

TRENDING FW

(FWCharts.com) (TrendingFW.com) (FWMusicAwards.com)

Business Plan

Chase Harper, Founder

Executive Summary

Product/Service

Trending FW will transform Fort Worth's local music scene into an interconnected music industry. It will seek to build infrastructure that empowers the local music industry and helps it function more efficiently through the establishment of a music ranking standards and awards system, a fan engagement currency, an artist merchandise hub, a local influencer hub, an arts and culture interview live stream, and a cross-venue NFT/VIP benefits pass. Specifically, the charts will provide a formal review and qualitative ranking system for artists to attain notoriety and recognition, and for our local business partners to identify new clients. This also provides the local music scene with a point of reference and rating for which artists are trending, and which businesses are actively transforming the local scene into a local industry. When looking at the local scenes problem with fan engagement we see a solution through creating new incentives and opportunities for engagement with our loyalty point system called Stardust, which fans can earn by engaging with artists content and by reaching certain milestones that reward point amounts to the fan. Stardust fan engagement currency can be redeemed for (exclusive and non-exclusive) merchandise, physical releases, tickets, and fan experiences. The merchandise hub will allow use of Stardust in place of standard currency and will seek to be the central hub for artists to sell apparel, physical releases, visual art, and more. Lastly, the VIP benefits pass will have a three-tiered subscription system with point allowances per month for the fan. This gives the holder access to cross-venue VIP benefits/access and other entertainment bonuses for staying subscribed.

Key Management Bio

Chase Harper began his career in the music industry after his Spotify party playlist became popular on campus and then went viral online. Playlisting was just starting to change how artists market their music, and Chase was a key pioneer of that wave. He took advantage of the opportunity he had, and began building relationships that would help him throughout his career. He started by focusing on his brand identity, the growing streaming space, and his industry relationships to establish himself as a valuable asset to any release team, quickly becoming the primary point of contact for major labels needing third-party assistance in the digital streaming space. He was contacted by and partnered with some of the biggest music industry moguls, and been fortunate enough to have learned about the inner workings of the music industry while he worked as a freelance marketing consultant for Universal Music Group, Sony Entertainment, Warner Music Group, Empire Distribution, RBC Records, and many more. During the period of 2017-2019, the marketing he focused primarily on was track marketing and playlist pitching/acquisition. This led him to provide those same clients with creative marketing in addition to DSP placements. Additionally, he connected with other influencers and continuously exchanged social media posts for marketing services to further build his portfolio of clients. Chase became one of the primary third-party industry consultants and point of contacts for the major labels, distribution companies, and marketing agencies he partnered with. He regularly coordinated releases with artists, label executives, distribution companies, blogs, and entertainment figures on a daily basis, which led to him developing a name for himself amongst

the artists. In 2019, with the support of investors, independent labels, and major artists DJ's/producers, Chase planned to launch a music competition/festival with several monetization opportunities. However, with the uncertainty brought on by the 2020 global pandemic, the plan became impossible to execute without live shows or events and Chase was forced to think creatively and reevaluate where he wanted to invest his time. Having worked independently as a freelancer for the past six years Chase is excited to partner with likeminded entrepreneurs to add to the music legacy in his hometown of Fort Worth.

Customers

The target audience for Trending FW includes local artists and their fans, and hospitality business owners in the Fort Worth area. Specifically, we will specialize in artist analysis/development; fan-artist interactions, fan engagement opportunities, music industry navigation, exclusive cross-venue NFT holder events, and VIP pass benefits. Local artists will be reviewed and, based on their ranking, be funneled back out to our service partners for studio time, equipment rental, management, branding, music distribution, track features, financial lending, venue booking, press placement, and other services relevant to artists.

Targets include the following groups:

- **Artists** for the charts and to be funneled into the five service arms that all serve different industry functions. We will also seek out artists for the merchandise hub.
- **Fans** for increased engagement with Stardust* points and rewards, new experiences, NFT pass benefits, artist's products/merchandise, and arts and culture podcast viewership.
- **Business owners** for future partnerships and expansion, features on our interview live stream (Twitch) about the local arts and culture, and support from both cities tourism boards.
- **Venues** for the cross-city VIP Benefits Pass, artists performances, and VIP experiences.
- **Influencers** for the local influencer marketplace. Along with a matchmaking system that serves up campaigns to influencers that have signed up to make TikTok's and Reels for local businesses in exchange for freelance payments. The more influencers that we can get involved in the system means we can use them to promote artists much more easily.

