

The Essential Guide to Maximizing Artist Revenue



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Mary J. Blige has been quoted as saying "The music business is not a good place for people who don't know things." Music-industry managers like you live out this observation every day. In fact, "knowing things" is at the core of your job description.

Your artist counts on you to manage the minefield of the industry so they can concentrate on making art.

It can be daunting, but rewarding. If you believe in your artist and the music they are creating, you're willing to do the work and know the things.

But what about the things you don't know? Making money in the music industry used to be simple - daunting, but simple. Artists sold physical albums and went on live tours to promote them. Technology and the pandemic have upended the business and how fans are consuming music. Live tours are coming back, but they are no longer the only way to generate revenue... and they are definitely not the cheapest. Plus, fans are expecting more from artists these days than just an album and a concert. They want to interact with artists and with other fans. They want access and information. They want to feel special and have one-of-a-kind experiences. Because of this, plenty of other revenue streams are available to your artist (well, actually, to you) that you can use to improve your bottom line.

If you are still relying solely on live tour and album sales to pay the bills without considering complementary revenue streams, you are leaving money on the table.

Let's look at some ideas to change that.





The First Step

Who are your artist's fans?

What makes them fans?

What is important to them?

How would you like them to experience your artist's music?

As in most business cases, it is best to take a step back before planning a new revenue stream and pinpoint who your customer is, what their needs, wants, and pain points are, and what you and your artist want them to get out of an experience or offer. This information will help you create a successful revenue-generating strategy that will create a bond between your artist and their fans that goes on well beyond the show or the album.



Creative Merchandise

Let's spend a minute talking about merch. All artists sell branded merchandise as a revenue generator and brand builder. *But not all artists take the time to think critically about what their fans would like to purchase.* The basics (t-shirts, sweatshirts, hoodies, stickers, koozies, posters) are a given. But the print-on-demand services available now make it easy and fast to try new ideas, without the need to buy thousands of them.

What about socks, bandanas, blank songbooks or journals, earbuds, jewelry, or even art created by the artist?

What would make your artist stand apart from other artists?

What could be their signature item, maybe something they bring on stage at every concert, like Steven Tyler and his scarves?

Merchandise is an ongoing revenue stream that can be very lucrative with the right mix of products, both day of show and online. Be thoughtful in your choices and use your sales data to improve your SKU list often. Many of the revenue channels we will discuss in the rest of this blog will use your branded merchandise as the sales hook. You must have the right mix.





VIP Experiences

A VIP concert experience is an opportunity to make them feel special, but it's also a chance to bring in more revenue. So, roll out the red carpet (for a fee). It's possible you could charge up to 50% more per ticket for an impactful VIP experience.

Create a VIP ticket category or a tiered set of tickets offering extra access to your artist and the event. Benefits could include front row seating, "skip the line" access, or signed merchandise. Add a digital benefit, like a QR code that unlocks a special message from the artist or exclusive VIP-only merch access.

For a higher tier experience, include dedicated lounge spaces with a backstage meet-and-greet, a photo booth with props, charging stations, games, activities, and food. These experiences can also double as opportunities to bring in tour sponsors or business partners - and their employees and families.

Due to the exclusivity of VIP experiences, there is an opportunity to surprise and delight fans with unexpected details. It's those little surprises - like signed merchandise and photo opportunities - that set your artist apart. Those surprises are a great way for your artist to form a deeper relationship with fans and to make new fans

Here's an example. Lady Gaga offers four different VIP packages for her summer 2022 tour. The top tier is \$6,000 and includes seats in the first 10 rows, a meet and greet and photo opportunity, VIP merchandise, a gift bag, and escorted entry. The lowest tier is \$850 and includes one premium reserved floor ticket in the first 25 rows. Now, Lady Gaga reportedly made \$500 million from her six concert tours... your artist is not at that level of fandom (yet!). But VIP packages work at any level, and it's clear that they are lucrative. If your artist is still spooked about COVID, don't let that spook you away from designing a VIP package! There are plenty of ways to make a memorable VIP experience without direct artist/fan interaction.

The VIP experience does not need to end at the event. With a great web developer like BIPi, you can build an exclusive VIP micro-site for fans with a special log-in where they can access more signed merchandise, exclusive content like new music or artist videos, and message boards to interact with each other.

When you deepen the fan/artist relationship by offering these kinds of extras, the customer's lifetime value grows exponentially.

Don't forget! Document all VIP experiences with photos and videos so you can use them to promote your VIP offerings on social media and on the artist's website. Using this content on social channels day-of-show can even result in last-minute package sales that can bump up your revenue.



Website Experiences

Great fan experiences start long before the concert begins. It starts the moment tickets go on sale.

A successful artist must have an online presence to build their brand.

But don't just build a website that lists your tour dates. Build an online experience for fans that allows them to share their love and interact with your artist. An impactful online experience should be immersive and include another place to earn revenue.

