

Resonate Co-operative

An Alternative Model for Music Streaming

Submission to the UK Parliament Digital, Culture, Media and Sport Select Committee inquiry into the Economics of Music Streaming

"Streaming has become a primary way in which we listen to music, but too many artists and songwriters are currently struggling to earn income from prolific use of their music due to the way the rights are administered. It's critical that MPs on the DCMS Select Committee find solutions. The platform co-op model, pioneered by Resonate, offers a way to reshape the economics of music streaming, so that it works better for artists, listeners and businesses. We support DCMS ambition to do more to enable innovations which will allow our music economy to thrive in the UK."

Rose Marley, Chief Executive,
Co-operatives UK

An Alternative Model for Music Streaming

Introduction

[Resonate Co-Operative](#) has collected evidence from its members, followers and the general public to submit to the UK Government Digital, Culture, Media and Sport Select Committee inquiry into the Economics of Music Streaming

Resonate's evidence focuses on question five:

“Do alternative business models exist? How can policy favour more equitable business models?”

We will address the two parts of the question in turn, beginning with “Do alternative business models exist?”, explaining:

- the Resonate business model - a real [co-operative](#) alternative for streaming;
- how it is beginning to reshape streaming economics and a more collaborative approach within the industry;
- why it is getting strong support from artists and listeners alike;
- Resonate's strategy;
- Resonate's challenges.

We will then turn to our proposals on how policy can 'favour' innovations such as Resonate.

Executive Summary

Resonate is a proven multi-stakeholder platform co-operative in music streaming, owned by its artists, listeners and volunteers.

It has an innovative progressive pricing model which is both attractive to listeners who wish to explore new music, and provides a decent reward for artists and their music.

It is a community service, maintaining a healthy cultural 'habitat' essential in stimulating the creation of new music and boosting the UK creative economy.

UK Government should:

- Promote fair competition and diversity in the streaming industry where large services would otherwise gain excessive dominance and influence
 - Set a minimum streaming rate

- Improve access to funding for democratically-governed organisations which provide a fairer distribution of rewards for creative work. Insist on transparency and openness.
 - Endorse and promote co-operative streaming and reward
 - Enable suitable capital investment

- Consider use of co-operative streaming as an efficient and transparent channel for arts, educational and community support, able to support national, local or even global community priorities and themes.
 - Encourage engagement of co-operative streaming in community and education settings
 - Consider a direct investment in musical culture through a lightly subsidized co-operative streaming rate

UK creative industries, the bedrock of future economic recovery, are struggling with the impact of the pandemic and extended lockdown. We believe that co-operative streaming could be a partner in rebuilding a sustainable local entertainment and distribution sector.

Do alternative business models exist?

Yes.

The Resonate business model

Resonate is a multi-stakeholder [platform co-operative](#)¹. It is democratically governed and made up of artists, listeners and a few worker-volunteers. It is unique as a multi-stakeholder platform co-operative in music streaming in that it creates a community of listeners and artists centred on music: together they own the platform. We are convinced our business model is the way to solve the problem of poor streaming returns for artists.

As a co-operative, any surplus we make is either re-invested in the platform or democratically distributed back to our member artist / listener / worker ownership, agreed on a one member, one vote basis.

Our [pricing model](#) for streaming is based on our revolutionary **stream2own** model, that sets a low price for initial streams (to encourage affordable, broad music discovery) and then doubles for each of the first nine plays, so that by the time a listener has heard a track nine times, they have paid the equivalent of, say, an Apple download for the track.

After 9 plays the listener effectively 'owns' the track, and gets free streamed plays, or a download². Listeners may also decide to 'buy now' or gift listening credit in order to accelerate artist reward.

Our listeners love the model:

"This a very cool business model that is fair and equitable while providing a competitive discovery and monetization model that serves the music community."

"... a model that allows streaming and also options to buy.. so Resonate is exactly what we need! absolutely makes sense and is much better model than other streaming services."

It favours exploration of new and experimental music at low cost and enables listeners to better reward artists they grow to love. Where we have made artist payments, the rate has been approximately twice that of the streaming industry average. Although historic play levels in 'beta' have been low, our forecasts suggest that with volume we could do even better.

Our membership fees are very low (€5 annually) and we may increase these, offering discounts for volunteer effort and to provide a stable income for a core team. A 30% share of the streaming fees is invested back in the platform, the remaining 70% is paid to the artists.

¹ A term popularised by Trebor Scholz and Nathan Schneider in their compilation '[Ours to Hack and to Own](#)'

² Download feature is scheduled.

We are still small (1700 artists, 13,000 tracks) but our models project that with well-funded organic growth (artists and their audiences moving to our non-exclusive platform) we could grow to a membership of over a million listeners globally with around 10,000 artists on the platform. At these levels, we would be able to pay more per stream to artists than we already do, providing a 'living wage' €1000 per month for a significant proportion of our artists.

How Resonate will Reshape Streaming

We recognise that streaming technologies and companies have done much to increase the 'size of the cake' available and have revolutionised distribution in what was a 'unit-centric' creative industry, dominated by a heavily-tiered physical supply chain. Streaming, 'done right', is a huge benefit for artists and listeners:

"...the metric of success should be based on how many people are listening to your music over a period of years, as opposed to looking at how many units are shipping in one week."³

At Resonate we celebrate the benefits of streaming innovation, but we also envisage rather broader 'metrics of success' for a healthy music ecosystem. These include human-centric, qualitative engagement in music as art, not as a mere digital product. The social and cultural context of the work, its musicology and the relationships between artists and audiences are the engine of healthy creative innovation. Our Executive, Rich Jensen, points to three key disciplines needed to maintain a healthy creative 'habitat':

- **Music** - not simply another site of contemporary business problems. It is a deeply human mode of organic communication grounded in +50K years of cultural legacy;
- **Technology** - innovation in platform engineering - to serve and amplify human purpose, not the reverse;
- **Governance** - a democratic cooperative model, for sustainable fairness.