Future of the Company

Our company has the opportunity to be the web of interconnectivity between Fort Worth entertainment businesses to further develop our music metroplex and get national recognition. Tracking multiple artists' qualitative or quantitative level of success can be a very involved process. However, by creating a local charts/trending system similar to Billboard Charts, RIAA, and XXL Freshman Class, we can supervise the scene and institute standards as well as establish levels of achievement and recognition for artists to attain and be rewarded with notoriety. Over time, the public will dismiss non-featured local artists similar to the dismissal of non-verified social media figures, or artists without a Grammy nomination, Top 100 charting song, or radio hit. FW Charts seeks to be the de-facto music city standard of excellence and provides a stack of services that fills in the lacking areas based on an artists review/rank. The long-term mission is to transform the FW music scene into a fully functioning industrial system. This will enable artists and both cities to receive the recognition that we seek on a national level.

Company Description

Mission Statement

Our mission is to empower the Fort Worth music scene through industrialization, fan-engagement opportunities, artist recognition and awards, local business coordination to give artist's dedicated fan-bases, and to cultivate new successful artists by establishing standards for them to meet and maintain on their journey towards success.

Overview

Trending FW seeks to unify, standardize, industrialize, and give notoriety to our local scene via a co-owned music authority of Fort Worth. The infrastructure we will provide to the local music scene will start by establishing our standards to recognize successful artists, and provide them the opportunity to see how they stack up against one another. We will do this using our ranking and review system, which will have set standards and requirements for artists to meet and maintain for recognition and awards, fan-base growth opportunities, and innovative ways for artists to reward their fans for their loyalty. Additionally, when artists need services they will get funneled through our business services stack to increase overall quality, output, reduce overlap, and benefit all involved partners for mutual success, Stardust* virtual currency's main purpose is to increase fan engagement, boost ticket sales, and incentivize fan-artist interactions for faster music metroplex growth. In order to have an agreed upon authority over the music scene we will have partners from key members of the best local music related businesses to manage the infrastructure building process together.

Principal Members

Chase Harper- Founder
Co-owner (**Business Operations**)
Co-owner (**Performances**)
Co-owner (**Making Music**)
Co-owner (**Audiences and Fans**)
Co-owner (**Promoting Music**)

Legal Structure

Trending FW LLC and Trending DFW LLC are currently reserved with the Secretary of State. Located in Fort Worth, TX (Tarrant County)

Intellectual Property Rights

Trending FW will be given protection for its proprietary process and other unique intellectual property. We have also registered a list of domain names, built basic websites/landing pages,

and parked relevant social media accounts for future use to prevent third-party interference.

Parked Domains

fwcharts.com (Ranking and Trending Charts)
trendingfw.com (Main brand)
fwinfluencer.com (Promoters)
fwnfts.com (NFT/VIP Benefits Pass)
fortworthnfts.com (NFT/VIP Benefits Pass)
merchfw.com (Local Merchandise)
culturefw.com (Pop Culture Interviews)
fwfan.com (Fans Hub)
fortworthmusicawards.com (Music Awards)

Parked Accounts

@fwcharts
@trendingfw
@trendingmusicfw
@fwinfluencer
@trendingfwmusic
@merchfw
@fwpodcast
@fwculture
@fwfan

