

LA VANGUARDIA

Crypto-music to the rescue

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There will be those who think that the world has gone crazy, again.

The symptoms detected include the sale a few days ago of a digital collage by the artist Beeple for 58.5 million euros. The transaction was carried out in the asset market NFT (*non-fungible tokens*), “the new frontier in the cryptocurrency gold rush”. This is how Kevin Roose defined it in an article he published in *The New York Times* on Thursday to explain the NFTs. Incidentally, he turned his column into an NFT and put it up for auction. He sold it for 475,000 euros, which he will use for charity.

And what about the digital house, located on Mars (or in the territory of the imagination), designed by the Canadian artist Krista Kim, with the help of an architect, for which they have paid 424,000 euros (288 Ether, the cryptocurrency), revealed *Dezeen* magazine. The owner will be able to virtually tour his *Mars House* - title of the work -, but will never reside in it.

Crazy? “A fantastic idea for the music business, another way for artists to monetize their assets,” responded Jeff Walker, co-founder and CEO of Stellwagen Ventures, which aims to develop a platform to develop NFT transactions that are more accessible. for both musicians and ordinary fans.

"They are opportunities, which did not exist ten years ago, that allow not only to earn money with the catalog or song sales, but also facilitate entering the digital market and generating income at a completely different level," he remarked. "It's a win-win model and it's here to stay," Walker added.

Even the most prominent musicians derive much of their earnings from touring. On average, 75% of revenue comes from concerts, according to *Billboard*.

PANDEMIC IMPACT

In a year without tours, the great source of income for musicians, the NFTs emerge as a new way

After more than a year without live performances due to the pandemic, musicians are hopeful to place their NFTs, a digital authenticity certification system based on blockchain technology.

From June to last week, some 29,800 NFTs involving musicians generated \$ 42.5 million (€ 36 million) in primary sales. The average value of value per transaction reached 1,427 dollars (1,200 euros), from the database compiled by Cherie Hu, a researcher in music technology.

"NFTs can save the music industry," Hu told *Business Insider*. "We are in the year in which many artists have lost their primary source of income. They can't earn enough just from *streaming*. They need a better way to get money", he stressed.

Hu predicts that crypto art will become the main salary for many musicians, continuing the route of other artistic expressions or sports.

"At a time when the touring industry has come to a complete halt, and when no one knows when it will return to full capacity, this is the time for change," Walker said.

Justin Blau, known as 3LAU, has raised 14.5 million euros in the last month with the NFTs, helped in part by the launch in this market of his three-year-old album *Ultraviolet*. For this creation he added ten million and even briefly held the record for the highest price paid - three million euros - for a single NFT.

GROWING

More and more people are turning to this market without intermediaries

In 2020, electronic artist and producer Deadmau5 sold a pack of collectibles, animated stickers and virtual cards for 85,000 euros, in addition to an audiovisual piece with which he obtained another 67,000. In January, the Monstercat label achieved 425,000 on its first initiative.

The activity picked up speed last month, with Shawn Mendes, Ozuna, Grimes and Linkin Park's Mike Shinoda joining in with music clips and digital animation. This month, the duo Disclosure produced a new song on Twitch and sold a single copy on NFT for € 58,500. Kings of Leon released their album, *When you see yourself* ', as NFT, raising more than 420,000 euros in an act to benefit live performance workers. Steve Aoki raised € 3.6 million for a collection of digital art. Post Malone auctioned off a game of *beer pong* (remotely shoving ping pong balls into beer glasses) with him in the Clubhouse app.

Electronic musician Raúl Santos and Marc Vanway, leader of the Barcelona band Bad Way, are among the first in Spain to have resorted to NFTs.

This new market allows you to expand the radius far beyond songs, tickets or catalogs. "This system gives creators more freedom, offers them immediate access to capital, opens up new sources of income," said Jeff Walker.

The NFTs, according to their defenders, avoid intermediaries, give more profits and offer a profit margin on each secondary transaction, when that creation is already in the hands of someone.

There are the doubts that arise with something emerging. Walker rules out that it is a bubble, "there are too many institutional funds involved." And then there is the increase in prices thanks to what are called "whales", a small group of collectors willing to invest millions in cryptocurrencies and speculate with assets such as music.

NEW SOURCES

"It's another way for artists to monetize their assets," says Jeff Walker.

From his company, Walker works in the search for a solution that "brings the masses to this market, lowers the barriers and is less intimidating and widely accessible." The issue consists of fewer whales and more fans.