DigiRAMP strategy 2015

A Content Delivery Network for Music
Integrate Rights and Media with Administration
Cut costs by Automation and Pay stakeholders in real-time
Promote Artists and Content directly to consumers
Build an audience with social features

Everyone get opportunities and tools to fulfill their own needs to the benefit of all people all over the world.

Everyone should own his or her life

Table of content

DigiRAMP an Ecosystem for music

DigiRAMP is a music ecosystem that makes it easy and efficient to Interact Conduct business and grows an audience. Everyone get responsibility and tools to fulfill their own needs to the benefit of al parties.

There are people who create music and people that listen to it. In between are the rest of the ecosystem taking care of distribution, rights and payments, there are also people finding music and recommend it for different usage.
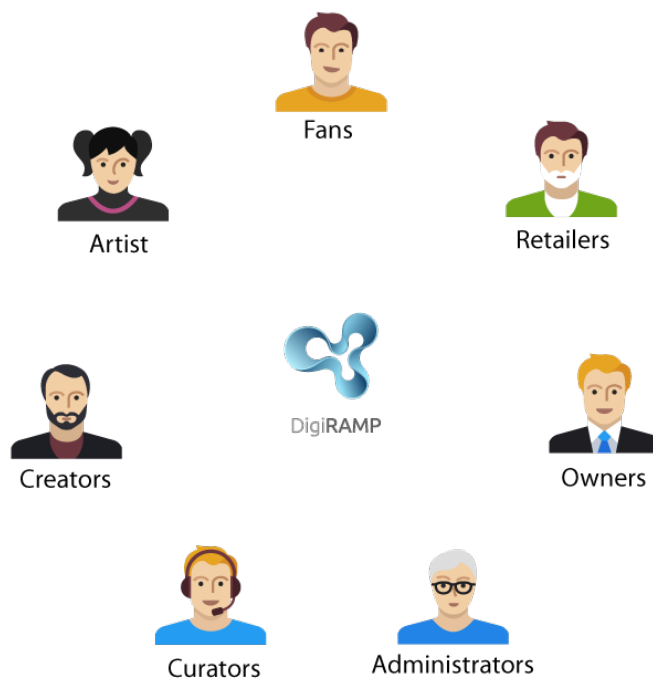
Some of the players in the music ecosystem.

Users on DigiRAMP

Users are the most valuable asset on DigiRAMP, here is some general assumptions we all can agree on

- Users sign up one by one
- Are segmented in different kinds
- Have different preferences and needs.

Listeners and fans

This group is the largest. It's also the bottom of the food chain and everyone wants access to this group.

They join DigiRAMP because they get.

- Easy access to free music.
- Great content curated in playlists.
- Stories behind the music.
- Cool graphics and videos
- Tools to share what they like and do
- Access to engage with peers artists

Influencers

DJ's. Pretty girls. Artists. YouTubers. Comedians. Explainers. They are today's online trendsetters.

They join DigiRAMP because they get

- A media to communicate true
- Ways to monetize on their followers
- Metrics and data on their followers

Aspirational artists / Amateurs

Individual. Bands. DJ's, Songwriters. Composers. Producers. Artists.

This group represents many of the different kind of parties in the music universe.

This group is the second largest group of users.

They join DigiRAMP because they get.

- Opportunities
- A way to find people to collaborate with
- A merchant system
- Legal documentation and protection
- Exposure
- Recognition
- Promotional tools
- They can participate in contests

Professionals

Individual. Bands. DJ's, Songwriters. Composers. Producers. Artists. Indie Labels. Curators. Music Supervisors. This group represents most of the different kind of users
They join DigiRAMP because they get
- An easy. Efficient and cost effective way to conduct business
- A way to own their customers and clients and monetize directly on them
- Promotional tools
- Metrics

Brands and Advertisers

Many artists and bands build relations
- Artists promote instruments
- Artists promote closing
- Brands sponsor events
- Brands sponsor competitions

Content Providers

It's easier to get content than users. Content can be provided in bulk.
Content also is the ultimate driver and what brings everyone together on DigiRAMP.

Aggregators
- Collect and organize music
- Delivers to online shops
- Have huge catalogs from ten of thousands to millions of songs.
- Want cleared music easy to ingest

Indie labels
- Have songs in the range from hundred to tens of thousands organized in catalogs
- Have knowledge of the industry
- Are missing delivery network

Professional creators
- Have a lifetime of produced music. Up to 200 songs.
- Many contributors on the productions
- Overall high quality on the music
- Uses real musicians
- Have registered with PRO's
- Have some knowledge of the industry
- Are self published

Aspirational artists and amateurs
- There are many of them
- Have 10 to 20 songs
- They are produced in a project studio
- The quality of the music are mostly low
- They wants to collaborate
- Are seeking recognition more than everything
- Have limited knowledge of the industry
- Have no label or publisher
- Are willing to spend money on tools subscriptions and promotion

Bands
- Have 10 to 20 songs
- Are produced in a project studio
- Have few contributors on the songs
- The quality of the music are mostly low
- Are seeking recognition more than everything
- Have limited knowledge of the industry
- Have fans in the thousands to the hundred of thousands
- Have poor legal documentation
- Spends money on promotion

Music buyers

Consumers are not the only customers for users that own or control content on DigiRAMP.

Consumers

Consumers buy an end user license for personal usage of a song.
They use DigiRAMP because they:
- Wants niche music
- Want curated playlists
- Want a sexy interface
- Want metadata and stories
- Want images together with the music
- Want to support the artist and creators directly

Music supervisors

Music supervisor's works typical on the behalf of an AV production
They use DigiRAMP because they:
- Want 200% cleared music
- Want legal documentation
- Want a fast work flow and interaction with interested parties
- Want a delivery system for distribution to their clients

Resellers / Curators

They use DigiRAMP because they:
- Want legal documentation
- Want metadata
- Want cover arts
- Want to cherry pick content from many providers
- Want to deliver sponsored content

Legal frameworks

The music industry is regulated by law and requires a set of agreements to be signed by the interested parties.