Brands

TRENDING FW
FW CHARTS / FW MUSIC AWARDS
FW CULTURE
MERCH FW
FW FAN
FW INFLUENCER
FW NFTS

Market Research

Industry

Standardization and uniformity are implemented across the music industry to further optimize businesses processes, improve business relationships within a market, raise the overall expected level of product quality, and increase profit margins. The music industry has always had different agreed upon levels of success such as RIAA, Billboard, MTV Top 20 Countdown, verified social media checkmarks, monthly listeners, and Grammy nominations. The key to translating standardized systems from the national level to the local level is by having the right community support to award artists with recognition for their success, the ability to create new monetization avenues for those involved, and by allowing the central authority to be cooperatively managed to put Fort Worth on the music industry map. We plan to specialize in further integrating and standardizing the different parts of the local scenes to capitalize on long-term opportunities by establishing an efficient system that bolsters and further grows Fort Worth as the leader of the music metroplex. Music industry standards and large-scale cross-business partnership systems like ours have existed for decades. These systems help businesses function more efficiently, filters popular vs. serious culture, gives artists something to use as a reference point for how well they are doing, sets milestones artists need to reach, draws in new artists, and increases fan-bases engagement levels. It also helps the public to see who is popular, which can peak their interest in discovering new music. Additionally, interconnected fandom reward systems can incentivize engagement, increase interactions with content, increase ticket sales and venue attendance, increase merchandise sales, and provide fans new reasons to be involved and purchase artists products, rather than be passive listeners. The music industry is recovering from the past couple years of COVID-19 when artists couldn't make a substantial profit from in-person shows and investors couldn't really make investments towards in-person ventures. In fact, nearly 75% of an artist's income comes from live shows and merchandise, which means that most artists were struggling to find new avenues of monetization. Unfortunately, one of the primary metrics that is lacking in Fort Worth is fan engagement. While artists still have attendance at shows and views on videos, those are not converting back to future customers and future super fans. This is one of several issues in the two cities' core infrastructures that can be addressed through coordination, and we can provide new monetization avenues through the solutions that we craft.

Description of Customers

As we grow our business, Trending FW will specifically target local artists, their fan bases, other businesses within FW that provide music industry-related services, local influencers to assist in marketing campaigns, merchandise/apparel partners, and podcast hosts for live streams. This also includes music venues for cross-venue VIP Benefits, marketing agencies for promotion, record stores and labels to sponsor artists merchandise drops, entertainment companies for events, and local news outlets/magazines for editorial/blog features. This will allow us to take advantage of the company's networking abilities to assist local artists and continue to build up the infrastructure of our music city. We will continue to develop local talent through the use of our ranking system, direct-to-consumer merchandise hub, influencer promotion portal, by featuring artists on our pop culture show, providing access to our service partners, giving venues audiences access to a unified VIP benefits pass, and by keeping fans continuously engaged with incentives, events, and new artist-fan experiences.

Company Advantages

Standardization is the process by which a company institutes uniform methods from production through promotion and this makes the process replicate-able, scalable, and efficient. Trending FW will be the primary and agreed upon local music standard for artist recognition and achievement, and seeks to be the uniform business hub for music-related resources. By establishing the infrastructure, we have the opportunity to filter the types of music in the scene, to make fan-bases for artists stronger and more engaged, the local entertainment businesses better connected and partnered, and providing fans with new exciting ways to interact with their favorite artists through exclusive experiences. We provide access to our system of business partners who specialize in every service an artist would need to acquire individually through research, trial and error, or local recommendations. Essential to the process is the support from the community and local music business partners to give the system genuine credibility for artist recognition, and thus can become the web of interconnectivity, and a central hub for the FW music community. In addition, local artists and other entertainment companies can ask to be a part of the services stack to compliment their business gaps or benefit from having access to the rest of our uniform system. In the long-term by transforming Fort Worth's independent music scenes into a music industry system, we can stand out in the national stage, increase efficiency, provide new monetized opportunities, increase fan engagement through incentives, and create new stars with trending chart rankings as we continue to scale the company.

Company Value

Our value is within the unified music industry infrastructure we seek to establish as it creates an efficient, optimized, and monetized music industry. We will be ranking and reviewing artists to determine the areas that they are lacking in and then provide them with the best solutions from our service partners. After establishing ourselves as the unified music standard of FW and establish charts with the KPI's of an artists success, we can then provide artists with awards, new opportunities for increased fan engagement, provide fans with new experiences, provide venues with increased attendance and innovative experiences, and our company will be able to monetize each of these interactions. Having one of our owners born and raised in Fort Worth, we provide an authentic community-driven approach to our music industry industrialization process. Since Dallas has already been partially placed on the national map through artist touring, we can have Fort Worth lead the metroplex to give our city the same level of recognition.