Resonate is more than a co-operative streaming service. We see it as an **ecosystem**, which will eventually also provide a working habitat for individual and co-operative activity and mutual exchange. We envisage a strong music community of recording, reproduction, performance and all manner of support activities provided on a 'mutual' and collective basis within such an ecosystem, with transparent, fair and democratic distribution of proceeds.

We respect privacy and offer transparency and control over users' personal data. We plan to offer greater insight into both listener plays and preferences and also artist plays and earnings. We see this as an opportunity for artists and listeners to collaborate, not compete, around a 'data commons' of creation and listening. We think artists may advance both their creative career and their listener engagement and value / revenue-earning opportunities through carefully moderated, privacy-respecting interaction on the platform.

³ [Eli Wallach - Spotify - 2012 interview by Mike King for Hypebot](#)

We support better recognition of cultural origin and better attribution of historic rights in music catalogue and the creation of new work. We support the Open Music Initiative⁴ and its efforts to streamline rights queries and payments through transparent APIs and better metadata standardisation.

Unlike major techno-centric platforms, we place human community and collaboration above 'apps', technical features and content acquisition. We embrace the innovations of the technology giants and the global W3C standards that underpin a future 'Web 3.0' infrastructure: Resonate is standards-based and open source and builds on these past achievements, towards a more human-centric internet, which respects human dignity, with ethical services. Appendix 1 explains more about Resonate, our business model and our roadmap.

⁴ [OMI](#) also proposes innovation in music licencing regimes.

Resonate's Strategy

Our Roadmap describes the stages in our transition (See Appendix 1). We have a proven 'beta' service, running sustainably, covered by income from membership subscriptions, streaming credits, supporter shares and donations.

Roadmap

Resonate So Far	
The Stream 2 own Co-Op	
<ul style="list-style-type: none"> ● Resonate launches - a global first for co-operative streaming - 1500 members ● Grows to 1800 artists, 13,000 tracks - makes first (modest) payments ● Tech Refresh - ethical cloud, open source, open ecosystem, community forum 	
Stage 1	2020
STABILISE	
<ul style="list-style-type: none"> ● Co-op engagement and funding campaign - more members, more volunteers, more listeners, win grants and backers ● Boost listener and community engagement. Play more and pay more. ● Build our open API's, privacy-respecting identity, new website and profile system. 	
Stage 2	2021
HUMANISE	
<ul style="list-style-type: none"> ● Build the community, boost forum activity, attract and retain activist thinkers. ● Community focus on new artists - finding audience connection / communication, place to perform, place to stay, eat, equipment, transport. ● Smoother mobile tech, better discovery, new privacy and identity features - community credentials. 	
Stage 3	2022
HARMONISE	
<ul style="list-style-type: none"> ● Expand the ecosystem through API's and our portable co-op membership system - more listening, more music, more activism. ● Outreach - bring new communities of musicians and storytellers to Play Fair streaming - with Peacetones. ● New decentralised community streaming - offline community cloud with CoBoxr 	

In 2020 we have attracted many more volunteers and social media interest with very little active campaigning. There is intense interest in post-covid community and the [#brokenrecord reaction to unfair rewards from streaming](#).

In 2021, we expect to complete the transition from legacy infrastructure to a more scalable, integrated and flexible platform, including our 'Community Credentials' service.

In 2022, expansion of the service will extend globally, adding more regional languages and a whole new range of exciting global music and artists to the service. We are forecasting around 650K listeners, 250K listener members and about 10K artists on the platform in the next 2 years. Recent progress has been good, with nearly 1,000 listener signups in the past two months.

Resonate has a very limited marketing budget, but with artist outreach and word of mouth, website and social media engagement is currently doubling month on month.

Outreach to major artists is expected to bring further memberships and listeners, and we hope to resume bulk 'ingestion' of music from labels and distribution in order to expand the catalogue and increase the breadth of its appeal to listeners.

In 2019, [Ampled](#), an artist and worker owned music co-operative has been created in New York. Although still small, there are opportunities for cooperative collaboration with them. We are also reaching out to other (non-music) co-operatives in search of synergies / mutual benefit.

We also have a vision of local 'Play Fair Community Streaming'⁵ in which we propose to establish a 'federation' of local community services to encourage interaction, sharing and mutual support between music communities. We are thinking about ways to establish and fund these entities.

Bandcamp is a hugely successful service that is partly competing (it offers some free trial streaming plays before purchase) and in some ways complementary to Resonate (sale of physical media, merchandise). Both services aim to improve income for artists. Resonate stream2own is perceived as a superior streaming model and concept, but Bandcamp is backed by plentiful capital, and Resonate lacks the investment needed to improve.

Resonate's Challenges

Like many other platform co-operatives, Resonate seeks access to suitable capital in order to scale. An investment model based on community shares⁶ may be one way of doing this. Grants are another source. We have competed for and won EU H2020 NGI funding which is very important to us at the moment. In the UK we are looking to the British Business Bank and Tech for Good for funding of possible local community streaming initiatives.

We need to invest more in the quality of our player and service - excellence, not just competence, and to do this we are dependent on managing many fragments of part time work. This is challenging for delivery and also precarious for volunteers.

Co-operative infrastructure investment and upgrade is being managed at the same time as managing the growth of the current service. There are many non-automated steps which consume volunteer time, but do provide a more 'human' welcome to the service for new joiners.

Peaks of effort are a problem for us: major artists may join, somewhat unpredictably, and it is sometimes a challenge to scale up the service efficiently.

It is also a struggle for us to compete with 'big marketing' - we are relatively unknown, but can't afford the marketing budget that others have, or influence.

⁵ See our '[Play Fair Community Streaming](#)' application to the EU NGI POINTER programme

⁶ Suggestions in the Co-operatives UK / NESTA study in 2019 'Platform co-operatives - Solving the capital conundrum

How can policy favour more equitable business models?”

