

Universal Music Group & Deezer Team Up For New Artist-Focused Streaming Model

Following the deal with Tidal, the world's leading music-based entertainment company, [Universal Music Group](#), partners up with one of the largest global music streaming platforms, [Deezer](#), for another artist-centric strategy. The two are taking an initiative to "investigate potential economic models for music streaming that more fully recognize the value artists create."

In an announcement, UMG and Deezer confirmed that they "aim to develop new methods that holistically reward recording artists and songwriters for the value they create and to reimagine and update the engagement model for Deezer's users and the artists they love." Both companies are recognized for their efforts to explore alternative ways to compensate artists fairly.

In 2019, the French streaming platform had launched a campaign to promote a user-centric payment system (UCPS). UMG, on the other hand, recently sent a memo to its staff hinting at a plan that adopts a more artist-focused approach in its payment models. Sir Lucian Grainge, Universal Music Group's Chairman and CEO, clearly explained that they intend to transform the way artists and rightsholders are paid by streaming services.

Grainge had previously noted: "Streaming has evolved in a way that undervalues the critical contributions of many an artist as well as the engagement of many fans." He noted that this system sadly disregards the "basic unarguable truth that is: The artists are the center of everything in the music ecosystem," adding, "Fans recognize the enormous value offered by music subscriptions, still a relatively low cost, high-value form of entertainment, which in turn has supported decisions made by a number of our DSP partners to raise prices recently."

Hoping that fans would be offered more ways to engage, Michael Nash, UMG's EVP and Chief Digital Officer, also suggested that streaming platforms can do "a better job of monetizing these high integrity, high intense artist-fan relationships. That will come with superfan monetization. We've been speaking with platforms...about the enhancement of offers to the consumer that reflect the engagement with artists that are really driving the economic models of the platform."

UMG's new agreement with Deezer promises to "better align the interests of artists, fans and streaming services and explore ways in which artists at every point in their careers and from every genre and geography can more fully benefit commercially from streaming. With a foundation in deep data analysis, the partnership will look at the benefits and evaluate the viability of different economic models aimed at driving subscriber growth, forging stronger

bonds with music fans on the platform and developing commercial opportunities that benefit artists and the broader music community.”

Speaking of the partnership, Nash said: ***“Deezer has long advocated for a re-evaluation of subscription’s economic model. We’re thrilled Jeronimo and his team are partnering with us to explore how we can evolve streaming for the benefit of the entire ecosystem of artists, labels, platforms and fans. Such collaboration is critical to the success of the Artist-Centric initiative. While there won’t be one uniform quick fix—subscriber acquisition and retention dynamics and metrics vary by platform—our partnership with Deezer will help accelerate this entire enterprise.”***

Deezer’s CEO, Jeronimo Folgueira, added: ***“As a key player in the music industry, we work with all labels to find ways to make the ecosystem fairer and help artists monetize their music better. The current system has clear issues that need to be addressed, such as increasing amounts of non-music tracks uploaded on platforms, poor quality covers with misspelt artists’ names and songs to ‘steal’ streams, and people trying to trick the system with the length of tracks.”***

He continued: ***“This hurts true artists, makes it harder for new ones to emerge and also damages the fan experience. We believe in quality and fairness at Deezer and with this initiative together with UMG we will look into how we can improve the model to everyone’s benefit. Music is extremely undervalued today and as part of the artist-centric discussion we are keen to find additional ways of increasing monetization, to the benefit of real artists, the labels and platforms like Deezer.”***

Over the past couple of years, Deezer has actively participated in developing new ways of connecting artists with fans. The streaming service admits to being “devoted to highlighting the value of music, artistic creation, and fan engagement,” while providing services and features that include, super fan rewards, in-app livestreaming, VOD concerts, lyric translations, music quiz functionality and more.

With this latest initiative, UMG and Deezer will be able to offer users alternative monetization options and develop new experiential features. Head to [MPT Blog](#) to find out more about recent industry developments. Follow [MusicPromoToday](#) for more information.