Initial Coordination

- Coordinate the different roles, responsibilities, and local music industry standards.
- Establish the specific set of standards to get on the charts and retain a ranked position.
- Receive input from each service mechanism on the specifics of those standards and partners expectations.
- Artists will need to meet the standards and continuously meet the requirements set or risk removal from the system.
- Ensure all members coordinate with each other effectively and meet all agreed upon deadlines to prevent bottleneck and from one partner preventing the others from moving forward.
- Establish our company as the hub and first point of contact for artists, businesses, and

other music industry services entering the local music scene.

- Develop relationships with investors, partners, and those who can support us in crucial areas such as funding, financial lending for artists, timing and strategy of major plans, client relationship management, event planning, venue booking, and record keeping.
- Establish which venues to partner with for our series of exclusive shows and experiences, along with how the NFT and VIP benefits - help all partners.

Research and Development

The company is currently conducting the following research and development:

- Creation process of building multiple artists fan bases based on their unique industry journey and tailored for their specific needs as well as the industry's current trends.
- Determine primary need for standardization and ranking within the local music scene.
- Gather investors and local business partners potentially interested.
- Identify industry trends that may provide potentially competitive services in order to ensure we effectively carve out the standards system and fan-artist engagement routes.
- Determine data collection methods and determine whether charts will be quantitative and qualitative or both.
- Coordinate specific funding details and potential investor expectations and what numbers we need to acquire for them to feel comfortable to invest.
- Monetization amounts and costs for the different parts of the business model.
- VIP/NFT benefits pass feasibility and current VIP costs at the different venues.
- Understand and full investigate the national process of building a music city and utilize the available guides/handbooks for the most effective outcome.
- Learn from others mistakes in building up Dallas and Fort Worth as a music hotspot.
- Discover opportunities for Tourism Board involvement from Fort Worth
- Consider partnering with Music Cities co. for creating Fort Worth case studies on the different aspects of what makes a music city successful on its path towards national recognition.

Marketing & Sales

Basic Strategies

To grow the company, Trending FW will do the following:

- Network effectively so that each service arm can be a fundamental part in the ownership of the company.
- As the business grows, place ads in local magazines/and news outlets that will reach our target customers.
- Establish promotional periods prior to performance dates for effective fan turnout and larger ticket sales.
- Hire skilled employees and outsource basic maintenance of the data upkeep.
- Establish "Charts" with other cities and have their own locals run the branches (Long-term scale-ability)

Primary Concepts

Client Funnel & Service Arms

The inherent nature of the *standardization* process makes things more industrialized, uniform, and efficient. After ranking and reviewing an artist, the artist gets informed of areas they could be doing better, then the **client gets funneled through the company's uniformed service arms** and we provide coordinated services that are better quality; maintain the set standards, and creates new ways that our partner businesses can benefit from monetization. This gives our local industry the uniformity, coordination, and standards it needs to have better infrastructure for fan bases to grow and to increase our rate of success for local artists breaking nationally or at the very least being financially independent. There will be five different services within the arms that also co-own the company and each perform different functions:

1. Focus on **Business Operations** (Administration, Accounting, Logistics, Artist MGMT)
2. Focus on **Performances** (Event Planning, Venue Booking, Ticket & Merchandise Sales, Tour Planning, Festival Performance Planning/Participation)
3. Focus on **Making Music** (Artist Branding, Recording, Producing, Publishing)
4. Focus on **Audiences and Fans** (Fan Engagement, Social Media MGMT, Audience Analytics, Artist - Fan Experiences, Meetups, VIP/NFT Benefits, Events)
5. Focus on **Promoting Music** (Track Marketing & Distribution, Full Release Schedule, Short-Form Videos, Influencer Content, Editorial/Blog Features)

Fan-Engagement System

In order to fix local core issues such as poor fan engagement, and lack of ticket sales, we will create **Stardust fan engagement currency and rewards system to incentivize fans to interact with artists**, this allows the fans to interact in more meaningful ways, provide new streams of revenue, and strengthen pre-existing audiences. The Stardust *fan-engagement currency* creates new avenues of monetization and enables fans to interact with artists in ways that they previously couldn't. The currency is our means to increase engagement of fans with artists, and enable us to utilize fans for promotion in exchange for reward points, build out the fan bases of artists, comment on posts, repost videos, post on their stories, and much more. The currency will also be usable on the artist's merchandise hub. By connecting all these individual pieces, we can build out the industry for artists to be able to launch to the national level faster than ever.