We think the platform co-operative business model is viable for streaming and should be actively supported by Government in three key areas:

- Promote fair competition and diversity in the streaming industry where large services would otherwise gain excessive dominance and influence
 - Set a minimum streaming rate

- Improve access to funding for democratically-governed organisations which provide a fairer distribution of rewards for creative work. Insist on transparency and openness.
 - Endorse and promote co-operative streaming and reward
 - Enable suitable capital investment

- Consider use of co-operative streaming as an efficient and transparent channel for arts, educational and community support, able to support national, local or even global community priorities and themes.
 - Encourage engagement of co-operative streaming in community and education settings
 - Consider a direct investment in musical culture through a lightly subsidized co-operative streaming rate

We are rapidly growing support for our proven service at a time when UK creative industries, the bedrock of future economic recovery, are struggling with the impact of the pandemic and extended lockdown. We believe that co-operative models are a potential solution to sustain and rebuild a local entertainment and distribution sector.

We believe support of co-operatives is a better targeted and better governed use of Government stimulus funding than distribution via the tax and welfare system alone. Co-operative stimulus reaches employees, consumers and entrepreneurs and keeps these stakeholders in alignment, with greater transparency. For example: A supplement in streaming fee payments would ensure a user-centric and fair allocation of support to artists, based on listening⁷. By contrast, HMRC support is difficult for self-employed musicians to obtain, leaving the third sector or retraining or Universal Credit as the only alternatives. Offering a dignified reward for creative work has never been more important.

Co-operatives are a proven success in economic response in a recession: their objectives and ownership structures are geared towards meeting members’ needs

⁷ “A direct investment in musical culture through a lightly subsidized streaming rate” (Survey response)

rather than remunerating shareholder investments⁸. This applies to the digital economy, including streaming. Co-operatives UK have highlighted the importance of “creating, storing and sharing digital data for the common good” in an effort to convert newfound community spirit into transformative social action⁹. Resonate is a global co-operative, for a global world of music. It works best in alliance with local co-operatives, with a strong community focus, celebrating local voices and culture and enacting co-operative principle 6: co-operation among co-operatives. Resonate is contributing by leading a key digital identity¹⁰ project in support of these aims, working with startup partners in the UK¹¹.

Our social media impressions¹² are increasing rapidly, and prominent artists and their listeners are becoming more aware of the potential to scale up. [Our survey](#) shows overwhelming support for our proposition and has put forward many insightful and useful member and non-member suggestions on Government policy options.

The Purpose of the Survey:

Resonate Co-Operative reached out to its members, supporters, followers and the general public, seeking support and opinions as evidence to submit to the UK Parliament Digital, Culture, Media and Sport Select Committee inquiry into the Economics of Music Streaming.

We are pleased to have the support of Rose Marley, CEO of Co-Operatives UK, who has provided this statement:

"Streaming has become a primary way in which we listen to music, but too many artists and songwriters are currently struggling to earn income from prolific use of their music due to the way the rights are administered. It's critical that MPs on the DCMS Select Committee find solutions. The platform co-op model, pioneered by Resonate, offers a way to reshape the economics of music streaming, so that it works better for artists, listeners and businesses. We support DCMS ambition to do more to enable innovations which will allow our music economy to thrive in the UK."

We felt it was also essential to offer an anonymous survey response, with an option to go 'on-the-record' to the inquiry direct, or via Resonate's community forum. We have had on-the-record comments too, for example:

⁸ [Cooperation in Italy during the crisis years - Euricse Euricse](#)

⁹ ["We are the rebuilders Four co-operative offers for building back better from COVID-19"](#)

¹⁰ [Resonate is creating a Co-operative Privacy and Trust system for digital dignity across communities](#)

¹¹ [Verifiable Credentials Ltd - a spin-out from the University of Kent](#)

¹² Twitter: 1.2m impressions in last 28 days

“So far, governments around the world have been intimidated by the power of big tech. I am happy to contribute to an official Resonate response.”¹³

“I just finished it off, great survey! I only hope my words do some good and help the cause at hand. As always, I commend everyone at Resonate for standing up and taking on this fight for artists, to be paid their fair value for their recorded works.”¹⁴

Individual artists with precarious incomes are also intimidated by the ‘power of big tech’. Speaking out is a risk, with much uncertainty on the effect on their future livelihood: being dropped from a playlist, search results or from the scope algorithmic recommendation could have a critical effect, such is the dominance of the major platforms. The potential for bias is probably more a perception or suspicion. We have not seen any evidence that those who control the major platforms have any malicious intent towards critical voices.

However, [suspicion and fears remain](#), and many artists worry about speaking out on these topics. Of course, artists are also listeners, and Resonate is unique in that it brings listeners and artists together in co-operative, transparent governance: a safe place where we can have conversations about the balance between affordable discovery of new music, and decent reward for artists. More generally, in the public entertainment and media sphere, it is all too easy for comments to be taken out of context, with devastating consequences, so we felt it was justified to allow anonymous comment, after doing everything we can to filter out any ‘bot’ submissions or obvious duplicates.

We therefore ask the Committee to accept the evidence of our anonymous respondents, as well as the ‘on the record’ comments of our response as a whole.

Our Survey - Key Themes

Overall Support

Our global survey response has been significant, with around 180 detailed responses from both members and non-members in the UK and in other countries.

About one third of our respondents were from the UK and most respondents overall (61%) had heard of Resonate before. We did not detect any systematic differences in response between UK and non-UK responses. Our respondents are self-selecting in this survey. It is therefore unreliable as an indication of potential ‘total addressable market’, but we value the **qualitative** response as a validation of our proposition.

The Resonate concept and business model has **overwhelming support** among our respondents. When asked: “Could co-ops work in, and change the music industry?” 69% agreed with the statement. “Definitely - musicians could collaborate, not compete, and I

¹³ Chris Whitten on Resonate Community Forum

¹⁴ Peter Kasen @PeterKasen, Twitter

would sign up as a listener to give them a fair reward. We could make it more efficient, together.” A further 31% were more cautious; “Possibly - it's a great idea.. ... But is it viable?”