An immersive website includes opportunities to purchase merchandise and concert tickets, either on the website or linked to an external seller like iTunes. To help sell those items, also include artist information and teasers in video and audio form. Make the viewer feel like they are getting exclusive information and content. Create a message board for fans to interact with each other. Ask fans to review new music or merchandise or post photos wearing the merchandise. Make sure the "Buy Now" buttons are large and visible. Link to the artist's social media pages, but always make it easy for the user to get back to your website.

These immersive experiences will build your artist's fan base and give you valuable information on how fans feel about the music and the merchandise. Use this knowledge to tweak the SKUs you bring to concerts, re-order for the online merchandise sites, or to create a set list.

[Click here to discover how we helped LeAnn Rimes develop her website experience.](#)

Don't just build a website. Build an online experience for your fans where they can share, interact, and buy more from your artist.



Social Media Organic Interaction

Your artist's social media channels should mirror your website in brand and messaging. Think of your online channels as one integrated ecosystem. Each channel should be linked to the website and each other when it makes sense. Make it really easy for fans to find e-commerce pages and use them in as many channels as you can.

Your social media channels are perfect places to interact with fans because you can post daily and content is easily shared.

Interaction with fans is crucial to building your artist's brand and creating more revenue opportunities.

Hiring a social media manager is well worth the expense if your artist's fans are actively engaging with each other and your artist. Like on the website, you can also use these interactions for marketing research.

Here's an example of fan interaction on social media that leads to more revenue. Encourage fans to upload videos or photos of themselves listening to your artist's music, showing off their merchandise, trying on an outfit for the concert, or some other action that involves your concert. Make it a contest and ask your followers to choose a winner for Best Photo, Best Outfit, or Best Merch Hack. Offer a merchandise discount to anyone who votes in the contest or shows that they've used a certain hashtag. Share winners across all social media channels.



YouTube Partner Program

While YouTube is not the only social media channel with a creator monetization program, its Partner Program deserves a little more attention. An artist can share profits with YouTube for videos uploaded to the site. The content must be original and owned by your artist. There are several ways you can make money on YouTube through their [Partner Program](#). These include:

- **Advertising revenue:** Earn ad revenue from video, overlay, and display ads on your videos
- **Channel memberships:** Sell memberships to your channel. Members pay monthly for special perks
- **Merchandise shelf:** Fans can buy merchandise showcased in your videos
- **Super Chat & Super Stickers:** Fans pay to highlight their messages in chat during live streams
- **YouTube Premium Revenue:** Earn a portion of a YouTube Premium viewer's subscription fee when they view your content

To qualify for the Partners Program, your channel must have:

- at least 1,000 subscribers
- at least 4,000 valid public watch hours over the last 12 months
- in a country where the YouTube Partner Program is available
- an AdSense account linked to your YouTube channel
- no active Community Guidelines strikes
- follow all YouTube channel monetization policies
- use 2-Step Verification on the Google Account associated with your YouTube channel

The average YouTube channel will earn about \$18 per 1,000 ad views. That translates to \$3 to \$5 per 1,000 video views when you factor in the rate of ads actually viewed. This may not seem like a lot but keep in mind there are influencers who make millions of dollars on YouTube because they've built their follower count and post regular content.

Remember, you get back what you invest.

It may take some work to become qualified for the YouTube Partner program, but with several different ways to earn revenue and a little work on your end, it may be worth it. Other [social media monetization programs](#) include TikTok Creator Next, Instagram IGTV ads, and Facebook Stars.



Ticketed Virtual Event/Live Streams

Another way to leverage your digital channels is to offer live performances for a ticket fee. These could be an extension of your in-person concert tour or separate performances set up to promote the tour or new music. Due to the pandemic, live streaming exploded in 2020 with revenues upwards of \$600 million but has since declined as in-person concerts come back. Live streaming still retains a solid base, so a hybrid strategy is becoming more prevalent as concert promoters try to meet the demands of music lovers.

A recent survey showed that after watching a live video of an event, 67% of viewers are more likely to buy a ticket to a similar concert or event.

You can host live online concerts on your website (although you will need experts to help you with the tech), on some social media channels like YouTube or Facebook, or on a dedicated live stream platform like Songkick or Dacast. The content could be just a few songs as a teaser for your live tour or an entire live concert while on the tour, or both. Paid live stream tickets range between \$5 and \$25. Just like in-person ticket prices, live stream ticket prices should cover all costs, including the live stream platform and tech needed.

If you don't feel like your audience would pay for a ticket, you can set up a digital tip jar on the site for fans to give what they can during the concert. If you are a YouTube partner and use the platform for your live stream, a digital tip jar is available. Of course, you could keep a digital tip jar on your YouTube page or your website at all times if you feel fans would use it.

Find a platform that allows you to sell music and merchandise or can easily link to your e-commerce pages. Make sure to upload the concert video to your digital channels for other fans to view. You can leave the tip jar links in the video description, and viewers can continue to donate even after the concert.

As with all of these digital revenue builder recommendations, unify your digital channels so they are connected and on-brand.





Fan Clubs

Online access has made the traditional fan clubs almost obsolete, but some artists are still making them work as a lucrative revenue stream and brand builder. Think of them as a subscription business model. Fans pay a set amount of money every month for exclusive content or access.

