

Spotify Provides New Monetization Opportunity For Music Artists

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Contact

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Garvey Schubert Barer Legal Update, January 22, 2014.

Spotify has launched a new commission-free service that permits music artists to make their merchandise and live concert tickets available to fans through the Spotify platform. Through Spotify's partnership with direct-to-consumer marketing platform Topspin Media, artists will now be able to link from their Spotify artist page to a webstore, enabling them to provide fans direct access to CDs, vinyl records, t-shirts, posters, stickers, wristbands and other merchandise through Spotify. Participating artists will manage "preview" merchandise images, item titles and descriptions that will be linked to the applicable webstore. Spotify will moderate submissions to ensure the authenticity of offered merchandise. It is anticipated that the merchandise offerings will appear on an artist's page 24 to 48 hours after submission by the artist. Currently, the service limits artists to offering a maximum of three merchandise items at a time.

Fans will also have access to tickets for live performances through the Songkick app, which shows upcoming performances in the artist's profile. The new Spotify service is free to the artist – neither Spotify nor Topspin commission purchases through the service, although artists are required to register for a Topspin ArtistLink account to activate the service. The service has been "beta" tested over the past month by 200+ artists, including the Beastie Boys, Grateful Dead, Bon Jovi and Led Zeppelin. The service is available to users in the following locations (though there are plans to expand language support in the future): Australia, Denmark, Iceland, Ireland, Norway, Sweden, United Kingdom and the United States. With Spotify's reported user volume of more than 24 million monthly active users and Topspin's reported average transaction value of \$20, this could provide a lucrative additional revenue stream for artists.

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If you have any questions, please contact Hillary, Theresa, MaryLyn, or Allison.