

Marketing for the Music Industry

Product - SOUNDCLOUD

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Introduction

Soundcloud was introduced to the world from Berlin, Germany in August 2007, it was originally founded by two Swedes, Alexander Ljung and Eric Wahlforss. Since there were Vimeo and Flickr for video and photo sharing respectively, there weren't anything for sound sharing, so Soundcloud was developed to make collaboration easier. Soundcloud is a global online audio platform allowing musicians to distribute their music to the public. Soundcloud separates their musicians and followers and has served as a major advancement in this disruptive field since (Ondi Tinomer,2013).

The reason why I chose this product is because I feel that it is relevant for all musicians as it is easy and simple to use. It has many features such as receiving notifications of new activities in any stream. As for composers, they can upload their original tracks to share with the world.

The marketing mix helps a company to make decisions in order to sell and market their products. The marketing mix is commonly known as the Four P's, which is product, price, promotion and distribution (Annmarie Hanlon,2014). A company would need to put the right product into the right place to maximize their product sales in order to gain a good profit in return. The marketing mix is a tool for us to help us plan our product. As such, it is important that the marketing mix is applied to a business to act as a guideline for the company to grow even bigger (Martin, 2014).

Pricing

There are many pricing strategies in the world of business. For Soundcloud, it uses the pricing strategy of "Freemium" to sell its product. Freemium is a term formed by two words, which "free and premium". Basically, it explains that a business product is being

distributed to the public for free. The company then sells premium services to a number of active users to gain profit (Vineet Kumar, 2014). Due to the fact that Soundcloud is an online based audio platform, this freemium service was introduced to the users so as to give opportunities to all users to subscribe and try out the service with no charges. Upgrading to premium levels is optional.

There are three different kinds of subscription levels to choose from, which are the Free, Pro and Pro Unlimited (Martin Bryan, 2013). For the Free subscription, users could only access basic features which consist of a three hours upload quota, viewing basic stats of count plays, likes, reposts, comments and downloads. Subscribers who opted for the Pro subscription will have to choose from the choice of either to pay a small amount of £3.99 per month or £35 for the whole year, which saves up to £13 a year. Pro subscribers will have the benefit of a six hours upload quota, additional stats including plays by country, and pin tracks and playlists to the top of their profile with Spotlight. As for Pro Unlimited subscribers, they have all the basic features with the addition of unlimited upload quota, to see which cities their listeners are from, and to know the web pages and apps their songs are played from. Users can either choose to pay £8 a month or £75 a year.

It is important to have the right pricing for each product because most of the time, customers will be evaluating and comparing each and every product before they spill their cash on it. Competition based pricing has been common around the music industry, it is so challenging to get to the top because many more products of the same kind will be emerging by the time your product is ready. As for Soundcloud, it really is a challenge to put up because there are Spotify and other streaming services already in operation. So to make a fair pricing, it is difficult because of the considerations needed to be taken into account (Stuart Dredge, (2011).

Distribution

Soundcloud is an internet based distribution and is being distributed electronically. Users can download the app online to their devices without any charges. Soundcloud has been promoting its distribution through social media platforms such as Facebook, twitter and Instagram, etc. More often, it will be the subscribers who are looking for their fan base are to share their music to social media and other platforms. This way, any embedded audio clip could be passed around to all their fans globally. Listeners, for instance, would like the audio to be played without the need to be transferred to another web page from the site they are currently on (Aaron Dolores, 2015). Due to the fact that almost everything in Soundcloud is done online, Soundcloud has set up a secure payment webpage for users to make payment securely.

Marketing Communication

Soundcloud uses both traditional and new marketing communication to market its product. For on-line advertising, Soundcloud ads appear frequently on websites and search engines. It is a common sight to see the ad while using an internet browser. Off-line advertising is also used. Radio.SC, a new web app that turns Soundcloud even more exciting. With Radio.SC, Soundcloud is able to provide a service of a radio that enables users to listen to tracks based on their preference (Eliot Van Buskirk, 2012). Labelled as a web app, Radio.SC also runs on Android, iOS, and other devices like smartphones and tablets. "Radio.SC uses the information that SoundCloud has about who follows whom and who favorites which tracks, to intelligently select the music it plays.", developer Tom Price on the music that this app selects.