Mechanical usage

DigiRAMP provides all features required to make a mechanical sale to an end user
- Legal templates,
- Digital Signatures.
- Automated real time micro payments
- A personal embeddable shop

By doing so all users have the opportunity to sell content with rights cleared. Legal documentation by the book and without violating any rights
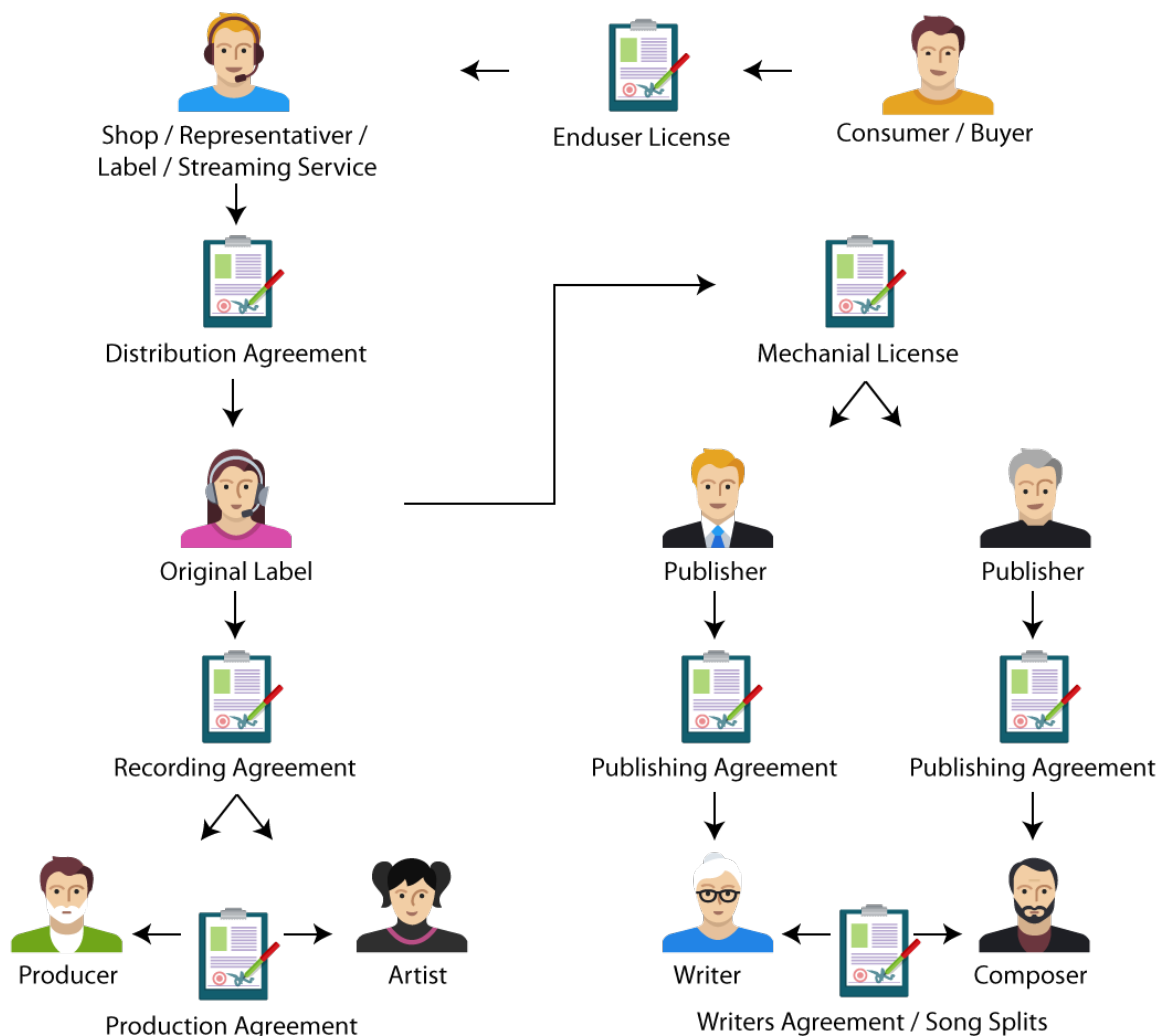
AV License

DigiRAMP provides all features required to make a mechanical license for an AV production
- Legal templates,
- Digital Signatures.
- Automated real time micro payments

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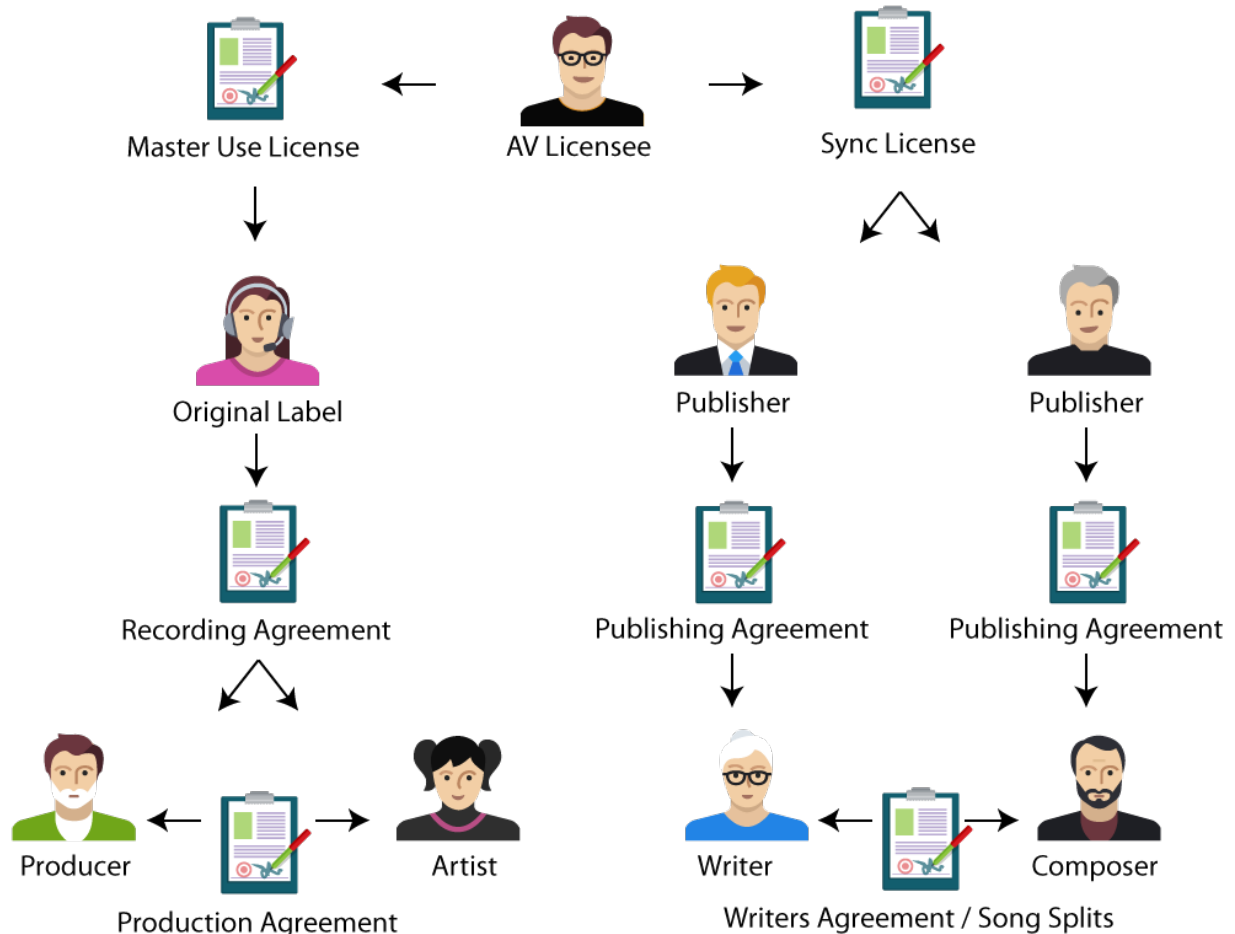
Other usage