Awareness of co-operatives among our survey audience was reasonably high (41%), but few had actually signed up as a member / listener for paid tracks¹⁵. A significant proportion (11%) were artists with music on the platform.

Respondents¹⁶ placed the highest value on new music, breadth of catalogue and human-curated guidance on music selection.

Business Model and Value

Respondents welcomed a ‘flatter’ and more direct organisational ownership:

On Resonate stream2own:

“This a very cool business model that is fair and equitable while providing a competitive discovery and monetization model that serves the music community.”

On other major streaming platforms:

“I haven't had much money to buy music but it definitely factors into my mind that most of the money I spend would go to a tiny amount of people at the top of the record label, streaming service, etc.”

Artistic and creative control was also seen as an important factor:

“Such a service has the potential to take back some of the massive amount of control that record labels have artistic output and how much musicians make off of their work. Small artists could actually make the money they deserve for their work. Listeners could contribute more directly to the artists they care about instead of big wig music industrialists that don't care about them or the artists they sign.”

“Discovery, more financial return for listens, more opportunities for story telling and sharing playlists and cross pollinating fans among genres. Less age/demographic curated music which gets stale. I want to stay fresh and current and build community and I love hearing music from around the globe. A coop still means the music has to be good to succeed. But with a coop, an artist has a fighting chance, a level playing field where the system isn't rigged to maximize return to limelight artists.”

“Better, unfiltered music experimentation would lead to better art and less formulaic uninspired music. That would benefit society as a whole.”

There was some recognition of the tension between the 'cut out the middleman' / artist DIY vs allegiance with small and ethically-minded independent labels. These were seen as part of the artist and listener ‘family’.

Strikingly, neither listener nor artist respondents were concerned with competition on price with other music services. In fact the UMAW¹⁷ ‘penny per stream’ campaign was regarded as too modest:

¹⁵ Our website signup processes have been poor / confusing and we have recently streamlined them, more than doubling our conversion rates.

¹⁶ All quotes have been included un-amended / uncorrected as submitted to our survey form

¹⁷ Union of Musicians and Allied Workers (US) - [Penny per stream campaign](#)

*“\$0.01 per stream is too little” (57% of respondents)
“Per stream price, I would suggest something around £0.025”*

However, respondents liked the idea of a low, or free, price for exploration:

“I would like to be able to explore and discover for free or at a low cost, and then be able to pay a fair price for high quality downloads or streaming of the albums or tracks I like. The Bandcamp approach works for me”

“I would prefer a model that allows streaming and also options to buy.. so Resonate is exactly what we need! absolutely makes sense and is much better model than other streaming services.”

They also suggest they would be willing to pay more as a subscription fee. Many options were considered. ‘Completeness’ of offer, as well as fairness is important at higher price points:

“Different pricing options for what the individual wants, more expensive for higher quality, average price for average user, and lower price for lower quality or limiter streams per day/week/months to assist all needs and economic backgrounds.”

“I don't think in per stream, but per month. Open to \$20-25 per month either if A) it had everything I'm looking for (I go different places for DJ sets, podcasts, downloaded music for running, and radio) or B) artists were getting a bigger cut.”

Respondents generally liked simplicity and fairness, but some felt there was also room for experimentation with pricing and incentives:

*“Keep it simple, just pay a bigger subscription and pay artists a fair minimum” (49%) vs
“People like flat rate subscriptions because they feel unlimited, but often people will listen to the same music they already like. There needs to be incentive to pay more to download - maybe a point system to earn rewards (Merch, exclusive downloads)”*

Challenges

Spotify dominates as a paid service among our respondents (63%), followed by Apple (23%), showing that we manage to coexist with these services, but with a distinct, very different product. The lack of depth in our historic catalogue compared with the majors is a challenge, but this was not a criticism raised by our respondents.

A bigger concern seemed to be a lack of investment in marketing:

“giving artists what they need to survive, thus motivating the good artists lost to the harsh climate of the music industry. If Resonate can provide human curated playlists it would also be beneficial to freelance A&Rs who run playlists on other streaming services like spotify. more people = more money for them. but there is nothing more important than putting money aside for marketing, it's crucial that you market perfectly. you guys are competing against the biggest companies in the world!!”

And the degree to which dominant streaming services are embedded at all levels of the digital music ‘supply chain’:

“Spotify is entrenched at the minor labels all the way to majors.”

Respondents were aware (prompted to some extent by the questions) of the challenge of finding equitable capital investment for co-operatives. 86% agreed it should be made easier to get co-operative finance.

Strategy

Resonate's Community Offer

Community is important to over 80% of respondents. Resonate's community is uniquely inclusive of artists, curators, listeners and staff:

"Being able to help and improve the service with other co-op members, build together a digital common that benefit for all the community, is a very strong motivation."

"It would make me feel much better about the ethicality of the music I'm consuming. Those artists deserve more"

"I feel that there are better odds for fairer practices in a community, and that if I am busy people will be looking out for each other. Its less likely that bad practices will sneak by."

"In the way I plan to release music in the near future, the co-op model seems like an eco-system that can lean more into the idea of quality rather than quantity and for people who push the envelope"

Respondents underlined the importance of 'human' community relationships between artists and listeners:

"... it would be good for building fans who are also musicians themselves, which helps everyone rise together."

"As much as I appreciate artist independence, there's no foundation without community. Word of mouth is the purest form of promotion as it comes from fellow listeners rather than boosting one's self. Anyone can pay x amount of money to plaster themselves all over news feeds but if the work isn't pure then the worth isn't sure (I'm gonna make that a bar). Algorithms are also a huge burden on up-and-comers, classism is very prevalent in the music community. With all of our hands in, we can all win."

Inclusion and diversity are essential to Resonate's community offer:

"I would need the co-op itself to be properly representative of the music community (i.e. diverse gender, ethnicity etc.)"

