

MUSICINDUSTRYINSIDEOUT.COM

glossary

MUSIC INDUSTRY

GLOSSARY OF TERMS

Phrases like TM, per diems, sync, tracking and carnet often leave people scratching their heads. We've compiled a list of music industry abbreviations, slang, technical words and phrases that tend to pop up now and then and explained what they mean.

360 Deal

Back in the day, record labels used to make money by selling recorded music. However, in response to the decrease in sales, nowadays labels often employ a '360 deal' where they take a cut from all of the artist's income streams – including merchandising, touring, publishing, record sales and others.

ABN

Australian Business Number is a unique 11 digit identifying number that businesses use when dealing with other businesses. If you want to take your music to the next level, it's important to get your own ABN. You can apply for an ABN or access and update your ABN details on the Australian Taxation Office website.

Advance

When an artist enters a contract with a record label or publishing company, they are given an 'advance' by their label/publisher – a lump of loaned money which the artist then uses to record an album, buy gear, tour, etc. Sometimes the advance can be an extremely significant amount of money (we're talking \$500,00+), but in any case it must be recouped (see below for proper definition) before any profit is made. Often the cost of album production will quickly consume the loan, and it is estimated that fewer than 10% of signed artists recoup their advance and become financially successful. Ouch!

A&R

A&R used to mean The Artist and Repertoire (ARA) department in a record company, responsible for finding and developing upcoming artists, as well as acting as a point of contact for existing ones. But the term has expanded considerably in the "new" music industry era. These days A&R titles can be found attached to a wide range of music businesses – booking agencies, marketing businesses as well as small indie labels. A&R people seek out new talent, and help develop them – these people work closely with the artists throughout recording projects, in conjunction with managers, producers, songwriters and other musicians.

ATA Carnet

An essential legal document allowing the temporary importation of equipment to countries without paying customs duty. Essential for all international touring acts, as without it you may be hit with thousands of dollars of import tax for whichever country you are travelling in/through.

Attribution

Recognising that something is officially noted as having been created or authored by someone.

Back Catalogue

This generally refers to the body of work (for instance, albums, EPs and/or singles) that a writer or artist has released.

Blanket License

This 'overall' license authorises the public performance of all songs in the society's catalog. These are issued by the Performance Rights Organisations and are supplied to radio station, venues and other places that host public performances of music.

Code of practice

A statement of rules of how to carry out work activities in a particular industry (but not enforced by law).

Compulsory Mechanical License

This is an exception to the copyright holder's exclusive rights of reproduction and distribution that allows anyone to record and distribute commercially-released material as long as the mechanical license rates established by the copyright law are paid to the copyright owner of the original material.

Consignment

This is an agreement where the retailer takes possession of the artists product and merchandise, including CDs and T-shirts, and only pays the artist for the inventory that is sold. When a sale occurs, the retailer purchases the product from the held inventory to meet the order. This system is very common with online retailers of independent music.

Contract

A legally-enforceable agreement between two or more people or organisations to do something.

Copyright

A process taken by musicians to claim rights to their original material; this helps to stop people from stealing other artists' songs, lyrics or music.

Cover

A song performed by an artist other than the original author.

Creative Commons

A web-based organisation that enables the use of copyright material with partial or no restrictions.

CRM

Customer Relationship Management refers to ways of handling interactions with fans (for example, transaction histories, email databases and activity logs). It's particularly useful when integrated with other services such as buying, ordering, accounting and so on.

Demo

A basic recording that highlights the talent and musical style/direction of an artist. This is usually distributed to potentially interested parties including booking agents or A&R representatives. Due to improving technology, professional-grade recording costs have decreased and therefore the production quality standards of demos have been raised.

Distribution

This is the process of selling recorded material to the public through physical and digital mediums, typically through record stores or online retailers such as iTunes, cdbaby.com and bandcamp. Independent 'DIY artists' are usually interested in signing deals with large distribution companies and signing contracts with online retailers in order to accomplish sales without the legal constraints of a standard recording contract.

EP

Extended Play (EP) records were originally 3 or 4 track 45 rpm 7 inch vinyl singles. (A normal vinyl single had one track on each side.) These days the term EP is used to describe releases that have more than two tracks but are too short to qualify as a full studio album or LP.

Endorsement

This is a promotional tactic employed by equipment manufacturers in which they provide gear at discounted prices (sometimes even free of charge) to high-profile and successful artists in exchange for exposure generated by the artist's use of the product.

Exclusive Rights

The privileges that only a copyright owner has with respect to their copyrighted work.

Invoice

A document issued by a seller to a buyer listing the goods or services supplied and stating the sum of money due.

ISRC

The International Standard Recording Code is designed to help track sales and radio station play. Every new recording and version of a recording must be assigned a unique 12 digit number code. These codes can be obtained through a number of online music service producers.

LP

Long Play (LP) are 33 $\frac{1}{3}$ rpm microgroove vinyl records and are a format for phonograph (gramophone) records, an analog sound storage medium. They are also known as albums as one vinyl record would replace several of the shorter-running 78 rpm records.

