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### Background

Amazon, a world leader in book self-publishing, is planning to enter the music self-publishing space. There is a crucial need for a self-publishing platform in the music industry for both artists/songwriters as well as streaming services like Amazon Prime Music.

* Songwriters/Artists – Typically receive 50% of compositional royalties and 15% of recording royalties respectively under existing agreements with labels and therefore few of them make any real money
* Streaming platforms – Though streaming revenues grew 24% Y-o-Y in 2019 to reach $11.9B, growth is slowing because of flat subscription rates. Content differentiation through more exclusive content arrangements with artists is key to raising subscription rates and revenues.

### Problem

Amazon Prime Music has grown rapidly yet addresses an older customer base. Amazon Music Unlimited, its paid subscription service with younger listeners grew more than 50% in 2019. There is therefore an opportunity for further growth in streaming revenues in the younger customer segment.

In 2019 the Artists Direct category (those who distribute music through open distribution platforms) grew 32.1% to reach $873M in recording royalties alone. According to industry sources, while COVID -19 induced lockdown may hinder big artists and recording studios from publishing music, independent artists are expected to release music more frequently providing an opportunity for our product. The size of the Artists Direct market that represents our opportunity in 2020 at current growth rates is over $1.2B.

Research reveals the following insights about our target customer the independent artist:

* Looking for respect and recognition over cash
* Wants to build up a loyal fanbase of any size
* Wants to build online and streaming success on their own terms.

We propose a plain-vanilla and an augmented self-publishing platform with the following benefits to users

* Prime Music Direct (plain vanilla)
  + Non-exclusive publishing and distribution arrangement
  + No fee to upload music on Amazon platform
  + 15% commission retained on master, performance and mechanical royalties to artist/songwriter
  + Option to upgrade to augmented offering (Prime Music Select)
* Prime Music Select (augmented offering)
  + Exclusive publishing and distribution arrangement with Amazon streaming platforms
  + 100% of master, performance and mechanical royalties to artist/songwriter
  + Marketing support, radio/playlist plugging, sync-licensing, etc.

Competition comprises open distribution platforms like AWAL, CD Baby, Tunecore, etc. which allow music upload and distribution to streaming platforms based on commission-based or one-time / subscription fee-based models.

The advantages of our product in relation to competition are:

* Brand association with Amazon
* Lion’s share of royalties to artists and songwriters and no upfront/recurring costs; marketing support and exclusive content deals for Prime Music Select users
* CD/Vinyls distributed to the world’s largest e-commerce store at no extra cost
* Transparent and swift royalty payments with splits

### Goals

Our goal is for Amazon Prime Direct to become the preferred music self-publishing and distribution platform for independent songwriters/ artists.

With Amazon Prime Direct we expect to sign up at least 500 new artists with an average of 2 album releases in the first year and at least 1000 new artists with an average of 2 album releases in the second year. Our projected ROI with this product in the first year only from digital streaming revenues is 14%.

With Amazon Prime Select we expect to sign up at least 10 new artists with an average of 2 album releases in the first year and at least 15 new artists with an average of 2 album releases in the second year

By the end of Year 5 our goal is for Amazon Prime Direct & Select to capture at least 30% share of the Artists Direct Market and at least 10% share of the total Artists Direct & Indie Labels market

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