"co-ops allow 'competing' businesses to have symbiotic and mutually beneficial relationships, fostering community. For the music industry, a strong and supportive community removes the zero-sum nature of the current system, allowing communities be more welcoming, equitable and safer for BIPOC and other marginalized groups."

Streaming and Purchase - Resonate and Bandcamp

The Majority of our respondents have bought media on Bandcamp - 30% are users of Bandcamp for streaming. Several commented on the complementary nature of our services:

"buying music on bandcamp is pretty easy but streaming it is not which is somewhat discouraging, i've started collecting records but i usually buy older music that i don't know about beforehand."

"I love Bandcamp model and values, they really love and support independant labels and artists (#BandcampFriday). But the Resonate stream2own model is a real game changer for both artists and fans."

“A better streaming model that supports musicians but also offers the same service as deezer/spotify etc (especially online music and shareable playlists). Bandcamp does not do all of this.”

Policy Recommendations

In the final part of our questionnaire, in support of the second part of question five of the inquiry, we asked about how Government could help. 98% of respondents thought that Government *should* help, and made a selection from the options provided, but 47 more responses included some detailed and impassioned suggestions and appeals for action.

86% selected “Make co-operative finance easier to get”

80% selected “Help covid-affected or failing music businesses convert to community ownership to save them - adapt the furlough scheme / business reliefs”

73% selected “Tax breaks on VAT for co-operatively managed music businesses”

Capital for Growth

Some respondents doubted the likelihood of tax breaks and were also aware of the challenges for co-ops in obtaining finance without offering equity to financiers:

“Tax breaks seem unlikely so I didnt go for it. What govt could do, and it would make the UK a great place to start a platform co-op, is to recognise that the co-op model is a fantastic fit for digitally mediated businesses like music platforms, and invest in a support programme, inc. access to suitable capital, which is the biggest single blocker in the way of growing the platform coop economy.”

Other respondents suggested a grant to help launch the service at scale:

“Fat arts council grant to get coop service off the ground and marketed mainstream”

“Access to seed and emergency funding yearly non-dependent on international events.”

Ongoing Subsidy

Some respondents saw an opportunity for an efficient and sustainable ongoing subsidy:

“A direct investment in musical culture through a lightly subsidized streaming rate”

“More transparency on art and culture funding.”

Government-supported artists status like French Intermittent du Spectacle.”

Music Streaming for Education and Arts

The responses also envisaged educational and cultural events, with support in the local community and in the school curriculum (streaming school music, recorded events, music for schools and communities):

“Create sustainable programs to sponsor events, to promote and support local music venues and musicians. Recognize and honor the historical value of local music in our communities and invest in a future with a thriving local music culture.”

“Campaigns on the importance of art in personal development - encouraging its value in school curriculums and in improving mental health, but not in a sweeping statement. Acknowledging that music is hard work and involves long hours, especially for those in live music, and should not be seen as being rewarding in itself without the requirement of fair pay. It is multi-faceted, demands high focus in extremely time-sensitive jobs and provides so much inspiration to the world.”

Competition Policy

Finally, the survey responses included several references to the need to enforce a minimum payment per stream:

“The government should force big streaming services to give artists a "fair wage" just like any other job, in this case being a minimum of 1 cent per stream (this is modest).”

Appendix 1

About Resonate

Resonate is unique as a multi-stakeholder platform co-operative in music streaming. We are convinced our business model is the way to solve the problem of streaming's poor return for artists. A lot of people send us strong messages of support and our social media impressions¹⁸ are increasing rapidly. [Our survey](#) is bringing forward many insightful and useful suggestions on Government policy options.

Although still small, and in live service 'beta', Resonate is growing fast, backed by enthusiastic volunteers and many new artists joining the platform. At the moment, we have around 1700 artists with tracks on the platform and about 4900 registered overall. We have 323 UK artists, and 75 UK labels. We had around 1800 listener signups in 2019, and so far in 2020 we have had 1320. Overall, since 2016 we have had some 13,000 'signups' expressing interest in the platform concept, and all that with relatively little marketing.

We are a small 'startup' still:

Turnover: €3k per annum, steady during 'beta' - (excludes grants and supporter shares).

Paid Workers: None as the moment. One volunteer / contractor.

Volunteers: More than 60 part time, with 2 or 3 providing full time effort.

Having said that, we punch above our weight in the competitive music industry, and we are active participants in Co-ops UK, and have made a contribution to the Nesta / Co-ops UK research paper on platform co-ops. We spoke at the Co-ops UK AGM last year and were previously sponsors of industry events: AIM UK conference and AIM House session at The Great Escape, and the EFG London Jazz Festival. We have UK based board members active in the industry and a UK-based co-op secretary.

If our organization succeeds, our share-holder members, artists, volunteers and listeners, will all share in the success through dividends paid out from any annual surplus. Things look good to us right now. We've been beta-testing a minimal proof-of-concept for about two years, serving growing numbers of plays from 2000¹⁹ artists. We have a user-centric artist payment model we call #stream2own that doubles the charge each time a listener plays a particular track. The doubling starts quite low to encourage discovery, but the average pay-per-play works out to .0096 EU, better than twice the industry standard. (We may increase this further).

While it still takes ten thousand pennies a day to make a modest living, we believe the social advantages of a cooperative structure and the powers of worldwide association will bring substantial additional value and leadership opportunities to artists over time.

¹⁸ Twitter: 1.2m impressions in last 28 days

¹⁹ Artists and labels come and go, over time, so this is larger than our current number of active artists.

History

Resonate began in late 2015, conceived by the founder, Peter Harris, an artist-DJ and developer who thought something ought to be done to resist the tide of commoditisation in music streaming and the growing power of the mega-streaming platforms.