Trending Charts & Artist Review

Create the **Charts ranking system** so that artists have a reference point to determine how they stack up against each other and establish incentives for reaching certain milestones as an artist. This enables us to point out which areas they are lacking and then provide them with the services that correctly align. The Charts *ranking* system's purpose is to establish a system for artists to know how well they are doing and how they stack up against each other. We then tell the artists the areas in which they could improve, and that feeds back into our company's service arms to provide them with the services they were already going to find individually. By creating a new standardized system as mentioned, we give each of our participants quality control, centralized access to clients, and a ranking system of recognition for newcomers as

FW's population continues to expand. When artists look at the state of their journey they need indicators of their progress and some type of recognition and notoriety system for when they reach the milestones we set for them to achieve.

Fort Worth Music Awards

We seek to establish the Fort Worth Music Awards as a first phase proof-of-concept for the rest of the plan. The awards will be a new annual FW music culture standard of achievement for artists. The awards will be in addition to the trending artists/ranking charts system. We seek to have the city sponsor the awards and potentially have the FWPL and Amplify 817 be the ones presenting the awards along with the show's hosts. Donation tables could be a great option to acquire extra funds for the system or for the cities FWPL fund. Different businesses could also sponsor each category or genre for artists.

Merchandise Hub

We seek to be the **e-commerce source for all local artists merchandise** and exclusive physical releases. As mentioned, merchandise and live shows are the two primary ways that the music industry makes money. Therefore a central merchandise hub is another way to concentrate the music scene and make it more uniform to industrialize and increase efficiency and help get more eyes to the website to make artist purchases.

By not having retail locations we can have better margins and increase profits for partners and the artists involved in the merchandise hub. Also, we could create NFTS for artists to sell and have the art be completed by local artists and designers. Artists will have their own individual landing page to sell fans all their products. Stardust virtual currency can be used to pay for these items on the store, and fans will be rewarded new points for purchasing items. This also allows for us to have another metric to track fan dedication, client acquisition cost, sales, etc. It's possible that people will be more likely to buy local artists merchandise if its centralized in an easier way for fans to see all the products available. This also allows for other artists or fans to see what the most purchased merchandise is - and then the customer would be more likely to buy products that are suggested to them. Additionally, we can have the site be ad-supported and have our local businesses run their advertisements on the site or sponsor item drops. For example, artists selling apparel or physical releases could have different drop sponsors by Doc Records, Record Town, 94VintageStore, and more.

Influencer Portal

We will **form a database of local influencers that we can match to artist promotional campaigns**. This matchmaking system will serve them up automatically with campaigns that they would be interested in pushing for local businesses. We can even organize influencers by product type, genre, cost, schedule availability, follower count across specific platforms, and follower count across all platforms. They would be freelance consultants/contractors in regards to payments for their promotion. Although Tik-Tok and Instagram both have influencer marketplaces, our system will be local and focused solely on Fort Worth. The key in making these processes work is through translating the national systems that have proven to be effective, to the local level. In order to make it work we will need the right community support from other businesses to collectively implement the infrastructure.

NFTs or VIP Benefits Pass

We will be creating a **NFT or VIP Benefits Pass** (*with our partner venues**) that allows for an exclusive artist experiences with fans, exclusive releases and products, monthly giveaways, and a first of its kind - uniform VIP experience across Fort Worth venues. Also by creating this interconnected VIP benefits system that we coordinate together with partner venues, we can provide a unique gated experience that generates additional revenue for our partners. This will help to further integrate Fort Worth's music scene and help it to continue to innovate with an expanding population.

- Silver Level
- Platinum Level
- Gold Level

Each benefit level will have different perks associated with it. These will be reoccurring memberships that are either a monthly fee or just a larger flat rate.

Arts & Culture Stream (Twitch/YouTube)

Culture FW will be a **new podcast for local brands and artists to have more opportunities for exposure**. We will focus primarily on Fort Worth Arts & Culture with an emphasis on music. The streaming platform that we decide to use will affect how much exposure we can give the featured guests. According to *Music Business Worldwide*, 1/3 of listeners discover new music from Twitch streams rather than YouTube. That's a large chunk of listeners that some artists aren't even tapping into for fan-base growth. Currently, we are reviewing the most experienced podcast hosts in the FW area to have the metroplex represented professionally on the national level. We want to utilize community support and work with the most experienced podcasters for our show.