The legal framework on DigiRAMP is tailored to the music business but is also flexible enough so it can be used for other purposes
- Services
- Administration deals
- Revenue streams

Breaking down barriers

Traditionally the music industry is segmented between different sectors

- Sales to end consumers
- Management of rights
- Collection of royalties
- Distribution
- Licensing
- Production

Hence the information is scattered out on different companies. Stored in different formats in different databases. Covered by different laws and regulations.
- There is a limited to no automation.
- The manpower used for administration is out of proportion with the turnover
- It's unnecessarily complicated to conduct business
- There is close to nothing left to creators
- There is no transparency, so misconducting business is common, also among major players like Youtube. SounCloud. Apple music. PRO's
- It's difficult to collect metrics on user behavior

To close this lack of integration DigiRAMP provides a full service, making it easy for all parties to interact in a fair legal and profitable way by reducing the administration cost to close to nothing by using automation.

Example: Sync Licensing

The traditional interaction between parties is conducted face to face, on phone, and via email. Contracts are printed and signed. Distribution of payments are done true the music supervisor and the owners sending checks or with bank transfers. The time frame is long and up to 50% of the music budget goes the music supervisor

Owners

AV Production — Creative tone established — Music Supervisor — Publisher — Label

Request to owners. Example mp3 Youtube links

Selections — Find and submits music

Approval — Issues clearance forms

Permissions

Writer — Composer

Artist — Producer

Signed agreement — Signed agreement

Payment — Payments to stakeholders

Pegister cue sheets w/ PRO's

PRO — Performance royalties (9-18 months)

Example: Sync Licensing on DigiRAMP

Often the work involved in a sync license is not worth the effort for user that owns or controls the content. DigiRAMP automate the process and moves the responsibilities to the parties with an interest in getting the work done.
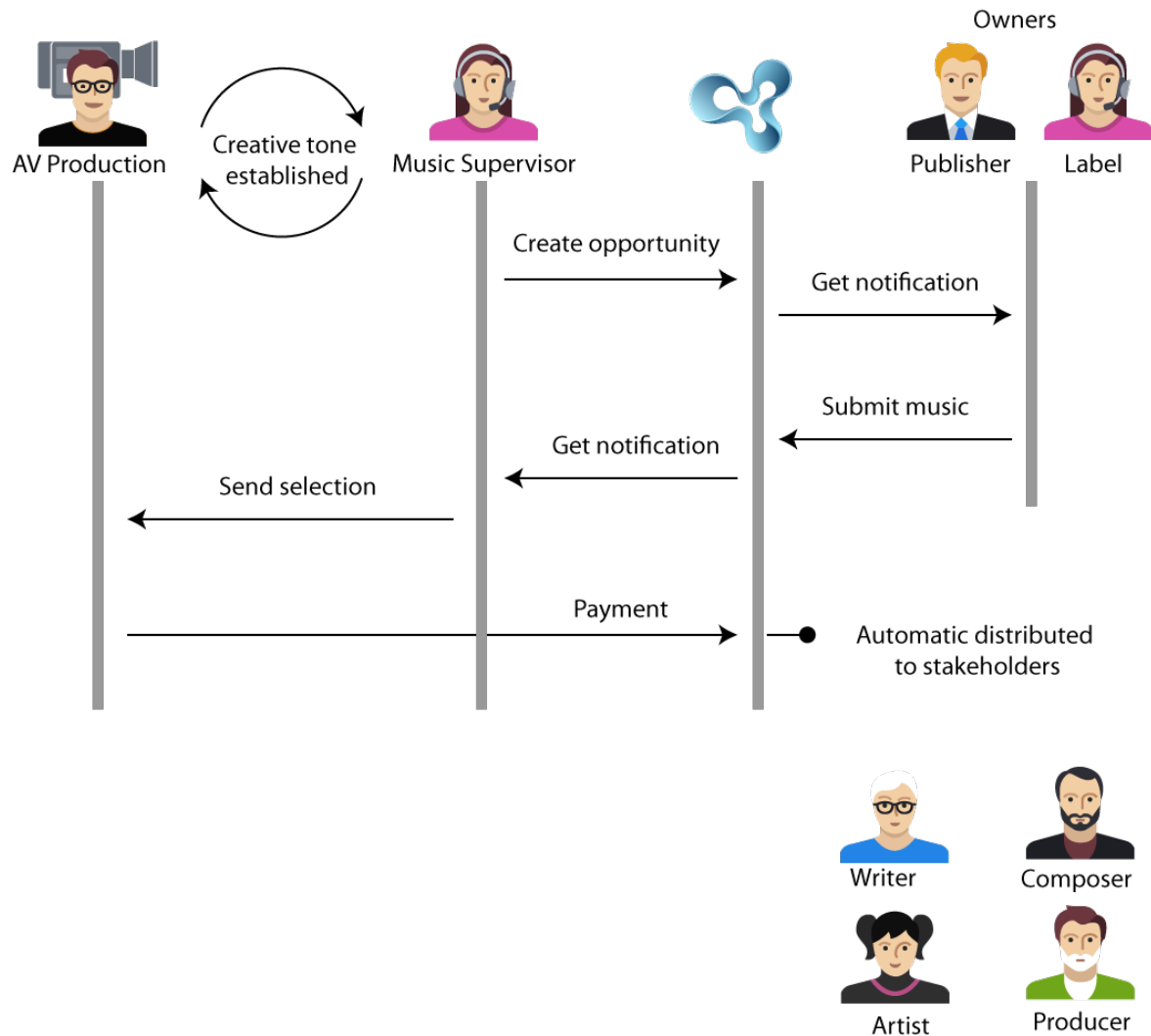
All communication is done from the DigiRAMP web interface; emails and contracts are auto generated, and payments are distributed to all stakeholders in real-time.