As an example, Neil Young built a website of his [musical archives](#) and allows fans to access it by paying a fee of \$1.99 per month or \$19.99 per year. Subscribers have access to the entire catalog in high-resolution audio form. They can also pre-order concert tickets before anyone else.

Your artist's fan club could enjoy access to live streams, discounts on merchandise, exclusive content, or access to your artist online. Ben Folds makes more than \$100,000 per year from a [fan club page](#) with over 1,000 supporters who pay \$10 a month to engage with him. Fan Clubs offer can set an artist apart from other artists on social media platforms.

There are digital platforms such as [Topfan](#) and [Patreon](#) that can help you set up and maintain a fan club, or your web developer may be able to help.



Influencers

Have you worked with influencers? If you have, then you know they can be worth the investment, as long as you choose the right partner and you give them clear deliverables. How can you leverage a successful influencer relationship to bring in revenue?

Influencers promote, recommend, and build awareness for artists and their music. They produce those crucial viral moments that can elevate your artist to the next level.

At the very least, they can increase your social media following. But how can they earn revenue?

Traditionally influencers do their job online, via social media or websites. Here are some ideas on how to engage an influencer. Let your influencer “take over” your Instagram or TikTok account for a day or a week when tickets go on sale to talk about the tour, tagging their own accounts to engage their network. Get influencers to engage with fans on your artist's message boards or social media pages. You can also provide influencers with content such as images, sound, or videos to share on their own social media accounts. Also, publish the influencer's exclusive content on your digital channels. Don't forget to incorporate a unified digital strategy and a strong call to action to buy concert tickets, subscriptions, or merchandise in all influencer content.

An influencer program is an investment. For 2022, the average rates for an Instagram influencer are per post and based on number of followers. They are:

Type of Influencers	Rate
Nano (1-10k followers)	\$10-100
Micro (10-100k followers)	\$100-500
Mid (100-500k followers)	\$500-\$5k
Macro (500k-1m followers)	\$5-\$10k
Mega (1m+ followers)	\$10k+



YouTube influencers are the most expensive, presumably because the content needs to be a little more polished and professional than other social media sites.

YouTube influencer rates per post and by number of followers in 2022 are:

Type of Influencers	Rate
Nano (1-10k followers)	\$20-200
Micro (10-100k followers)	\$200-1000
Mid (100-500k followers)	\$1000-\$10k
Macro (500k-1m followers)	\$10k-\$20k
Mega (1m+ followers)	\$20k+

Finding influencers may be difficult if you are just starting out. You could begin by tapping the most active fans on your message boards and social media channels. If these fans have a substantial following, they would be an authentic choice for your influencer program. Their enthusiasm for your artist could be a great marketing message and sales tool. You could also put a message out on your channels asking for influencers to contact you. Make sure to outline your requirements completely to filter out those fans who are not right for the program.

Influencers are worth the investment if they can drive revenue for your artist. Keep a close eye on your ROI to be sure they are worth the price of their posts.



Brand Partnerships

Brand partnerships have become an important source of income following the decline of traditional record sales. Your artist earns revenue by either endorsing a brand's product or service, or working with a brand to make a signature product, such as an EP, a musical instrument, or limited-edition merchandise. Be creative in how you leverage the partnership.

Brands are paying you for the opportunity to get their product or service in front of your fans.

Once your artist becomes known on social media, brands will come to you with endorsement ideas. Until then, you'll need to reach out to brands yourself. Choose brands your artist loves and uses so the relationship is authentic. Once the partnership is established, use all of your online channels and marketing strategies to promote the collaboration.

The legendary partnership between Michael Jackson and Pepsi in the 1980s is the perfect example of a successful brand partnership. The \$5 million contract set a record at the time for the biggest partnership in history. A more recent example is the partnership between Kelly Clarkson and Wayfair in which she stars in a marketing campaign that includes television commercials and an "exclusive, two-part collection of furniture, décor and more, inspired by her lifestyle and southern roots." There are no details on how much the deal is costing Wayfair, but we can assume it is in the millions.





Conclusion

Tour and artist managers wear many hats. You're an event organizer, travel agent, merchandise buyer, PR consultant, and babysitter. And that's on a slow day. You may be saying to yourself, *"I'm not a promoter or a marketing manager. I can't keep up with the newest ideas in online marketing and revenue streams."* That is an excellent point. That's where a digital marketing and web development agency that has years of experience in live-event management, like BIPi, can be a huge value for a smart music manager.

If you are focusing on your artist's next concert tour without giving plenty of attention to your merchandise and VIP experiences, you are leaving money on the table... and you're shortchanging fans.

BIPi has the experience and the knowledge to find those digital revenue streams and marketing opportunities for your artist and devise the best way to leverage them, with as little muss and fuss for you as possible.

We are a stress-free, one-stop shop for talented business planners, web designers, graphic artists, communication specialists, marketing experts, and on-site production managers. Best of all, we can help you create a holistic online fan experience that will grow your artist's fan base and deliver that left-behind money to your pocket. Call us today and let's get started.



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