

# FAST COMPANY

## Rumble In the Music Jungle

The last profit center of the recording industry gets an iTunes makeover.

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"**When I was in high school**, my friend Patrick was performing at a \$200-a-plate dinner at the Fairmont," riffs Paul Anthony, a compact 29-year-old drummer with a freshly cut bed of spiky black hair. "He was with a label but had signed away the rights to his music. He couldn't even afford his cab ride to the gig."

That model--in which musicians surrender financial ownership of their music to the record industry--is the reason Anthony, founder of Portland, Oregon--based music-licensing firm Rumblefish, has built an iTunes-style program for licensing music by indie artists that lets them retain total ownership of their tracks.

While the option to license indie music has existed, there was no central digital hub for anyone who needed to find tunes. And the demand has never been hotter. As user-created videos explode online--market research firm IDC projects it will be a \$1.7 billion business by 2010--neophyte filmmakers will need legal ways to sync music to their content.

And the advertising industry--which, Anthony estimates, spends some \$13 billion annually licensing songs (roughly equal to the revenues of the atrophying record business)--is hungrier than ever to give everything a soundtrack. Since launching this summer, Rumblefish has sold hundreds of licenses for video games, TV shows, and podcasts. "It's an insanely smart business decision for both parties," says Joe Flannery, vice president of marketing for the North Face, who has used Rumblefish to license music for the apparel company's snowboarding videos. "Brands don't have to pay ridiculously expensive amounts to major record labels."

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"Web 2.0 will come to the forefront when the mainstream business community adopts both the technologies and the mind change. [For now, though] too many Web 2.0 services are not filling real needs. There are some neat technologies, but they don't solve business problems."

--Scott Brooks



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