Manager (personal or band)

This is the person responsible for developing the artists profile and career. The manager advises the artist on all business related decisions and promotes the artist through direct personal networking, media coverage, distribution of demos. For independent bands, the manager is often a member of the group and also acts as

the 'booking agent' of the ensemble. In professional circumstances, or when a record contract is signed, a professional manager is hired under a contract that pays the manager a percentage of the group's profits. If the act generates significant income and are becoming quite high-profile, they may also hire a business manager.

Marketing

The process of aiming to increase artist popularity, profile and product sales by generating interest in the artist's music. This includes exposure in various mediums such as print, television, radio and the internet.

Mastering

The final process of preparing a mixed recording for commercial distribution. Various adjustments are made during this process, such as configuring the playing order placement of the songs, the overall volumes are enhanced for consistent level with other released material in the market and for radio airplay, the final touches are made to smooth mixes over and strengthen various elements in each track, volume fade-outs can be placed at the end and beginning of tracks, and other final adjustments are made to achieve the desired sound. This process creates the final versions of the recordings, typically known as the masters.

Mechanical License

License that gives authorisation from music publishers or songwriters to record and distribute a song.

Mechanical Royalty

A mechanical royalty is earned for any hard-copy material that is manufactured and distributed with a copyrighted song on it. A mechanical royalty must be paid even if the hard-copy material is given away for free.

Per Diems

An allowance or payment made for each day – usually used when touring. A band or crew member might be allocated a (for example) \$30 payment to be spent on their personal activities like food, drinks, taxi's etc.

Performance Royalty

A performance royalty is paid when the copyrighted song is performed live in public, such as through broadcast on radio, television and in a public space.

Performing Rights License

A license that grants authorisation for the public performance of a song. This is usually granted by a performing rights society through a blanket license.

Performing Rights Society/ Organisation

These associations act as business agents on behalf of music authors and publishers to license songs, issue performing rights licenses and collect and distribute royalty earnings to songwriters and publishers for performances of each copyrighted material, including broadcasts on radio, television, in a cinema, or on the internet. As popularity of songs increase, the task of licensing royalties on a song by song, performance by performance basis would be impossible, and therefore, frequent song users such as radio stations pay these associations a single license fee to use all of the songs available in their catalog. The association then pays the publisher or author royalties in proportion to the frequency of the performance.

Personal Manager

A representative who assists the musician/s in the development and management of their craft and entertainment career.

Phonorecord

A term used in legal definitions to refer to physical recordings of songs that may be forgotten in our day and age! This is a material object onto which sounds can be recorded. These mediums include the audiocassette, the CD and Vinyl disc.

Presser/Press Release/Media Release

An official written or recorded communication sent to the media for the purpose of announcing something newsworthy (for example an album release or a tour).

Print License

A license that grants authorisation from a music publisher or songwriter to reproduce and distribute a song in printed form.

Producer

The artistic director who oversees the creation of an album or other musical recording and is responsible for the overall artistic success of a recording.

Promotion

The process of raising public awareness of an artist or product.

Publishers

Music Publishers used to mainly deal with the copyrights associated to printing and distributing sheet music. These days, in addition to print rights, publishers help musicians with mechanical and synchronisation rights and also collect money on their behalf for publishing-related copyrights.

QR Code

A Quick Response (QR) code is a square barcode used to link people to a specific web address. Users can scan the barcode with a mobile phone-based QR app and it will take the user straight to the URL.

Recoupment

This is the process of the artist earning money through sales to pay off a record label's cash advance.

Royalty

The money given to a copyright holder in exchange for permission to use their music.

Sampling

Sampling is the act of copying a section of one sound recording and reusing it in a new recording. Without receiving appropriate clearance from the copyright holders of the original recording, sampling can result in copyright infringement.

Session

A recording period at a professional studio. Session musicians are hired to play in recording and are paid only for their time and typically do not receive any portion of the profits their recording generate.

Sync/Synchronisation

A music synchronisation license, or "sync" for short, is a license granted by the holder of the copyright of a particular composition allowing the licensee to "sync" music with some kind of visual media output (film, television shows, advertisements, video games, accompanying website music, movie trailers, etc.). The rights to a composition or the "song", which is different from the studio sound recording, are most often administered by the publishing company that

represents the writer/producer. The value in the copyright of a recording is divided into two pieces:

- the "master" sound recording, which is the actual studio recording of the song and most often owned by the record label,
- and the composition, which is the underlying lyrics and melody written by the songwriter and administered by the music publisher.

Talent Agent

A representative who arranges for the public performance and other creative-related opportunities for a musician. They also be known as a 'booking agent'.

Target Audience

A specific group of people at which a product or the marketing message of a product is aimed at. It's important to understand who your most enthusiastic fans are so you can shape your marketing approach and strategies around them.

TM

Tour Manager.

UPC

The Universal Product Code (UPC) is a specific type of barcode widely used for tracking products in stores. Its most common form, the UPC-A, consists of 12 numerical digits, which are uniquely assigned to each product.