# **Nokit**

The invisible drum kit

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# To set the rhythm for thousands of people someday!

Perhaps your kid wants a drum kit? Or you had a band in the past and want to start jamming again?

We designed Nokit.

And in fact, Nokit is more than the best virtual drum kit for today. More than a tool to generate other, unusual audio effects in real time, and a wireless controller with 1 ms response (0.001 of a second).

The step was planned from the very beginning, 4 years ago.

This is the first step to a new section in the music industry - non-linear music.

# **Product**

## **Spheres**

- Musical instruments
- Education (rhythm, playing drums)
- Games, entertainment

#### **Business model**

- Selling electronic devices
- After-sales of lessons, drumless tracks, notes

## The essence of the project

Alternative to the drum set. Cheaper, more compact, advantages for training.

With wireless motion sensors on your hands and feet, our proprietary software detects hits and gestures, then plays the drum or cymbal sound. You play virtual drums with the sensors in your hand or attach them to a drumstick and play with a practice pads.

## The essence of the problem

Drum kits are huge, noisy, and expensive.

## Target audience segments

- Children and adults who want to learn how to play the percussion instrument.
- Musicians, unable to buy and place a drum set at their workplace.

#### Usecases

- The child is studying at a music school. To train at home he use Nokit.
- The musician writes music and use Nokit to compose drum parts.
- The amateur drummer experiment or learn new complex rhythms during a break at work.
- Progressive musician use Nokit to create unusual sounds, timbres and melodies.

#### Is the business model tested?

The first sales can not be done. It is possible to make 10 kits manually in Moscow, to test the response.

#### What is done and work?

- Virtual kit working prototype: wireless sensors and usb-host that meets the requirements (1 ms delay and close to zero jitter). 4 generations of prototypes were made.
- Soft, algorithms to recognize gestures and strokes. Drum kit sounds emulation.

#### What should be done

- Ready for production final prototype
- Production process, Manufacturer
- End-user soft (simplify UI, more settings)
- Marketing

#### More







Story on Medium

# **Economy and Demand**

#### Is the demand confirmed?

- Successful crowdfunding campaigns on Kickstarter: Freedrum and Drumistic.
  Despite the minuses of their product, they collected \$622,877 and \$103,070 (more than 4 thousand orders and 655 orders), respectively.
- Did not collected pre-orders for Nokit. No mentions of Nokit in the press.

#### Expenses

\$900 per month

Outsource software engineer, designer and radio engineer work piecework.

#### Expenses structure

- Outsource engineers
- Radio Components, PCBs

Financing of the project and the team now

Personal resources of the founder

# **Team**

## Alan Verne - CEO, Founder

Finished "Software Engineering" in Bauman Moscow State Technical University in 2014. First places in competitions of autonomous robots and programming contests (2006-2010). Electronic musician between 2010 and 2014 in the band and by myself.

## Experience

- Any Tide precise hourly tide forecast. MVP (<u>Bali tide widget</u>) over 1k users daily.
  No monetisation. Development is frozen.
- Any Surf surf weather. Alternative to magicseaweed.com. MVP (<u>Bali surf-designing hybrid UI</u>) is used by 100 users daily. Frozen.

What led the founder to decide to do exactly this project? Why in this area?

Competence and experience. Knowledge of drummers problems. Positive feedback on the idea of the product. Interest in developing new, solving problems, and making the world better.

I think about adaptive music since 2010, search for a new ways of making music and how to use it.

#### Invested in Nokit

\$6000 and 300 working hours

How long does the founder work on the project?

3 years with 2 pauses

## Works in another company

Role Product Designer, Developer in <u>Alphaopen</u> (Automation, Smart house)

Involvement 50% of total working time, can reduce

## Eugeniy Ulyanov - Market

Two higher educations: law and psychology, candidate in psychology of advertising

## Experience

- The owner of <a href="hakk.ru">hakk.ru</a> marketing agency
- Worked with brands: Neste oil, Silja Line, Valio, Натур Продукт
- Marketing consultant in Embria Ventures, on the start-ups promotion questions

#### Startups launch experience

- Domoby Mobile applications constructor (closed)
- Adalitycs Mobile advertising analytics (sold)
- Appness Al platform for purchasing on facebook (works)

# Gennady - Radio Engineer

Finished "Electronics and laser technology" in Bauman Moscow State Technical University in 2001. 5 month in Nokit team. Designed the last prototype.

## Experience

More than a hundred projects, one of the largest - the development of a hardware key for encrypted data in the cloud access (30,000 copies)

## Works in another company

Role Developer in <u>Yandex</u>

Teacher in <u>Bauman MSTU</u> of "Digital signal processing" and "Digital devices

and microprocessors"

Involvement 80% of total working time, can reduce

# Alexey Mogilnikov - Software Engineer

Finished "Software Engineering" in Bauman Moscow State Technical University in 2014. Made 20% of Nokit's software.