Partner Communication

Trending FW is establishing communication with core partners and potential members:

- Meeting with both Fort Worth council members for dual-city support.
- Meeting with the potential local businesses, influencers, and artist managers.
- Crafting an investor pitch and strategizing how to implement service arms with all potential partners and investors.
- Create a group chat that owners can be involved in together for collaboration.
- Posting on local businesses pages and commenting on local influencer pages to increase general awareness of brand and to correctly prime the potential customers.
- Provide contact information on trendingdfw.com, dfwcharts.com and all NFT specific information on dfwnfts.com.
- Determine means of team communication, collaborative DAW studio options for the studio team, audio file-system, visual assets/art system, CRM system, ad management system Google Ads, Facebook, Instagram, Tik-Tok, social media management system, analytics tracking for local music, etc.
- Determine schedule of first phase deadlines and core partner goals and expectations.
- Ensure timelines are established and set so that we can move at an efficient pace.
- Design and mint the NFTs or VIP pass for the VIP events and for the VIP access at all partner venues.
- Seek out high profile investors and potential sponsors for the infrastructure to become permanent.

- Create and maintain a spreadsheet/database of FW artists, influencers, venues, and fans.

Company Lifecycle

We seek to build out the cross-city mainstream infrastructure for the FW area in order for us to become a nationally recognized music city. The different parts of our infrastructure process will turn the individual music scenes into a fully optimized mainstream industry with a focus on increasing profits, and growing artists fan-bases. By being the first group of entertainment entrepreneurs in FW to establish a system that's primarily optimized for artist growth, fan engagement, efficiency, and is interconnected in a way that increases financial opportunities, we can industrialize and build out the music metroplex. In the long-term we could expand to other cities and use the same processes to empower other rising music hotspots. For further expansion or direction we could partner with MRC Data for data/analytics to power the charts, and Music Cities for additional resources since Fort Worth was deemed Texas first music friendly city. We've also already reviewed their music city handbook and identified types of processes that currently do or do not work for Fort Worth.

Pricing Structure

In order to pitch to investors we will need to fully strategize the pricing structure and monetization routes. We will need the Operations/Administration partner's input for the best pricing structure regarding reoccurring memberships, merchandise costs, establishing deadlines, and other operation strategies. The financial side will also be influenced based on the number of partners, services offered, member roles, and the percentage of profits owned by each service arm in our company.

Philosophy of Popular Culture

According to *On Popular Culture* by Theodor Adorno, there are two pervasive spheres in our culture and in music. To better understand the relationship between serious and popular culture, we can establish a basis of fundamental characteristics on what popular and serious culture means in society. More specifically, popular music is standardized and the surrounding systems are also uniform in their production and promotion. In serious music, no mechanical substitutions can be made since each part is unique from the whole. Popular music is composed in such a way that the process of translation is already planned and to a certain extent achieved within itself. Also under a monopoly, mass culture is identical in its patterns and scheme. Adorno specifies, "After a long day of exploited labor we are not looking for art that challenges us. Instead, we want art that is safe and comfortable." By making our local music industry system much more uniform all the way from production to promotion, we can unlock a new mainstream side of Fort Worth. If we implement strategies to increase our base level of music popularity, increase our output efficiency, and funnel clients effectively through our co-owner partners, we will continue to grow on the national landscape.

Next Steps

FW Charts will look to secure investments and partner with the most effective business owners in the area. We will then assign ownership roles and responsibilities to the service mechanisms. We also plan on crafting a mutually agreed upon timeline for each partner involved so we can

ensure we meet deadlines and launch dates.