With an experimental platform in place by 2016, and lots of encouraging support from the music community and the press, Peter and his growing founders team established Resonate as a multi-stakeholder co-operative, based in Ireland, in 2016. Music community and the co-operative business model seemed a good fit: artists and listeners own the platform. Many agreed: a successful crowdfunding campaign brought the first wave of new members and supporters.

The service went live in 2017 amidst a wave of excitement around a booming crypto economy. Suffice to say, the boom was short-lived and did not deliver on its promise. Amidst a crypto-winter of 2018-9 Resonate reverted successfully to ethically-sourced cloud platforms and became an open-source community project.

Resonate uses a centralised technology platform, but our focus is on the community needs, and governance is inclusive, open and transparent. We make the best choices we can, within ethical constraints. Most of our work since 2018 has been done on a volunteer basis. Our clean new beta player came out in 2019 and works well on the desktop and on mobile devices. We continued to build up a great catalogue of nearly 2000 artists who between them have contributed 13000 tracks of extraordinarily fresh and creative music of all genres to our catalogue, some coming to us direct, others via their labels and distributors.

Since 2019 we have struggled to grow our listener base because our volunteer resources are stretched and part-time. Without much promotion of the service we have been in our own sort of lockdown, but now we think it's the time to come out with a strong vision, a new team and commitment to reviving our community.

We have detailed plans for some exciting privacy-enhancing and decentralised community features and with these we have won EU Next Generation Internet grant competitions. Winning these competitive bids is a government-grade endorsement of our vision, impact and the strength of our team.

Plans

Roadmap

Resonate So Far	
The Stream 2 own Co-Op	
<ul style="list-style-type: none"> ● Resonate launches - a global first for co-operative streaming - 1500 members ● Grows to 1800 artists, 13,000 tracks - makes first (modest) payments ● Tech Refresh - ethical cloud, open source, open ecosystem, community forum 	
Stage 1	2020
STABILISE	
<ul style="list-style-type: none"> ● Co-op engagement and funding campaign - more members, more volunteers, more listeners, win grants and backers ● Boost listener and community engagement. Play more and pay more. ● Build our open APIs, privacy-respecting identity, new website and profile system. 	
Stage 2	2021
HUMANISE	
<ul style="list-style-type: none"> ● Build the community, boost forum activity, attract and retain activist thinkers. ● Community focus on new artists - finding audience connection / communication, place to perform, place to stay, eat, equipment, transport. ● Smoother mobile tech, better discovery, new privacy and identity features - community credentials. 	
Stage 3	2022
HARMONISE	
<ul style="list-style-type: none"> ● Expand the ecosystem through APIs and our portable co-op membership system - more listening, more music, more activism. ● Outreach - bring new communities of musicians and storytellers to Play Fair streaming - with Peacetones. ● New decentralised community streaming - offline community cloud with CoBoxr 	

The figure opposite is taken from our website and describes the key stages in our transition:

The service grew slowly in 2018/19 after external funding for the co-op was greatly reduced. It ran sustainably with costs of €3K per month, covered by income from membership subscriptions, streaming credits, supporter shares and donations.

In 2020 we have attracted many more volunteers and social media interest with very little active campaigning. There is intense interest in post-covid community and the [#brokenrecord reaction to unfair rewards from streaming](#). There is also interest in co-operative identity. We are mobilising our volunteer force and funding is increasing our ability to attract, reward and retain a capable core team.

In 2021, having completed the transition from legacy infrastructure to a more scalable, integrated and flexible platform, we will step up our outreach campaigns and build on the community processes for the artist ecosystem, with community credentials and new AI augmented search and discovery tools.

In 2022, expansion of the service will extend globally, adding more regional languages and adding 'federated/decentralised' capabilities for areas poorly-served by the west-dominated music industry and where access to digital services is limited and where privacy is a concern. We will add a whole new range of exciting global music and artists to the service. We are forecasting around 650K listeners, 250K listener members and about 10K artists on the platform in the next 2 years. Recent progress has been good, with nearly 1,000 listener signups in the past two months.

Our Action Plan

We have a dashboard of KPI's that we use to monitor and track the development of the service:

Catalogue: number of artists and tracks and growth. We announce new artist talent joining the platform and highlight new work from existing artists, all closely related to brand awareness (see below)

Revenue: We track overall artists share and revenue per play (= 2x industry average) and stimulate listening (consumption of unused credits) with ‘buy now’ and credit top-up campaigns.

Effort and Costs: Development delivery metrics, Volunteer contributions (we have many great unpaid volunteers to celebrate!), Volunteer goodwill / temp check - informal, board meeting discussion. Paid staff costs tracked through P&L and cash flow forecast.

Community engagement: we are driving for more human engagement, so we follow forum posts, participation in weekly open calls, community proposals, and supporter shares. We plan quarterly general meetings for co-op business, and have weekly open update calls for anyone wanting to join.

Membership Growth: Understand drivers: Press / social media. Signups and subscriptions from artist recommendation and campaigns. Artists may be ‘commissioned’ with a percentage of their Listeners’ signup fees. Listeners and artists may ‘gift’ membership and listening credits at festive periods.

Social media / Brand awareness: We have an established @resonatecoop on Twitter, Facebook and Instagram to maintain our profile and brand. The new website and the player are the core for brand presence. Our team blogs frequently and participates in industry events and conferences and works with press on key announcements and industry features. We extend our outreach through diverse activist and co-operative organisations such as [Cooperation Jackson](#), [BSA](#), [Co-ops UK](#), [Cooperatives Europe](#), [UMAW](#) and the [International Co-operative Alliance](#).

