som kan
markedsføre det, så er det liksom mye bedre stilt, da eier du rettighetene selv, også
har du egentlig tatt alle pengene som plateselskapet skulle fått og brukt det på en
markedsfører som da egentlig er den viktigste delen av jobbe, og det fins folk som er
veldig gode på