Delivery Networks

Profiling of common used delivery systems for media content

	Realtime Feedback	Free delivery	AV Content	Persistent Content	Realtime	Broad cast	Push notification	Founded
YouTube	No	Yes	AV	Yes	No	No	No	2005
Sound Cloud	No	Yes	Audio	Yes	No	No	No	2007
Spotify	No	*No	Audio	Yes	No	No	No	2006
Periscope	Blog / Likes	Yes	AV	No	Yes	Yes	Yes	2014
Google Hangout	Video / Chat	Yes	AV	No	Yes	Yes	Yes	2013

Notice there is a trend towards real-time engagement. I believe there is a great opportunity using DigiRAMP for a promotional tool that delivers a live concert experience to both the artists and the audience.

The closest it Periscope but it has no relation to artists or music and no way to monetize

Scenario

An artist with a great back catalog and many fans make a channel on DigiRAMP and promote it to friends and fans

Inline purchase

3d models from multiple cellphones

Marked size and trends

Publishing
Revenue of music publishing (NAICS 51223) in the United States from 2008 to 2020 (in million U.S. dollars)
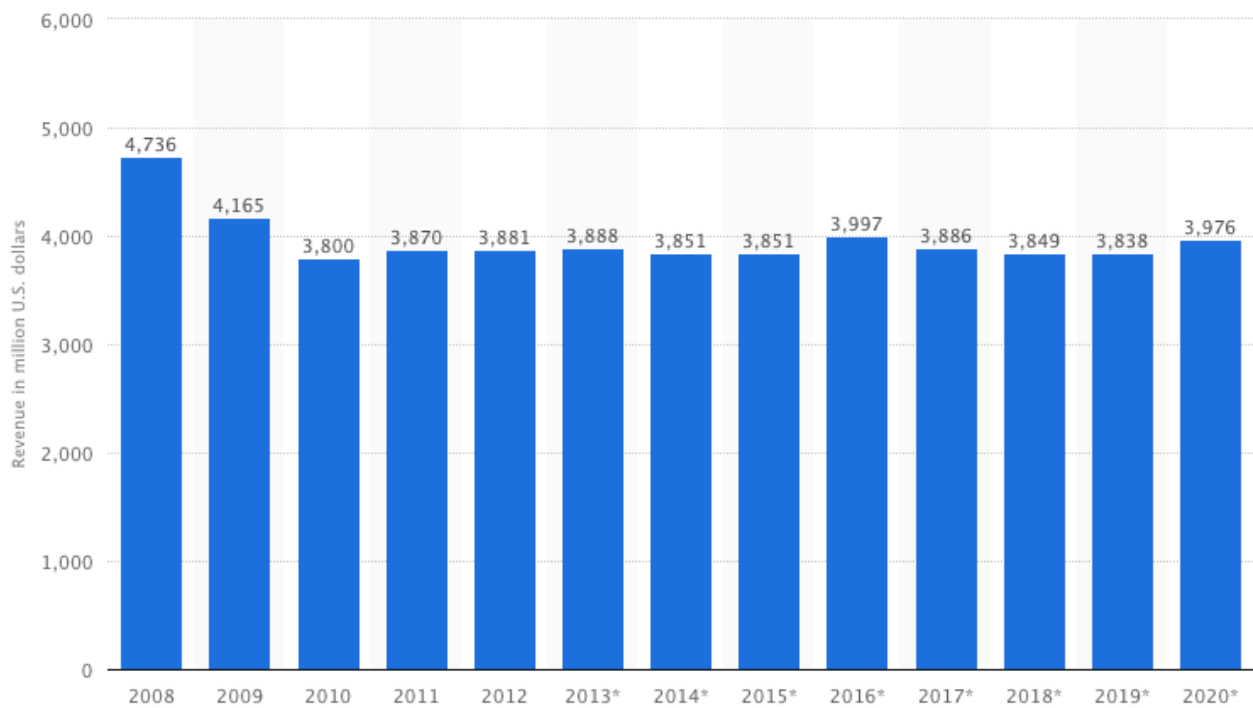
Production and Creation
- Producers
- Artists
- Writers
- Studios

Revenue of record production 2008 - 2020
Goes from 353 to 653 million
With projected inflation on 2%
653 * (0.98 ^12) = 512 mill USD and gives a 45% growth over 12 years or 3.75 a year
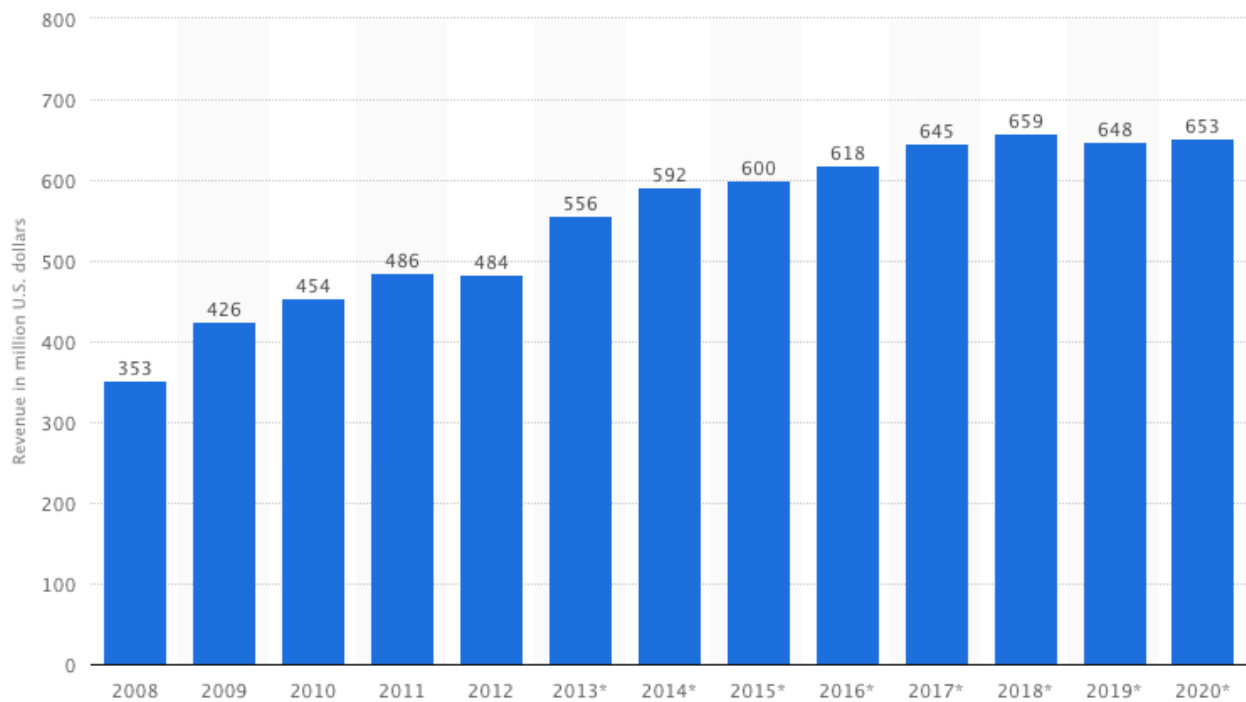
Distribution
- Physical media
- MP3 downloads
- Streaming services

