



Come see the Boston Lobsters
on Globe Night Tuesday, July 5.

Save \$5 off tickets!
Click here

boston.com

Business

your connection to **The Boston Globe**

Home News A&E **Business** Sports Travel Your Life Cars Jobs Personals Real Estate

Member Center | Log Out

Personal Tech Markets Your Money Technology Columnists Latest news Message Boards

HOME > BUSINESS > TECH NEWS AND REVIEWS - NEW TECHNOLOGY - IPOD REVIEWS - BOSTON.COM

Online music stores singing a new tune: No big labels allowed

The Boston Globe

Indie-only sites offer unsigned musicians a way to gain recognition

By Stacey M. Perlman, Globe Correspondent | June 27, 2005

A new kind of online music store has arrived, singing a different tune: No major labels allowed!

Launched in the shadow of large digital distribution empires such as Apple's iTunes and Napster, these independents-only music stores are designed to serve musicians who find themselves buried beneath the major labels' artists.

Even on the Internet, where inventory isn't limited by real-world display space, unsigned artists don't stand a chance unless they have a record deal.

But the tables are starting to turn, with the emergence of indie-only online music stores that not only give exposure to musicians on independent labels but to unsigned musicians. Businesses like Audiolunchbox.com and Magnatune.com are changing the way fans download music.

Audio Lunchbox, in Los Angeles, has become the largest indie-only online digital distribution store since it was launched in 2003. It has acquired the digital rights to 750,000 to 1 million tracks, 4,000 independent labels, and close to 50,000 musicians. Its a la carte downloading service is similar in cost to Apple's iTunes and to Napster, with singles selling at 99 cents and most albums at \$9.99.

Magnatune took a different approach and became the first Internet-era record label. Launched in May 2003 by John Buckman, it has signed 190 artists with 373 albums for sale. Buckman, who runs the label in Berkley, Calif., hopes to give a fair chance to unknowns; he's also giving music fans a bit more freedom by allowing them to choose the prices they pay. After streaming the entire album across the Internet and listening to it, people can download a CD for as low as the minimum suggested price of \$5 or for as much as the customer wants.

The average price customers pay to download a CD is \$8.22, Buckman said. He attributes the success of this system to the fact that customers know 50 percent of what they choose to pay goes directly to the artist. This has helped Buckman show consumers that

ARTICLE TOOLS

- PRINTER FRIENDLY
- SINGLE PAGE
- E-MAIL TO A FRIEND
- RSS FEEDS
- MOST E-MAILED

MORE:

- Business section
- Latest business news

ADVERTISEMENT

Which Life Insurance Companies Are Offering The Best Values?



Find Out How You Can Save Up To 70%

10 Year Level	age	male
Term Life Insurance	45	\$35.63
\$500,000 Policy	50	\$46.55
(Monthly Premiums)	55	\$80.91
	60	\$130.07

Click here to get a **FREE QUOTE!**



"Savings are dramatic"
- USA Today

LATEST BUSINESS NEWS

- ▶ [Toyota eyes 'social role' as sales rise](#)
- ▶ [EU extends deadline for P&G, Gillette bid](#)
- ▶ [Stocks head lower as oil still above \\$60](#)
- ▶ [CNOOC heads to U.S. with bid for Unocal](#)
- ▶ [More business news](#)

BOSTON.COM'S MOST E-MAILED

- ▶ [Easy call: Race is a runaway](#)
- ▶ [Nothing but debt](#)
- ▶ [Colleges question MCAS success](#)
- ▶ [Eminent injustice in New London](#)
- ▶ [A principal of economics](#)
- ▶ [See full list of most e-mailed](#)

SEARCH THE ARCHIVES

- Today (free)
- Past 30 days
- Yesterday (free)
- Last 12 months
- ▶ [Advanced search](#)

record labels can be the good guys. Thus his slogan for Magnatune: "We are not evil."

"The buyer has no passion for the record label. It's exciting to have Magnatune be meaningful," he said.

