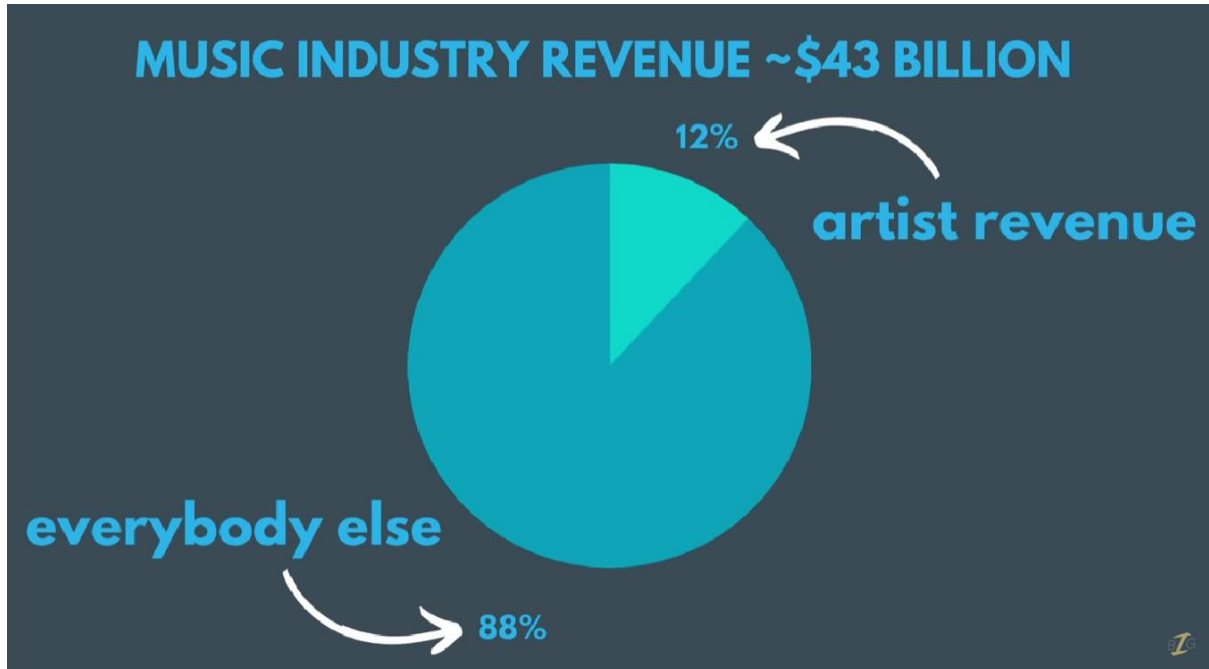


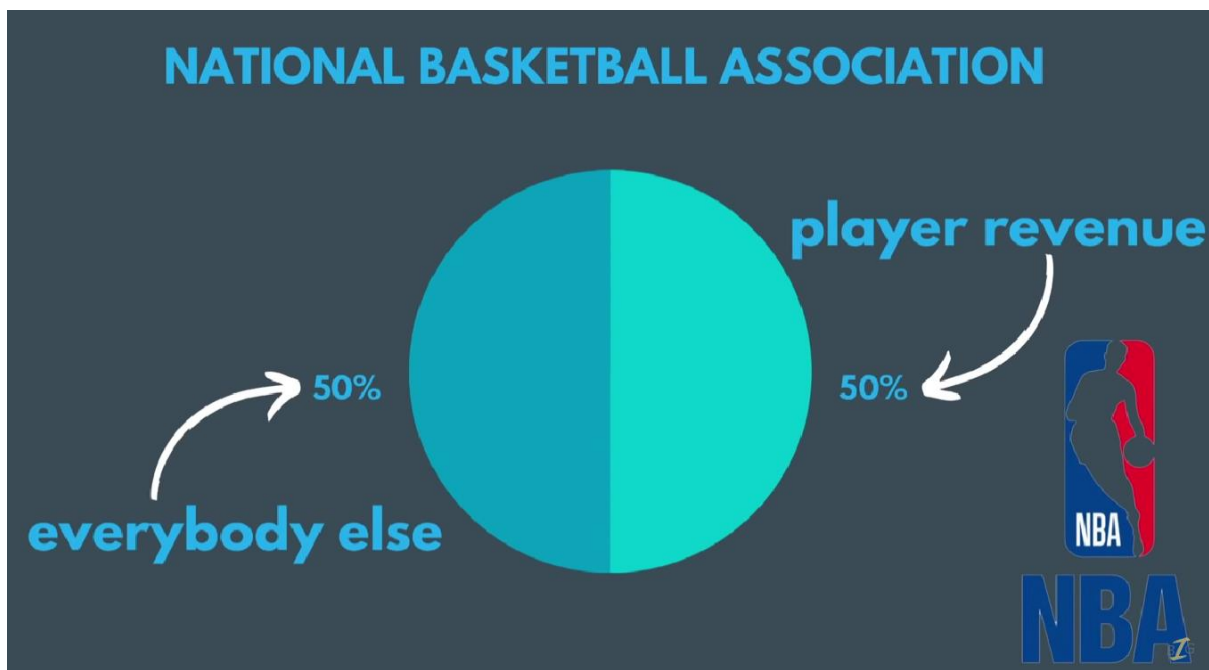
## PROBLEM

The global music industry is worth **43 