#### Experience

4 years.

## Works in another company

Role Software Engineer, C++ in RTI

Involvement 70% of total working time, ready to leave PTII to work on Nokit

# Mary, Valery - Designer and Illustrator

## Need to complete the team

Person with experience in manufacturing in China, logistics, sales.

# **Concurrents**

# How is the problem solved now?

- Buying of the electronic drum kit
- Buying of acoustic drums and searching for the garage to place it.
- Renting a rehearsal room
- Training at home with a rubber practice pad
- Midi-keyboards, graphical editor to compose drum lines

# **Direct competitors**

There is no competitors that satisfy the requirements of delays, jitter, compactness, and cheapness.

# Indirect competitors

Small acoustic drum kits (Hipgig Rick Marotta Signature (HG6T41ARM), Club Jordan Cocktail Drum System (CD-15CJ))

Price: \$200 - \$550 - \$900

Strengths Natural sound, natural drumstick rebound.

Weaknesses Loud, bulky

## Electronic drum pads

Price: \$70 - \$220 - \$450

Strengths Real physical pads

Weaknesses Несоответствие настоящему расположению перкуссии, size

#### Electronic drum kits

Strengths Real physical pads

Real positions of pads

Weaknesses Bulky, not silent completely, price (\$450 - \$850 - \$3000)

#### Virtual drums: Aerodrums

Strengths Compact, precise, price: \$230

Known on the market, have a good feedback

Weaknesses 8 ms latency

Requirements for environmental conditions: lighting, background,

correct position of the player

# Virtual drums: Freedrums и Drumistic. Successfully funded on Kickstarter (\$600k and \$100k)

Price: \$200 and \$250

Strengths Compatible with phones (but with big overall latency)

Weaknesses 14 ms sensors latency

Did not delivered to sponsors

Did not recorded videos with professional drummers playing or

jamming complicated rhythms

## Renting a rehearsal room

Strengths Real acoustic drum kit, soundproofing

Weaknesses Not at home (You need to go, book in advance, carry things with you)

Price (In Moscow: \$9 - \$22 for 3 hours + to rent a set of plates \$4, \$90

- \$220 per month (\$100 - \$300 per month))

## Practice pad (rubber Pad)

Suitable for training the right kick and bounce

Learning simple rhythms

Strengths Cheap (\$20 - \$80) Weaknesses No drums sound

> Can't play complex rhythms Boring, requires perseverance

## Why Nokit is better?

- The only one virtual drum kit, that provides comfortable delay between hit and sound.
- Additional opportunities when learning rhythms: haptic feedback, LEDs, trajectory and rebound correctness analysis.
- Alternative usage complex sound effects generation. Shakers, termenvox modeling.

# **Market**

# Segments

Drummers and people who want to become them

22 - 7400 purchases of Nokit per month.

- Drummers in USA (324 mil \* 1% = 3.2 mil), drummers in the world (7,432 mil \* 1% = 74 mil)
- With people who want to become drummers 2-9%
  222 mil 740 mil
- One of the thousand (0.1%) want and can buy Nokit with a \$300 price. 222,000 740,000
- If during the month 0.01-1% of them will buy Nokit. 22 7400 purchases of Nokit per month.

## Other musicians

2-740 purchases in month.

## Motion tracking for VR

We can get 0.1-10% of the motion tracking market for VR.

#### How to scale

- Use of developments in high-speed transmission of accelerometer measurements and gyroscope to track movements for VR.
- Adaptive music player for sportsmans.

# Resources we need to start selling

- Production of 1000 pcs (\$60000)
- Team (CEO, Production Director, Marketing Director, Radio Engineer, 2 Software Engineers) - \$12000 per month
- Website, marketing: community creation \$35000

# **Promotion**

Two types of promotion Brand Awareness and Performance marketing.

At the early stages - presale, focus on sales through our own website. Line-up of the Performance marketing system.

With increasing of product recognizability - shift focus to the brand recognition. Sales through reseller networks, for wholesale deliveries.

## Online marketing channel

#### Website

Cost \$6000

Website and apps (Android, iOS) with drumless tracks and lessons for drummers with Nokit support

Cost \$18000

#### Youtube

Purchasing reviews from entertainment bloggers, and drummers

Review cost \$0-8000 + \$60 Nokit + shipment

Volume Up to 2 mil subscribers. 10,000-10,000,000 video views

Efficiency This is the target audience.

• Targeted advertising on music channels on youtube, through adwords.

Blogs, news, websites

ultimate-guitar.com

Volume 62 mil users per month

Facebook ads

SMM, work with the community

## Offline marketing channel

Musical instruments stores

Rehearsal points (try to play)

One point cost \$60 Nokit + shipment

One point volume 5 drummers, 40 musicians (daily)

30 drummers, 250 musicians (monthly) This is the target audience

Efficiency

Master classes

In music schools or at events