Music Streaming Revenues Surpass Physical Format Sales

U.S. music industry revenues in the first half of 2015

First Half of 2014   First Half of 2015

$1,316m $1,268m — Downloads

$834m $1,028m — Streaming

$905m $748m — Physical
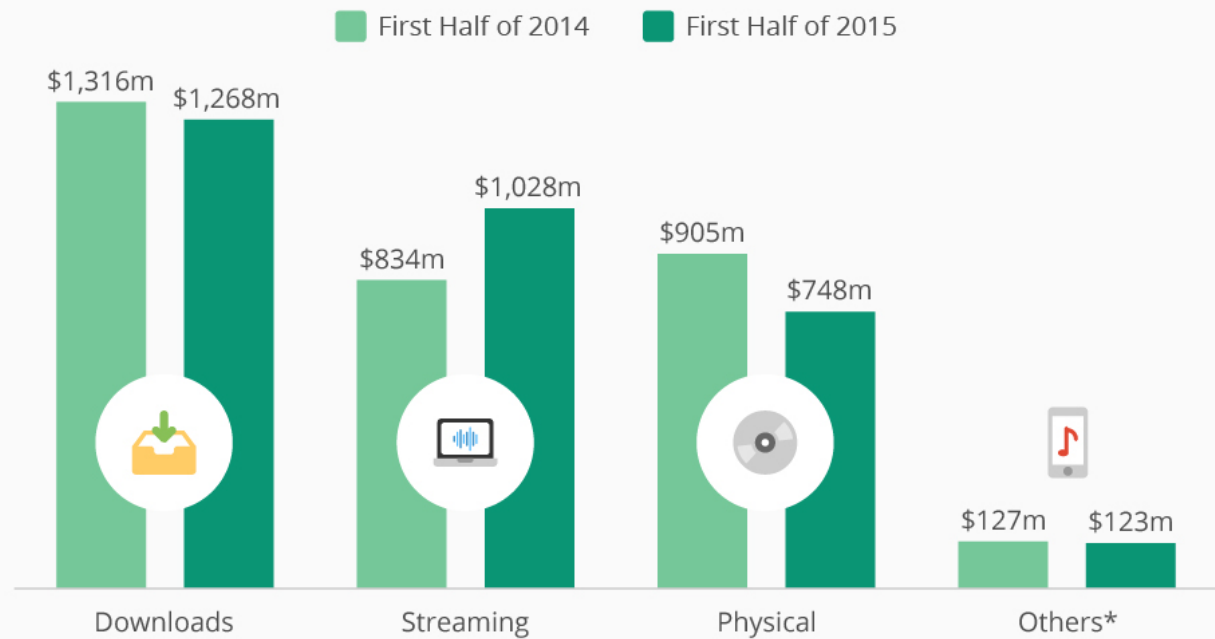
$127m $123m — Others*

* includes ringtones, ringbacks and synchronization royalties

@StatistaCharts   Source: RIAA

statista

Live Performance

The global live music industry is surging and is projected to comprise 70% of all music sales in the next 5 years. This is fantastic news for the music industry, artists and musicians, and all of the venues. But if live music is the lifeblood of the industry, why isn't there a digital marketplace connecting talent buyers and music industry professionals?

Global live music vs recorded music revenues, 2008-2017
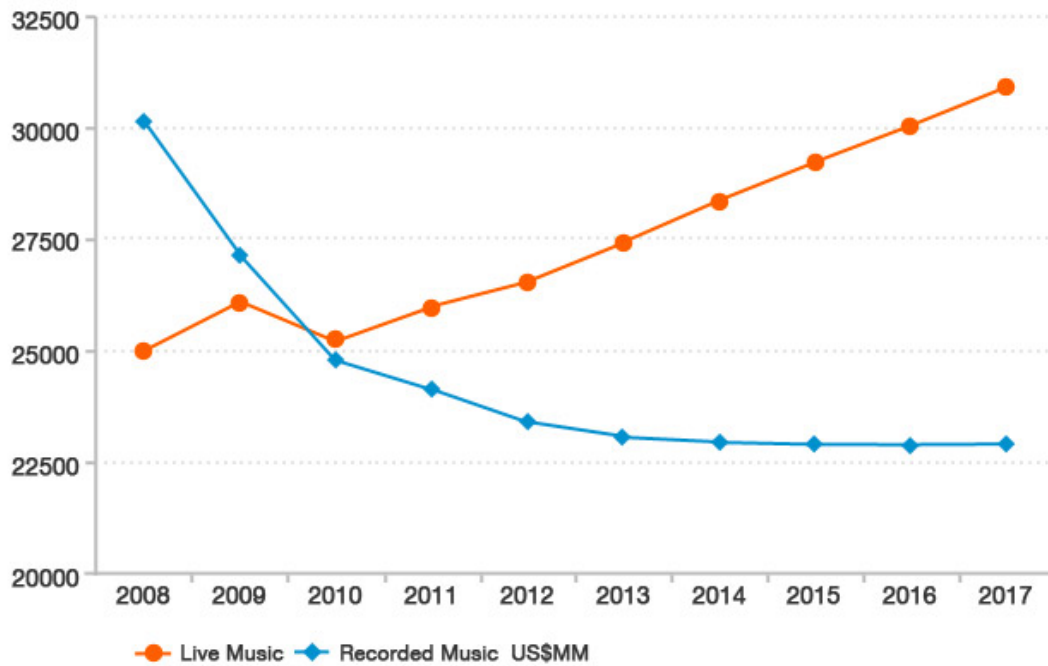
Streaming
http://www.ibtimes.com/musicians-songwriters-are-fed-low-royalties-they-are-starting-organize-2160571
Source International Business Time