Here is an overview of the stages of action plan, including some metrics and supporting examples:

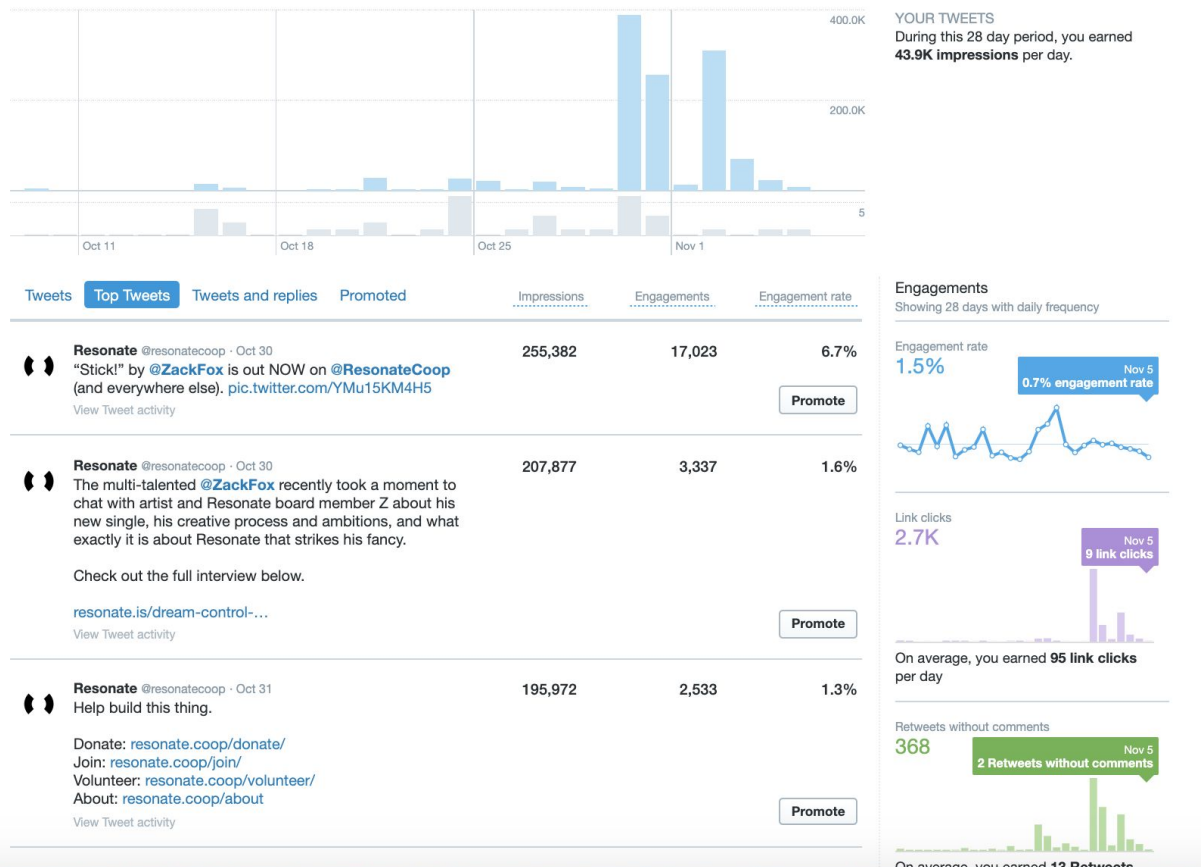
	Now	Next weeks	Next months	2021	2022 ->
Catalogue	13000 tracks, 2000 artists Note: 50 new artists in last 2 days.	Key artists with influence. New upload tool launch.	Increase from 20 artists and 100 tracks to 40 and 200 added per month	25000 tracks 3000 artists	50000 tracks 5500 artists
Revenue	-	-	€10k	€40k	€1.2M
Effort and Costs	Minimal - volunteer effort	Pro-coding help needed	Select and retain core staff (part-time)	€160k	€340k
Community	Revamp Community forum	Improve integration. Add more content	100 posts month	500 posts/month	1000 posts/month
Growth	New artist follower signups	200 new members	300/month	24k listeners 2k/month	1M listeners (50k/month)
Social	Follow ups: Example: Zack Fox (500k followers)	Ready for the streamingrevolt / switch off campaign . New website.		Core campaigns	Global ecosystem drives growth

Marketing and Outreach

Social media including podcasts are the principal channels used to gain attention for the service, together with press content and new website search optimisation. We also plan to introduce innovative search and discovery tools that will attract traffic from other platforms.

Our recent Twitter statistics show a surge in interest and moves by major artists to actively support our efforts. 'musicians collaborate, they don't compete'.

Your Tweets earned **1.2M impressions** over this **28 day** period



Artistic and Ethical Policies

We are [open, inclusive and diverse](#), with agreed [ethical values and policies](#). As a co-operative, we have wide volunteer engagement in outreach. For example, artist members will reach out to find others who have new or existing works which fit well with our ethos and bring them to Resonate.

The artistic direction is determined by our community and its reach into popular social movements. A diverse community has a much better ear for the 'zeitgeist' than any individual, however talented. We are governed by our members, the listeners, curators and artists who discover and recommend new work through human-centric discovery and exploration, cutting across all genres, highlighting narrative stories about both the context of the music and its content (e.g. musicology). We are confident that we are 'on point' with current movements in music, especially work that stems from resistance to corporate 'colonialist' culture and speaks of borderless community and diversity.

Users rarely submit music, artwork or comment that contravenes our values or the legal rights of others and if

they do, it is removed if necessary. Where material is at the boundary of what is 'acceptable' and has no artistic merit it will generally 'sink into the unlinked depths'.

Profitability / Sustainability

Our forecasts indicate comfortable breakeven within two years given sensible projected growth rates. Very achievable levels of membership generate sufficient streaming revenue to provide a minimum wage equivalent for a significant proportion of artists on the platform.

Projects

Our [Community Credentials](#) project is an innovation in co-operativism - a 'commons' for co-operative membership. It also brings new values of 'digital dignity' to the streaming industry, where listeners' and artists' privacy and control over their identity information has often taken a back seat, as platforms seek to maximise average revenue per user.

Our executive, Rich Jensen (@richjensen) puts this very well :

"As a digital co-op, we take a fairly broad view of the power relations between the artists, listeners, platform designers and other stake-holders in the value of music. While it's hard to say whether this affects the content, we definitely believe it affects the context and meaning of the exchanges that occur through music."

