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## 4.2 Revenue stream glossaries

These glossaries provide an overview of a range of revenue streams of relevance to the creative sector. Glossary 1 details types of revenue streams and their key characteristics. Glossary 2 summarises the sub-sectors they can be relevant to. This will help you understand different types of revenue streams and their potential place amongst the revenue streams that form part of your business model. Because of the range, diversity and complexity of revenue streams, we have dedicated a significant amount of space to them. We also felt they deserve significant attention because while revenue streams are just one part of a business model, they are a foundational building block upon which all else rests.

### 4.2.1 Revenue streams by type >>



# Glossary 1:

## TYPES OF REVENUE STREAMS<sup>i</sup>

REVENUE TYPE <sup>ii</sup>	CHARACTERISTICS	EXAMPLES/SECTORS
<b>'TRADITIONAL'</b>		
Physical asset sale	A widely used revenue stream where a physical product is sold. Physical products are declining in some creative sectors (e.g. film, TV, music, games) with growing importance of digital.	Publishing, music, fashion, craft, film, TV, games, visual art
Second hand physical asset sale	Pre-owned products bought from and sold to customers.	Games, fashion
Loans/Rental	Fee charged for access to a service for a fixed period.	High end fashion occasion wear
<b>PROJECT - ORIENTED</b>		
Project	Contracted to deliver a project with specific outcomes.	Computer games, animation, TV, app development
Work for hire	Work with a client for set period and client owns intellectual property. More traditionally, work for hire is common in performing arts sectors.	Marketing, digital technology, digital agency, design services, music, dance.
Retainer	Regular work with the same client for an extended period which offers a stable income. Often client pays a set amount monthly, known as 'flat retainer'. But this can vary depending on the nature of the work and time demands which may result in a different payment schedule with larger payments when workload is higher. Companies can prefer this model and attempt to move work for hire clients to this model.	Marketing, digital technology, digital agency, service/support for digital technologies, digital marketing
Commissions	Work with a client for set period. When you own the intellectual property there is potentially additional value capture from this.	Digital technology, digital agency, architecture, interior design, design services
Collaborative/co-production	Production structures involving for example a number of organisations or complementary skillsets.	Many creative sectors for example theatre, museums, arts, craft, film
<b>RESULTS-BASED PAYMENTS</b>		
Performance related payments	Payment based on results, such as client increases sales. May be used in combination with other models such as retainer or project work.	Digital marketing
Royalties	Commissioner pays agreed royalty on sales of end product.	Games
<b>DIGITALLY BASED</b>		
Free content or 'freemium'	Online business model where access is provided free to online services but additional services can be purchased. High number of users needed, customer relationship is to large extent automated.	Music and VOIP platforms.
Platforms	Platform for user generated or supplier content	Digital content (games, TV, film, music)
Paid search	Payment based on search related advertising income	Digital agencies, digital technologies, design services
<b>TIME/USE DEPENDENT FEES</b>		
Usage fee	Once off fee charged for use of particular service.	Pay per view film rental
Subscription fee	Fee charged for ongoing access to a service.	Music and games subscription services
Licensing	Fee charged for use of protected intellectual property. In relation to music this could involve licensing music for games or wider cultural content such as film, TV and ads.	Software, TV formats, music
Ticket sales	Traditional ticket sales for performances, exhibitions and events. Additional digital distribution may be explored which links back to others types of fees such as licensing content for screening in cinemas or streaming, as well as usage fee to stream a recorded performance.	Performing arts, museums, festivals
<b>PROMOTION BASED</b>		
Advertising	Fees charged for promotion of another businesses' product, service or brand. Provides revenue stream for online content creators or platforms who provide free access to users, but advertisers also display content to your consumer audience. More suited to mass consumed content.	Digital content platforms or apps (e.g. TV, music, games).
Sponsorship	External sponsor pays for display of their content, such as products, branding, logos and ads.	Product placement in film or TV shows, logos on websites/promotional material.
<b>OTHER</b>		
Self-publishing	Content producers publish their own work to remove steps in the supply chain in attempt to capture more value from sales. However competition can be fierce and revenue challenging to generate.	Games, music, literature
Fundraising	Particularly important for cultural organisations. Digitisation provides new avenues such a crowdfunding or fundraising apps	Festivals, arts
Grants	Most relevant to cultural organisations who may rely on regular funding from arts support agencies. Other creative industries, such as cultural content producers (e.g. film, writers, artists) may find revenue sources in particular support schemes, however this revenue stream will often only support specific projects and to a limited extent.	TV & radio based on Irish cultural content ( <a href="#">BAI Sound and Vision Scheme</a> ); Regularly funded througharts organisations ( <a href="#">Arts Council Ireland</a> ; <a href="#">Arts Council Northern Ireland</a> )

<sup>i</sup> This glossary is developed from evidence from a range of sources: Osterwalder and Pigneur, 2009; Filmbj Aarhus et al. 2011; Searle, 2011; Uzelac, 2011; Amsellem 2013; Buttle et al., 2013; Royce, 2013; Sapsed et al., 2013; Brown, 2014; Lyubareva et al., 2014; Marsland and Krump, 2014; Li, 2015; Sapsed et al. 2015; Collins and Cunningham, 2017; Sand, 2017.

<sup>ii</sup> This is not an exhaustive list.

## 4.2.2 Revenue streams by sector >>

### Glossary 2:

#### CREATIVE SUB-SECTOR REVENUE STREAM POSSIBILITIES

SECTOR	EXAMPLES OF REVENUE STREAM OPTIONS <sup>1</sup>
Design, architecture and photography	Projects, retainer, collaborative projects, work for hire, commissions, physical asset sale
Craft and visual arts	Projects, physical asset sales, commissions, collaborations
Performing arts	Projects, ticket sales (live performance, digital distribution e.g. streaming, recording download), collaborations, commissions
Publishing	Projects, physical asset sales, digital platforms (e-book download), self-publishing, crowdfunding, licensing (e.g. merchandise, games, films)
Games	Projects, physical asset sales, digital platforms (streaming, download), crowdfunding, freemium, self-publishing, work for hire/commissions, licensing (e.g. merchandise, films), royalties
TV and animation	Physical asset sales, digital platforms (streaming, download), crowdfunding, licensing (e.g. merchandise, games), co-production, projects, self-publishing, work for hire/commissions
Film	Physical asset sales, digital platforms (streaming, download), crowdfunding, merchandise, co-production, projects, self-publishing, work for hire
Music	Physical asset sales, work for hire (live performance), licensing for commercial use (e.g. TV, games), fees from digital platforms (streaming, download), crowdfunding, licensing (e.g. merchandise, games, self-publishing), projects, commissions
Fashion	Projects, physical asset sales, commissions, collaborations
Software	Projects, retainer, collaborative projects, work for hire, subscription
Marketing & Advertising	Projects, retainer, work for hire, performance-related payments

<sup>1</sup> This is not an exhaustive list