Global recorded music sales reach the digital tipping point this year

Music subscriptions will lead the digital charge
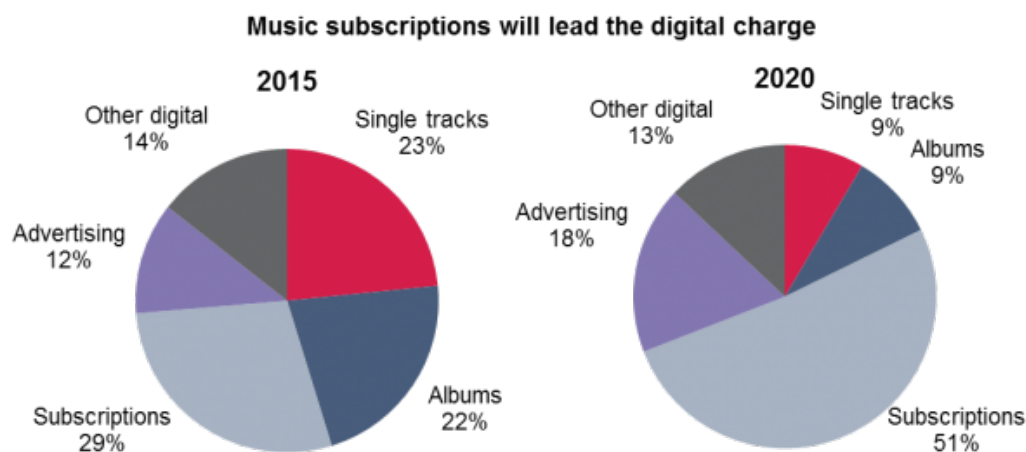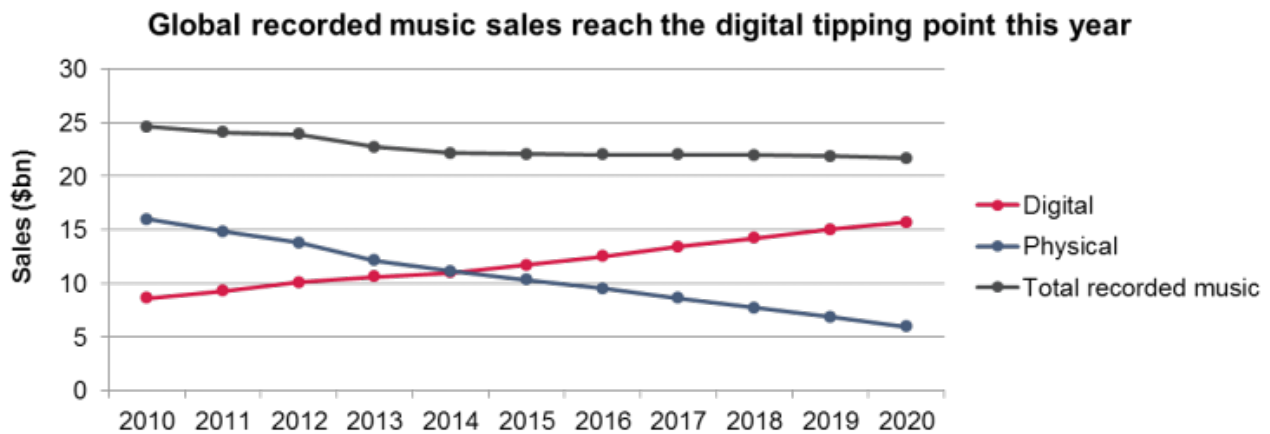
Highlights from article
- The average artist in US make $20,000 a year
- That shift has been traumatic for artists and musicians, who for a whole host of issues -- including a lack of transparency, administrative problems and royalty rates negotiated without their input -- have seen their incomes negatively affected by the transition.
- Many prominent legacy artists have begun to raise their voices on issues including a performance royalty for radio and the split of compensation between songwriters and performers on streams

Companies and competitors

Indie record labels

Operates without the funding of or outside major record labels
Number Indie labels in US ≈ 6850
Number songs controlled ≈ 2 mil.
*1

A typical indie label is managed by 2-4 persons and has a poor homepage from where it's possible to buy physical products, merchandise and with links to iTunes and Amazon for download of mp3 files

What Indie labels do well
- Development trends
- Find emerging artists

How Indie labels reach the audience
- Through the artists
- Through social media

Example Glassnote
http://glassnotemusic.com/
- Signed 20 bands.
- Distributes through iTunes and Amazon
- Live events and tickets sales

Majors

Universal Music Group
https://www.crunchbase.com/organization/universal-music-group#/entity
HQ in Santa Monica
Founded February 1981
Employees: 5k – 10K

- Has roster of an estimated 200 signed artists
- Has an estimated 20 million masters

Caroline
http://carolineinternational.com/partners
A services organization for subsidiary labels
Caroline distributes an estimated 400 labels
Each label control from 1500 to 6500+ songs

Sony Music
Employees: 6.9K

Sony Red Music
A services organization for subsidiary labels
Sony Red Music distributes an estimated 150+ labels

Warner Music Group

ADA
A services organization for subsidiary labels
ADA distributes an estimated 120+ labels

What majors do well
- Aggregate content
- Distribute content
- Distribution for subsidiary labels

Streaming services

Spotify 2014
https://www.crunchbase.com/organization/spotify#/entity/
- Registered in Luxemburg
- Active in 58 countries
- Turnover 756,9 EURO
- 74% growth since 2013
- 91% income from subscriptions 9% from ads
- 52 personas in current team
- Funding $1.06B in 11 Rounds from 31 Investors
- Number of songs: Over 30 million
- Number of playlists: Over 1.5 billion