As more online businesses begin to pop up in support of independent music, it's clear that musicians can get a good deal. While artists get more direct revenue, usually 50 percent or higher, most companies like Audio Lunchbox and Magnatune are nonexclusive, allowing musicians to distribute their music anywhere.

Most independent music stores will take on nearly every musician who applies; Magnatune, which is based on a music label model, is the exception. Buckman said that out of the 400 CDs sent to Magnatune each month, 10 are picked.

All of the online stores let musicians keep the rights to their music.

Independent online stores don't usually impose digital rights management (DRM) schemes on the music, allowing customers to do what they please with the music as long as it is for personal use.

"The bottom line is that there are ways around digital rights management," said Morgan Harris, cofounder and chief executive of AudioLunchBox.com. Harris said people won't use his site to steal but will use other illegal measures like P2P file-sharing where downloads are free. "If people want to steal, they're going to steal."

There's a generation of music fans who believe the major record labels are not fairly paying the artists, which is what led to illegal downloading, said Brian Colton, founder of Indieburn.com, an online digital music store with no DRM that will be launched in Providence Wednesday.

With artists now receiving revenue from downloading, fans don't mind supporting the artists. However, on sites like iTunes and Napster, artists only receive eight to 14 cents per song, according to downhillbattle.org, a Worcester based nonprofit organization working to promote a fair music industry.

Joel Erenberg, founder of downloadmusicmart.com, which was launched in January 2004, chose not to use DRM on his website.

Erenberg, who runs downloadmusicmart.com by himself in a Chicago suburb, said business is a little slow, but he has brought steady traffic to his website with his "Directory of Legal Music Downloads," where sites like his and Audio Lunchbox are listed. The site's modest list of about 30 tracks from 15 unsigned artists averages about 10 downloads per month, with about 600 visitors per day. It currently has no record labels and sells only singles for 99 cents, with the exception of one compilation album selling at \$9.99.

Erenberg personally promotes his website to musicians throughout Chicago and hopes to add new features like an online radio station and individual artist pages.

"I guess right now I'm in the investigation stage," Erenberg said. "I need to think it through, plan it. I want to have confidence in what I'm doing."

The effort to keep independent and unknown artists from being buried by the major label artists has been well received by both musicians and fans.

Colton, a former manager and marketing representative for Sony Music, designed Indieburn because he wanted to join that effort.

There is a niche that needs to be filled, he said.

"There are so many other opportunities as far as artists that haven't been discovered. We need a place to get their music out," he said.

Indieburn's focus will be on \$9.99 albums. Colton feels that the music industry's focus on selling singles is not beneficial to the artist.

Colton has 30 musicians signed up; he hopes to reach 2,000 artists by June 2006 and to add more features, such as monthly benefit compilations and a radio station.

While the larger digital music stores provide strong competition, the independents are betting that the combination of no or more lenient DRM, more direct revenue to the artists, and fresh new music will keep them afloat.

But as more of these stores appear, the struggle for exposure may become harder.

As Erenberg notes, "It's like an independent artist getting noticed by iTunes." ■

© Copyright 2005 Globe Newspaper Company.

Ads by Google

[what's this?](#)

SignHere Online, Inc.

Download music by unsigned artists Upload MP3s for record label review
www.signhereonline.net

Musician Wanted

140,000 bands use Bandclassifieds to find new members.
www.bandclassifieds.com

Sell Your Indie CDs

100% CD price to artists "a dream come true" - Musicians Web Handbook
www.earBuzz.com

MORE:

[Business section](#) | [Latest business news](#) | [Globe front page](#) | [Boston.com](#)

SIGN UP FOR: [Globe Headlines e-mail](#) | [Breaking News Alerts](#)

 [PRINTER FRIENDLY](#)

 [SINGLE PAGE](#)

 [E-MAIL TO A FRIEND](#)

 [AVAILABLE RSS FEEDS](#)

 [MOST E-MAILED](#)

 [REPRINTS/PERMISSIONS](#)

[feedback](#) | [help](#) | [site map](#) | [globe archives](#) | [rss](#)

© 2005 The New York Times Company