Indie labels cry foul over Apple Music's enhanced spatial audio royalties

As first reported by the *Financial Times*, independent labels Beggars Group, Secretly Group, and Partisan Records are pushing back against Apple's preferential payouts for spatial audio. They say independent artists who can't afford to record in spatial audio would make less because of how streaming music payouts work.

Apple said artists on Apple Music can get bonuses of up to 10 percent for creating music with spatial audio. The company will pay out artists with pro rata shares from a pool of subscription money, calculated using a factor of 1.1, instead of just 1 for non-spatial audio tracks, which will be left to split a smaller remaining portion of the money.

Unnamed music executives told the *Financial Times* that producing songs in spatial audio adds $1,000 per song to the production, or about $10,000 for an entire album, and updating older music could be even more expensive. Because of the cost involved, the label heads say the scheme benefits bigger players like Universal Music Group, which has the resources to invest in spatial audio and can take a financial hit if an artist in its roster doesn't record in spatial audio.

Apple has been investing heavily in spatial audio, and its devices all support the format, which is also available on other music streaming sites like Amazon and Tidal. Spotify, however, does not offer spatial audio.

Beggars Group houses labels representing such independent

artists as multiple Grammy Award hitmaker Adele and Vampire Weekend, while Secretly’s stable of artists includes Bon Iver, Muna, and Phoebe Bridgers, and Partisan Records works with PJ Harvey. (Yes, I am writing this story listening to a playlist that includes many of these artists. No, they are not playing using spatial audio.)

https://www.theverge.com/2024/2/2/24059270/apple-music-spatial-audio-indie-royalties