billion** dollars but only **12% of that revenue** is going to artists.



*Artist revenue from music industry revenue*

Whereas, **NBA players are getting 50%** of the total revenue.



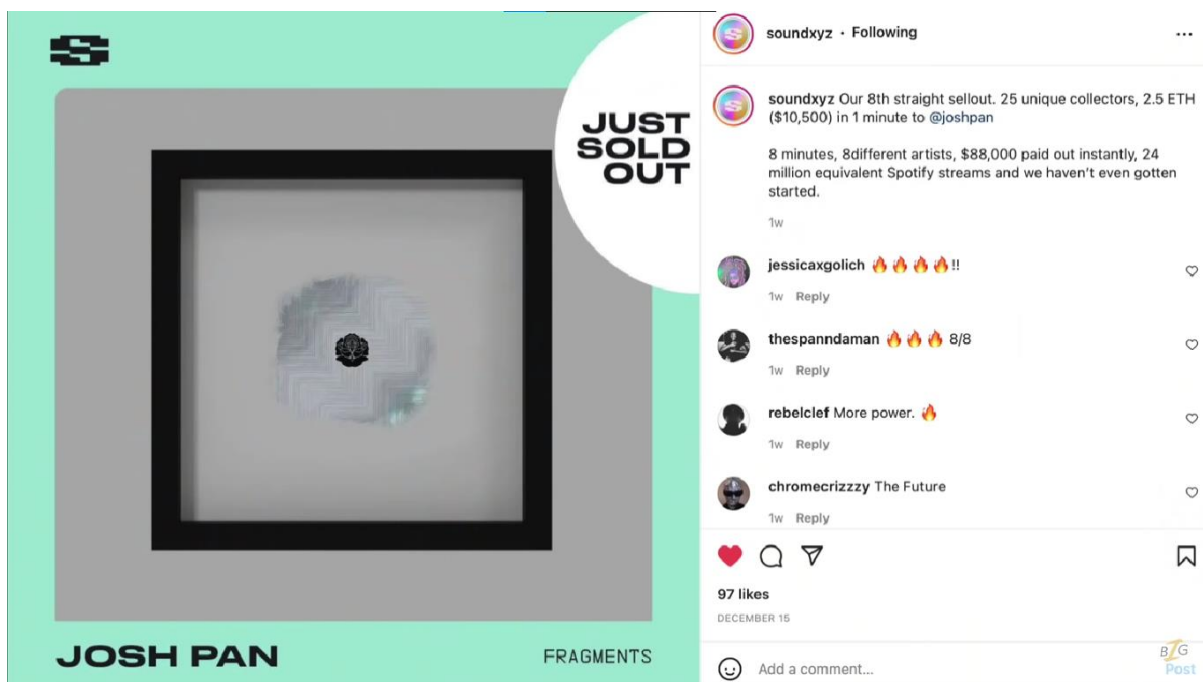
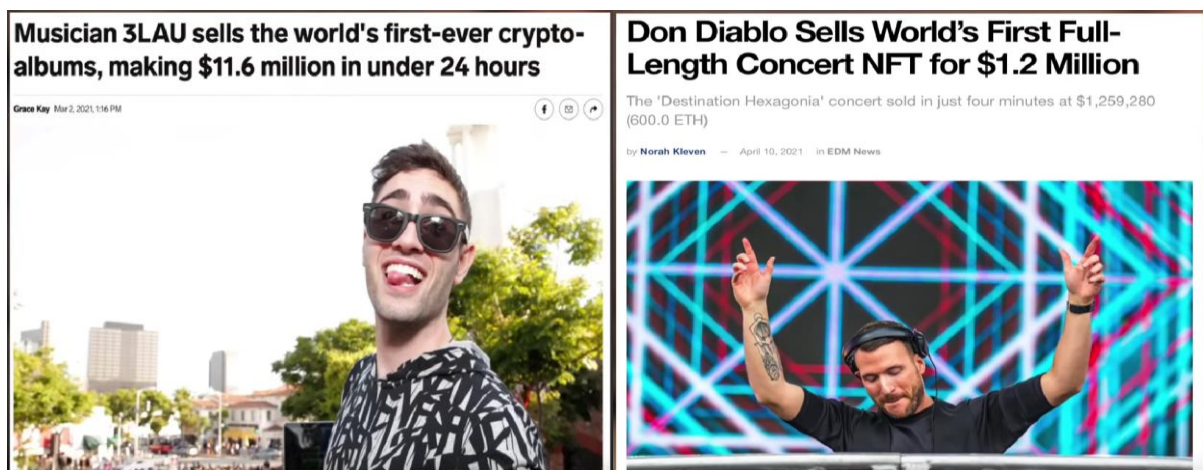
*Typical NBA player revenue*