"We think it matters what kinds of organizations people give their time and attention to and under what terms. Many of us in co-op movements around the world want to see more transparent, accountable and non-hierarchical ways of providing human services and quality of life. As Resonate we also happen to be those people who believe that music is a social superpower, a crucial way of navigating and connecting emotionally. Because our emotions and associations are important to us we are very concerned about privacy and protecting our online identities. Resonate recently obtained two research grants from the European Union to help us build decentralized identity protections into our co-op operations. We refuse to let others leverage our social data to their advantage while making the world more unequal and algorithm-addled."

Appendix 2

Our Survey Results - Question by Question

Spreadsheet workbook:

<https://docs.google.com/spreadsheets/d/1knf8L5k5Lzz89AH-81qileDcTVrJUOQ5NLDPIK2fBek/edit?usp=sharing>

Survey Questions in Full:

About You

(We don't track or record anything personally identifiable in this survey. We use these survey responses only for the purposes of our response to the enquiry and to improve Resonate.)

Where are you based?*

- United Kingdom
- UK Citizen Abroad
- Elsewhere / Prefer not to say

(choose one)

Resonate and you: Have you:

-
- Heard of us before this survey?
 - Listened on Resonate - free plays only?
 - Signed up on Resonate and paid for plays?
 - Joined as a Co-op member mainly as a listener?
 - Shared your music through Resonate?
 -

choose the option that fits best... or select other and explain a little

How familiar are you with co-ops?

-
- Not very... I just buy occasionally from my local food co-op store
 - A little.. it's something about employee ownership
 - Quite a lot. I have read about them.
 - Very. I am an active member of a co-op already

(choose one only)

Could co-ops work in, and change the music industry? For example, do you think:*

- There is little room for co-ops. The music business should stay competitive.. it's the survival of the fittest, and it works fine for me
- Possibly - it's a great idea.. less money for intermediaries, more for musicians who keep their rights. But is it viable.?
- Definitely - musicians could collaborate, not compete, and I would sign up as a listener to give them a fair reward. We could make it more efficient, together.
-

(choose one - or select 'other' and write your own opinion)

You and Streaming / Music Purchase

Do you have a subscription to:*

- Spotify (or use a Family subscription)
- Apple
- Amazon
- Tidal
- Other(s) - please specify below
- None

(check all that apply)

...your 'other' services

Which 'free' music streaming service do you use most?*

- YouTube
- Spotify (with ads)
- SoundCloud
- BandCamp free streams
- None
-

(choose one only)

About your music purchases / support: In the last year I have:

- used a 'donate' option on a streaming service
- bought media on Bandcamp
- bought merchandise via Bandcamp
- bought from a local music store
- bought 'direct' from artist website
- bought music / merch at a gig
- donated at a gig / on the street
- donated 'direct' on an artist website / funding page
- none of the above

(choose any / all that apply)

Tell us more about your support / purchases of music

0 of 200 max characters

(Which did you prefer? Which was easiest? Which was 'fairest' ? Is it hard to choose whom to support? Would you prefer to donate 'as you listen'?)

Your Music Choices

Tell us a little about what you look for in recorded music... not the 'genres', but....

I prefer (top 3):*

- New music and new artists
- Breadth of historic catalogue
- Background listening playlists - (including AI picks)
- Human-curated guides eg DJSets and non AI playlists
- Storytelling and podcasts
- Radio Stations
- DJ Room sets (virtual community listening / chat)
- Something else (please specify below!)

(check your top 3 only!)

..... what else?

Music and Community

How important is it to you to be part of a music community, where you can meet other listeners and artists in a social space?*

- Very important: I'm keen, or active in a community already
- Quite important: I'd like to know more / get involved
- A little - But I'm too busy
- Not for me, just listening

(choose one)

How could a co-operative music streaming service and community benefit you personally?

0 of 200 max characters

How could a co-operative music streaming service benefit your local community... artists, listeners, bands, independent music stores, venues, local music industry workers?

0 of 500 max characters

Value and Pricing

The Union of Musicians and Allied Workers have proposed a minimum of \$0.01 (or £0.008) per stream, overall. What do you think?

A minimum of \$0.01 (or £0.008) per stream is:*

- Too much
- About right
- Too little

(choose one)

Pricing Plans and Options*

-
- I like a lower rate for exploring, and would pay a higher rate for music I play more, until I own it
 - One fair rate is fine
 - Keep it simple, just pay a bigger subscription and pay artists a fair minimum
 - I'd pay more for 'premium' (say \$2 / £1.50 per track) for a higher quality download
 - I could contribute volunteer effort and support rather than paying money
 - I have other ideas (please specify)

(choose your preferred options(s))

..... other ideas on pricing

0 of 250 max characters

Downloads vs Streaming

-
- I like downloads and I use them a lot
 - I like downloads for high quality audio
 - I prefer streaming after unlimited free play purchase
 - I would pay more for high quality streaming

(please check all that apply)

Government Policy

Our final section is about how Government could help

Do you think government should encourage and support co-operative music streaming models?*

-
- Yes
 - No

How could government encourage and support co-operatives in the music industry?

-
- Make co-operative finance easier to get;
 - Tax breaks on VAT for co-operatively managed music businesses
 - Help covid-affected or failing music businesses convert to community ownership to save them - adapt the furlough scheme / business reliefs
 - Other ideas - please comment below:

(check all that apply)

.... your other ideas on how Government could help

0 of 500 max characters

Finally, is there anything else you would like us to say to the UK Parliament inquiry on your behalf?

0 of 500 max characters

What is seven plus five?*

(please do the sum - we have to deter spam bots a little)

THANK YOU!

Please write to us at members@resonate.is or submit your own response direct to the inquiry if you want to go 'on the record'. If you do, please mention us and help us build a new music economy based on fairness, transparency and co-operation.

Thanks so much for your time.

Appendix 3

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