Soundcloud uses on-line sales promotion through the help of Couponfollow.com and Soundcloudpromo.com. Couponfollow.com sells Soundcloud coupon codes to customers. It uses manufacturer to manufacturer technique as it sells codes to customers and the codes will be used upon Soundcloud. On the other hand, Soundcloudpromo.com has been known for promoting artists. It offers five packages based on the artist's needs and wants. This website uses manufacturer to manufacturer promotion technique which serves straight to the customers. In the new marketing communication, due to the fact that Soundcloud is an internet based platform, digital media has been widely used. Users can browse Soundcloud through Google, Yahoo, Mozilla Firefox, etc. Soundcloud do appear as ads on websites like Youtube. Social media has been a norm for Soundcloud because musicians can share their songs and at the same time promote Soundcloud as well. This acts as a major boost to increase Soundcloud users as most people now turn to social media to learn and discover new things.

Soundcloud has also been using digital mix since its launch. One of it is that Soundcloud has created something new called Email Unlock. This simple project has given musicians the chance to insert their Soundcloud details after any email sign up field. Upon completion, the tracks will be embedded in a page with an email sign up link (John Paul Titlow, 2012). Soundcloud also uses electronic digital mix and online PR.

Process, People, Physical Evidence

Furthermore, the additional 3 P's that help in the service marketing mix has also served advantages to Soundcloud. In the first 'P', process, Soundcloud provides apps for customers to download to their devices. The software has been updating with new exciting features to make this application more convenient and interesting. It also has its online

portal which is also the main domain of Soundcloud. It has a handful of people and websites to support its customer services. That being said, its excellent customer services have kept user satisfaction at a rate of 95% overall with an average of 250 to 300 cases daily, managed by five of its support team. These people normally deal with customer's copyright, their accounts, and payment and billing. It is important that these three major areas are made satisfied to customers because nowadays customers seek security in almost everything.

Meanwhile, artists such as Beyonce, have put up her track to Soundcloud asking the public to remix her song. Subsequently, thousands of her track remixes by the public have since surfaced on Soundcloud and skyping with fans to which the artist choose from has given more opportunities for collaboration between the artist and fans (Tom Cheshire, 2013). This has proven that with the creativity of the artist and the advancement of technology, music goers are able to collaborate with their favourite artist.

On the other hand, Salesforce.com and Desk.com have also contributed to Soundcloud in many ways. In fact, they specialise in this field and they prioritise customer service and provide excellent services. They listen to customers globally and provide one to one interaction with customers. Desk.com provides decent knowledge Soundcloud employees lack of, namely base, macros and templates. These tools have significantly helped Soundcloud to provide customers with the best solutions. The last 'P' is physical evidence and could be proven with Soundcloud's web page. For its appearance, the decoration of it's webpage and mobile app shows it all. It's design and set-up on every application is also frequently updated.

Branding

Both Alex and Eric, founders of Soundcloud, have strong backgrounds in music

production and sound design. They found out that there wasn't any site for people to share an audio easily and to give comments at any particular time of the song. So both of them have decided to develop Soundcloud into the Flickr of music (LBB Editorial, 2013). The motive of Soundcloud was to make sound into a sociable art to let creators communicate with their audiences through music (Chris Danforth, 2015).

Conclusion

In a nutshell, Soundcloud is an audio platform that enables creators and listeners to collaborate with each other. My first recommendation would be Soundcloud make agreement with record labels and to encourage musicians to use Soundcloud streaming to promote their music. Those record labels will then pick the best song each week to get the artist signed with a record label deal. By doing this, more musicians will get to know about Soundcloud and thus, increasing its number of customers. On top of that, the record label is able to gain more clients while Soundcloud will be able to market through the other both parties and the artist will be signed to a record label. This is also a win-win situation for the record label, Soundcloud and the artist itself as it brings benefit to each party.

My next recommendation would be making a device of its own. It would be great if Soundcloud had its own portable device and better still if it is small and light, making it easy to tag along. Since Soundcloud already has its online market, this would also be a big market for Soundcloud if it releases its very first physical device. Besides that, another future recommendation is to make Soundcloud available offline. This could be great as users do not need to look for the internet to use the app. It's important because this could lead to a growing number of users as people nowadays are looking for gadgets and stuff that can function independently, even without the presence of the internet.

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