## OUR VISION

Artists are really the backbone of the music industry. So, we think they should be getting up to 50% of the pie as well like NBA players. So, we are going to allow this ship to happen with blockchain technology. **Now artist can make more money by using web 3.0**

## HEADLINES

The following headline shows the intense engagement and revenue that's being generated for artists in decentralized music platform.



- Blau aka 3LAU (American DJ) made 11 million dollars on an NFT drop
- Don Diablo sold a concert NFT for 1.2 million dollars
- Smaller artists like Josh Pan & Oshi have each made over \$10k in one minute with their song releases on [sound.xyz](https://sound.xyz)
- [Audius](https://audius.co) one of decentralized streaming platform had hit 6 million monthly active users

## THE REVOLUTION OF MUSIC INDUSTRY

Let's have a look at how the music industry has worked in the past.

We took 3 examples:

1. Michael Jackson song release [1980'S]
2. Avicii song release [2013]
3. Modern song release [2022]

### MICHAEL JACKSON RELEASE

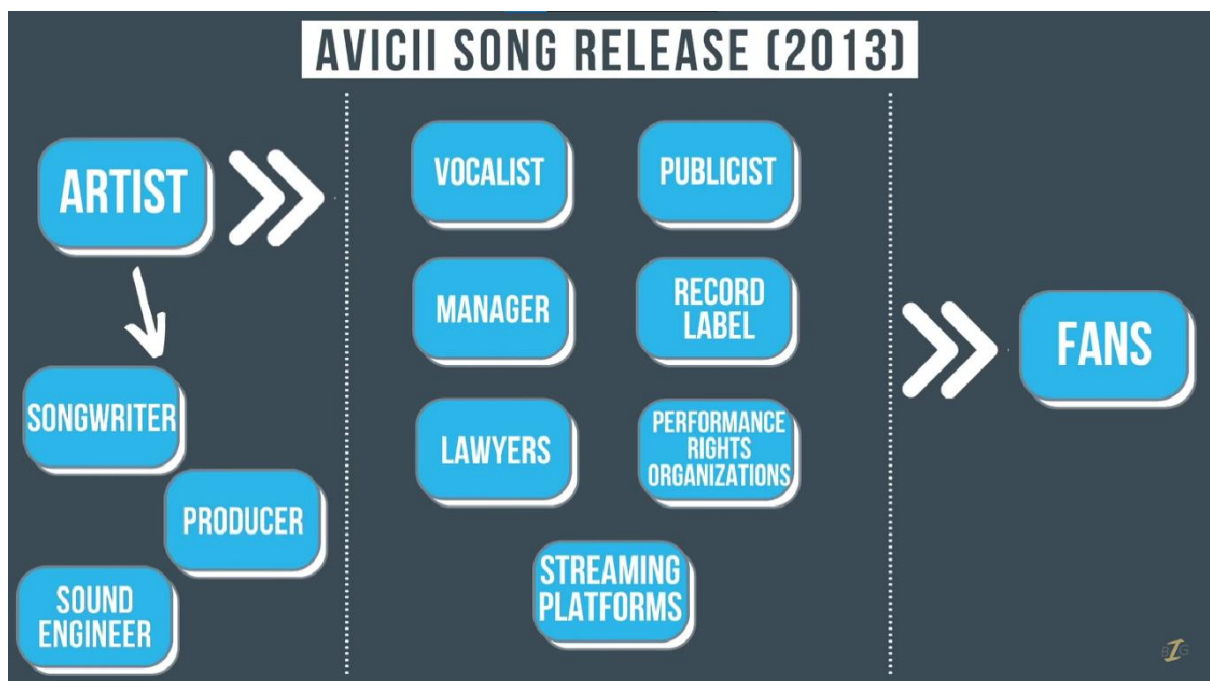


*Era of MJ*

When Michael Jackson wanted to release a song these were all the people that were involved which implies hundreds of people required to connect MJ to his fans. So, we all could imagine how much value went to those middleman instead of the artist himself.

## AVICII RELEASE

After the era of **MJ** (over the next couple of decades) we got technology and the advent of streaming services not only changed the way music was consumed but also the way music was made.



*Era of Avicii*

So here artist could be songwriters, producers and sound engineers all at the same time using computer software. The problem is the music industry kept all the gatekeepers and middleman and business practices from the pre-streaming era. They forced the existing system onto this new streaming technology.

## MODERN RELEASE

In this era most of the people are self-releasing their music with the help of streaming services.



*Modern era*

*So, we've been trending in the right direction cutting out more middlemen between the artists and fans as time goes on but the problem still remains...*