What Spotify to well
- Proprietary player for all major platforms and mobile devices
- Get content from aggregator and majors
- Lets artists provide metadata
- Serve end users well
- Pay royalties on territory rates
- Operates globally
- Shared curated playlists by users

How Spotify reach the audience
- Ads on youtube https://www.youtube.com/watch?v=ncZzqqowGjg
- Let bands and artists promote their content through social media
- Ruining ads in magazines
- Billboards

Business model
- Subscriptions
- Monetize with ads

Status
- Loosing money
- Violate rights

iTunes
- 575 million users
- 75 million pays for music

Apple Music
- 15 million trial signups.
- 6.5 million paying customers

What Apple do well
- Integrate with hardware
- Build sexy software
- Cut deals with majors
- Have a proprietary app for upload of music
- Provide snippets for embedding links to music
- Provide API for search
- Store and find cover art and metadata true gracenote
- Seamless payment

How Apple reach the audience
- True preinstalled software
- True free software
- True Apple Centers
- True Billboards and posters
- Hype and fans
- True their developer program
- TV ads
- Apple conferences

Business model
- Subscriptions
- Bundle with HW
- Sale of individual mp3 files

Status
- Making money
- Violate rights

Social networks

SoundCloud

https://www.unternehmensregister.de/ureg/result.html;jsessionid=B60083B5472FE435DFFF128877F55D4B.web03-1

https://www.crunchbase.com/organization/soundcloud#/entity

- 350 million monthly users
- 300+ emploies
- Offices on 4 time zones
- Founding 123.32M in 5 Rounds from 9 Investors
- Good for growing an audience.
- Violate rights.
- Limited business opportunities to users
- Great widgets

Business model
- Gain as many active users as possible
- Monetize with ads

Status
- Loosing money
- Violate rights

Youtube
What Youtube do well
- Collect content from users
- Provide content
- Make money from ads

How Youtube reach the audience
- Google search
- Embeddable widget
- Playlists

Status
- Ovend by Google
- Making money

Aggregators

TuneCore
https://www.crunchbase.com/organization/tunecore#/entity
http://www.privco.com/private-company/tunecore

Founded November 2005
Acquired by Believe Digital on April 16, 2015

TuneCore is a digital music distribution platform for artists to sell their music on iTunes, Amazon, Spotify and Rdio

Funding: $7M in 1 Round from 1 Investor
10 Personas

They have an impressive feature list very comparable to DigiRAMP based on subscription and services.
Their price point is easy to compete with.
http://www.tunecore.com/index/pricing

Reverbnation
https://www.crunchbase.com/organization/reverbnation#/entity
http://www.privco.com/private-company/reverbnation

Funding: $8.6M in 3 Rounds from 3 Investors

Fair usage license

Theorchard
http://www.theorchard.com/
http://www.theorchard.com/marketplace/

Traditional site to place songs in stores like iTunes. Amazon E.T.C

Highlights
- Fully staffed licensing department
- 25 Offices
- Handles the publishing approval
- Licensing
- Accounting
- Royalty payouts

- Clients can sell third-party compositions.
- Collect worldwide royalty payments and licensing administration
- API
- Apps
- Marked place

Recent Music Startups

Gigmor

https://www.startengine.com/startup/gigmor

Raised $259,175 on StartEngine

Gigmor is the network that "plays it forward" by connecting musicians with each other, facilitating the band formation process and helping to create paid gigging opportunities. Gigmor's vision is to transform the live music industry by connecting talent buyers with musicians and bands and to become the music industry's leading digital booking platform. Through our paid subscription service, venues and talent buyers can easily discover, book, and pay Gigmor artists. Reserve your shares now; let's make music together!

Linkfire

https://linkfire.com

Raised $2,500,000 from
http://www.northcap.vc/
https://www.linkedin.com/in/thomassehested

Highlights
- Open music links, in apps.
- More than 50 different music services supported.
- Mobile app (dummy mug up on front page/ no Download link)
- Based on PHP
- Contracts with Universal Music Group, Warner Music and Sony Music. World
- Renowned artists like Sam Smith, The Weeknd and Rolling Stones promoted using Linkfire.
- Office in New Estimations & Sources
- Collect metrics on users and preferred shops
- Service Majors and Consumers

What the do well
- A clear product
- Great customers
- Track links to sales

Weakness
- Part of the business model is based on a false statement, there is no way they can ' *route fans to the music they love',* they can route fans from links to a shop
- There is no mobile app as shown on the home page

Potential revenue streams for DigiRAMP

Combining automation of Legal documents. Financial and Content delivery with social features opens plenty of potential revenue models for DigiRAMP

- Shop / Curated products
- Streaming
- Licensing / Opportunities
- Metrics / Analytics
- Subscriptions
- Advertising
- Storage
- Email campaigns
- Publishing / Label / Administrating
- PRO / Collections
- Content delivery API / SDK / production library
- Bundling
- Plugins for DAW
- Services / Legal / Help to import / Special features / Education
- Books / Video
- DigiRAMP become an Aggregator
- Mobile apps
- Campaign tool
- Mastering
- Music Hardware
- Provide cleared music to hardware vendors' game developers and third party streaming app true an API

Business model

Creating an account on DigiRAMP is free.
There is a fee on all transactions based on the payment gateway plus a DigiRAMP fee

- Stripe takes 30 cent + 2.9% on credit card transactions
- DigiRAMP takes 10 cent + 1.1% on credit card transactions minimum 1 cent

There is a limit on free accounts when it comes to features, storage and transactions

As a part of the strategy to make DigiRAMP a valuable company it's considered that the value of an active users are evaluated in the range from 5 - 40 USD.

Branding

DigiRAMP is a hero brand.
We stand up against all the laws and traditions that prevent creators from getting a fair share for their work. All money belongs to the creators no matter how little or how much

DigiRAMP is trustworthy.
Transparency. Accurate information's
Under promise over deliver
Equal rights and opportunities to all

DigiRAMP is the little guy.
No user is too small.
We meet people where they are

DigiRAMP is a Young company.
We have been working on this for eight month.

DigiRAMP is Cool
Colors. Graphics. Fonts and Layout matters.
Workflows is a core feature. Users can make their won style

DigiRAMP do not own the users.
Unlike on most other social network DigiRAMP give access to data about followers and buyers

DigiRAMP is open to the world.
Integration with as many external services. Sites. Devices as possible is one of the key features of DigiRAMP

DigiRAMP lets user owns their life
All users are their own service provider. DigiRAMP do not act on behalf of the users and users are liable of their usage of DigiRAMP. DigiRAMP is a service that gives users opportunities to conduct business. Interact and offers services.

Evaluation of user vs. company value on social networks

Clue
http://www.helloclue.com/
Mobile App
- 20% aquisition
- 1 mill user
- Founding 7 mil USD
- 35 USD pr. user

Instagram
Social network
- 100% aquisition
- 300 mill users
- Price 715 mill
- 2,38 USD pr user

Skype
http://expandedramblings.com/index.php/skype-statistics/

- 100% aquisition
- 300 mill users
- Price 8,5 billion
- 28,3 USD pr. user

SoundCloud
- 350 mill active users pr. month

Development team

DigiRAMP are using domain experts for tasks that do not require a lot of hours the following is a full-blown development team that will bring DigiRAMP from seed to founding to A round. The team will be established in a organic and dynamic.

Server provisioning / IT Infrastructure Chef

We are using Chef
https://www.chef.io/chef/

Chef is user by Facebook. LinkedIn. Twitter. Youtube.
The advantage is:
- There is no need for a system manages to maintain server configurations.
- Disaster recovery is fast.
- It's easy to get a new system manager if needed.
- In the case a larger company acquires DigiRAMP. They could likely also use Chef

Code documentation. Automated test. Patents

This role will look at the overall architecture of the software. Document it using UML write automated integration tests. And be involved in writing patents

Research and Development

DigiRAMP strive to use technologies that Scale. Perform. Are fault tolerant. And can be integrated by large companies in the case that DigiRAMP gets acquired.
This person will be responsible for:
- Investigate emerging technologies
- Plan and implement agile transformations towards selected new technologies.
- Education of the team when needed.
- Writ recruitments when new experts and team members are needed
- This is a full time position.
- This is a preferred in-house position

UX / Interaction Designer

External interaction designer. Responsible for optimization of end-user workflows and wireframes for frontends.
This person will be responsible for:
- Conducting test with end-users
- Providing mockup's to developers
- Work with management team on new features
- Work with management team on removing features
- Work with management team oc changing features

JavaScript wizards

External domain specialists

What we need are specialists for
- A super awesome audio player Implemented. Maintained and documented by the best developer on the planet.
- A consultant for configuration and maintains of Tests. Code evaluation. Routines for documentation. Selection and recommendation of open source libraries. Implementation and optimizing UI

ROR Workhorse
Full time. In-house project position . Responsible for implementation of Ruby On Rails code. Simple tasks like implementing HTML / CSS could be outsourced and managed by this person.
- Refactor
- Optimize
- This is project position. If and when technology move away from ROR this person might be replaced.

Database captain
This person will be responsible for the overall database architecture
- Big data and gather user behavior
- Scaling
- Optimization
- Work with R&D on patents
- Bulk import of third party content

Minister of Integration
This person will work with the integration of devices. Applications and Widgets
- API
- SDK
- SDD
- Integration and support of third party products

Widgets (external)

Integration with social networks and embeddable widgets
- Facebook
- Twitter
- LinkedIn
- Google +
- Snippets

OS X (external)

External provider developing desktop application for streaming and curating
- Based on API and UX specifications
- Should move in-house down the road

iOS (external)

Mobile application for streaming and curating
- Based on API and UX specifications
- Should move in-house down the road

Windows (external)

Desktop application for streaming and curating
- Based on API and UX specifications
- Should move in-house down the road

Android mobile application (external)

Mobile application for streaming and curating
- Based on API and UX specifications
- Should move in-house down the road

Plug-in's (external)

- RTAS
- VST
- Audio Units

Team over view / number of positions

Fulltime in house
- Code documentation
- Research and Development
- ROR Workhorse
- Database captain
- Integration minister

External individuals
- Server provisioning
- JavaScript wizard
- UX / Interaction designer
- CSS / HTML Monkey

External providers
- OS X Desktop application
- iOS Mobile application
- Windows desktop application
- Android application
- Plug-in's

Driving end-users to DigiRAMP

For many user categories the one most important need is access to many users. Potential investors and partners want a rising curve of active user.

What can DigiRAMP do to drive users to sign up with the smallest effort?

Sexy interfaces
- Great interaction design
- Cool graphics. Colors. Icons. Animations. Dynamic content

Cutting edge features
- Real-time push notification.
- Live engagement with artists
- Many options to pay
- Money goes directly to the artists
- Curated content
- Social integration

Payment
Many users don't like stolen music. They want convenience. Some even want physical media. And they want to be able to use the music every ware
- Subscriptions
- Downloads
- CD's
- Streaming
- Offline streaming
- Pay pr. Playback. Permission to a limited number of playbacks at a low/free price. When a threshold is reached the offer expires. Content providers can opt. In to this
- Permission to use it public. If DigiRAMP is a PRO. Artists can them self decide if what the payment for public usage should be. Some might perceive it as promotion and would like local cafe's, clothing stores as promotion.
- Permission to share it on social media. As long as it's not given away for free this could also be a part of a promotion plan it could expire
- Permission to use the same song across multiply devices

Ease of usage / native apps
- Mobile apps. A lot of media usage is done from mobile devices. Integration with the devises music library keep users in the app if they want to use music they have acquired from other places. Users want a different set of features often less on mobile devises
- Desktop apps. Same mobile devises but with more features. They don't need content provider features.

Amuse the journalist's
- Present personally if possible
- Tell a good positive hero story.
- Always use and repeat well prepared one-liners "Own your life"
- Have a strong opinion. Early adopters dare to go against the stream. There is no such thing as bad press.
- Damage control. Respond to bad press early and often.
- Engage in public debates on blogs
- Engage in conferences
- Have a great press kit with god images of personas. Videos. And screenshots
- Send out press releases
- Invite to events. Online and offline
- Be positive
- Give hope
- User testimonials

Advertise
- Youtube. Probably OK
- Facebook, might have no effect
- Google. Maybe ok
- Magazines. Might not work
- Billboards. Might work

Bundle deals
Most buyers of music gear are armatures. DigiRAMP can sell bundle deals to hardware and software vendors.
- Soundcards
- Cellphones
- Mixing consoles
- Effect units
- Guitars
- Keyboards
- Other instruments
- Online training and schools
- Media providers can get coupon codes

Sponsored content
Paid for content can become free for the end users if someone else is willing to pay. This could be:
- Brands
- Campaigns
- Personas
- Events

Engage in other networks
Write nicely about other on other social medias