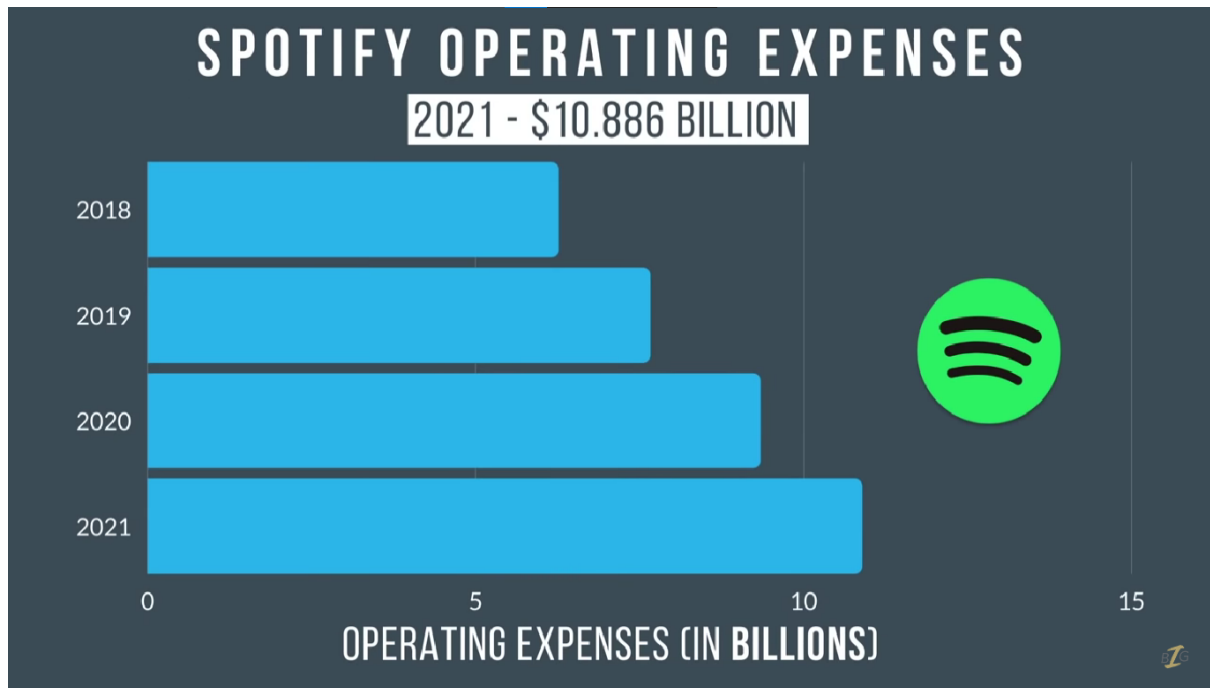
## PROBLEM WITH STREAMING PLATFORM

The main problem is streaming platforms like **Spotify, Apple Music, SoundCloud, YouTube Music, Google Play Music** etc. have so many costs to run their businesses that there's not much left over for the artist.

In order to distribute music from the major record labels **Spotify** had to sign insanely complicated contracts that guarantee the label's massive advances and other benefits.



So, it's not a very democratic platform or approach when **Spotify** has to give major label releases, special playlist placement and promotion and after all of these costs what's left over for the artist is only a third of a cent (\$0.003/stream). So, artist just use music as a loss leader to make money from touring and merchandise.



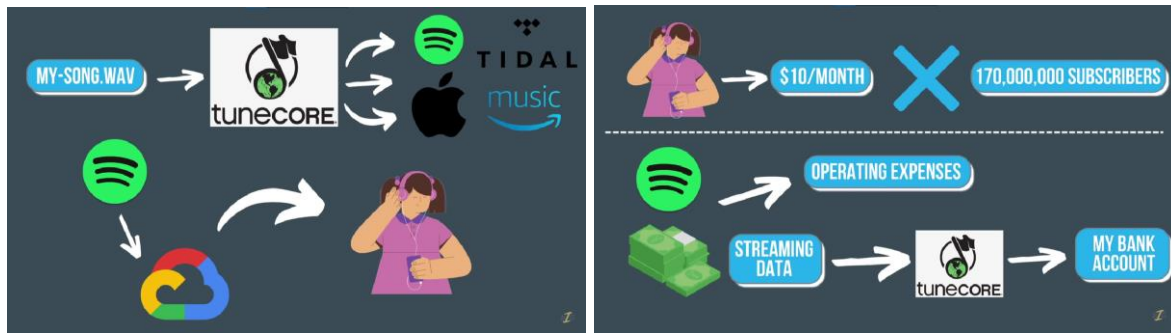
## Spotify paid Sony Music up to \$42.5 million in advances

In section 4(a), Spotify agrees to pay a \$25 million advance for the two years of the contract: \$9 million the first year and \$16 million the second, with a \$17.5 million advance for the optional third year to Sony Music. The contract stipulates that the advance must be paid in installments every three months, but Spotify can recoup this money if it earns over that amount in the corresponding contract year.

But what the contract doesn't stipulate is what Sony Music can and will do with the advance money. Does it go into a pot to be divided between Sony Music's artists, or does the label keep it to itself? According to a music industry source, labels routinely keep advances for themselves.

**ACCORDING TO A MUSIC INDUSTRY SOURCE, LABELS ROUTINELY KEEP ADVANCES FOR THEMSELVES**

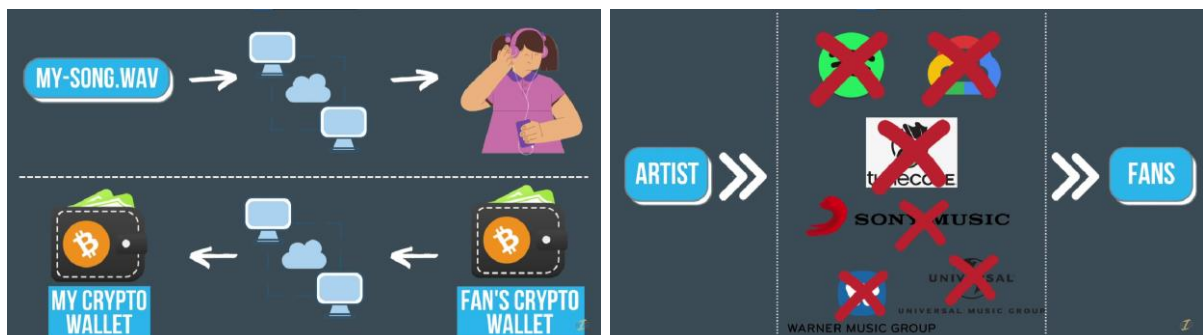
## MUSIC ON WEB 2.0



1. At first artist upload a song to a distributor like tunecore
2. Distributer acts as a bridge between artist and all the streaming platforms so it sends all the song and associated metadata to streaming platform like Spotify
3. Spotify hosts all of its data on cloud
4. Now the songs are available out in the world and fans can starting to listen to it
5. Each of those fans are paying 10 dollars each to use Spotify
6. So, Spotify has the massive pool of money coming in every month from about 170 million subscribers
7. Now Spotify have to cover all the costs to their business operations first
8. After that Spotify can divide up the remaining money based on streaming data and they pay out the money to tunecore
9. At last tunecore pays the money to artists

**N. B.:** This whole process is pretty inefficient, it takes months to get paid for people listening to your music.

## MUSIC ON WEB 3.0



1. At first artist upload a song to a decentralized music platform
2. Now a fan can go onto the platform and buy the **NFT** (discussed later) of the song
3. When that fan buys the NFT of the release a small royalty payment could go directly from their digital wallet into the artist's
4. This way artist could get paid immediately with cryptocurrency
5. So, less value is getting lost to the middlemen like Spotify, Google Cloud, Tunecore and record labels
6. In this decentralized music platform all that value is getting transferred directly from the fans to the artists

## OUR APPROACH WITH NFT



*In short a NFT is a key that verifies ownership of a unique digital item which lives on a blockchain*

We are not dealing with NFT of songs as digital art only, obviously there is surface value but there's a lot more hidden underneath that.

### **Example:**

Justin Bieber (Canadian singer) could issue a collection of thousand NFTs to drop at the same time as his new album release. So, let's say if you own one of those NFTs you will get **free concert tickets, access**



**to VIP meet & greets and access to a private Justin Bieber fan club on discord.**

The best thing is if you're buying one of those NFTs you're not just buying access to the fan club or free concert tickets you're also investing in Justin Bieber himself. You can choose to resell your NFT to someone else in future and hopefully you'll get more than you paid for it.

**So, as a fan you not only got access to all these great things you also made money off your investment from believing in Justin Bieber.**

*(How much underlying value and access an NFT holder gets is totally up to the artist)*

Secondly, we will use NFT as a tool to monetize biggest fans of an artist. Not only streaming services but we will also introduce some drops that can be done alongside songs or albums release.

So we will try to help artists better monetize their fan base through NFT drops which will allow the NFT holders to leave public comments on the songs so fans are incentivized to be early so they can show their support for artists.

Now if those artists grow a lot over the next few years then those NFTs would become more valuable so the fans will get rewarded for their early support of those artists.

***Music Industry is broken and we've seen the matter in this way which can be viable to fix it* - Utsav, Antick, Gourab & Supratim**