Trending FW Plan Outline

Visual Overview



Additional Resources:

<https://www.ifpi.org/wp-content/uploads/2021/10/IFPI-Engaging-with-Music-report.pdf>

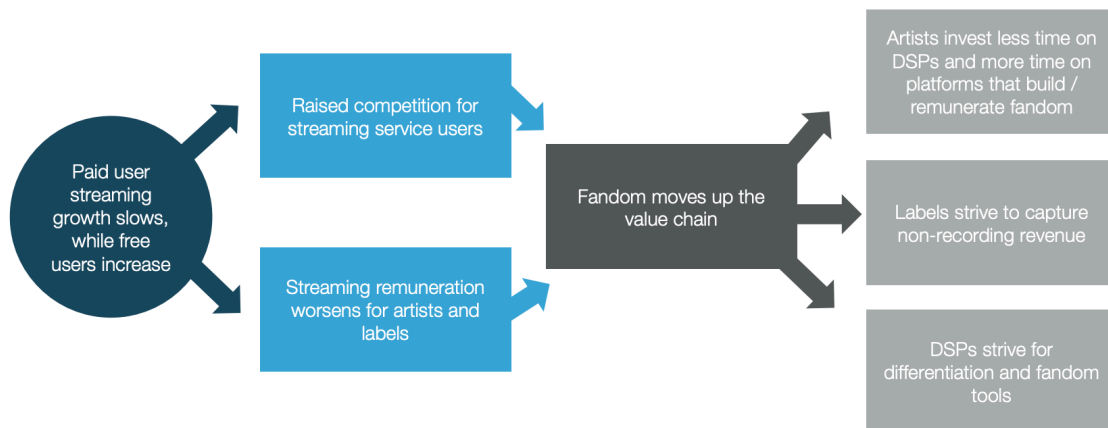
<https://tinyurl.com/billboardchartsreport>

<https://tinyurl.com/musictomorrowreport2021>

<https://tinyurl.com/midiareport>

The slowed growth of paid music streaming subscribers will drive artists towards revenue sources that better serve fandom

Conceptual overview of attention recession impact on music



Source: MIDiA Research

MIDiA.

Source: MIDiA

Podcast subscriptions have the opportunity to grow in place of other paid entertainment

Podcast listenership

- The pandemic grew podcast listenership (21% in Q4 19, and in Q1 22 it was at 23%)
- Return to pre pandemic habits – time and attention are key for podcast listening
- Maintain current level or slightly decrease in attention recession



Podcast subscriptions

- Alternative premium content
- Supports indie creators
- Exclusive video content

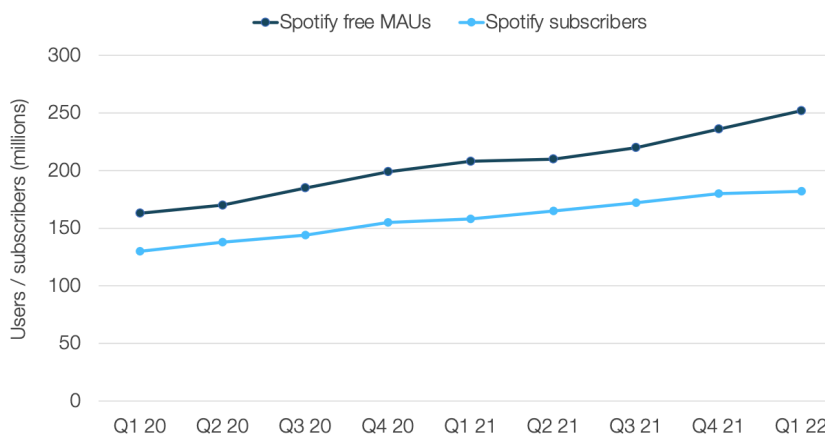
Source: MIDiA Research consumer surveys 12/19 and 03/22, All consumer average, n = 9,000

MIDiA.

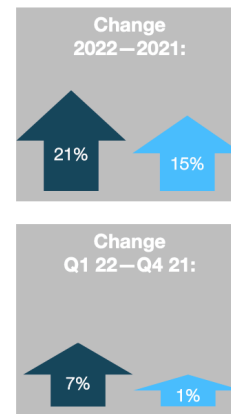
Source: MIDiA

Ad-supported music subscription growth is outpacing paid, and will drive artists towards revenue sources that better serve fandom

Spotify free and paid users, Q1 2020 — Q1 2022, global



Source: MIDiA Research Consumer Survey 03/2020 – 03/2022



MIDiA.

Source: MIDiA

Cultural trends as the lockdown boom fades

- Socially creative consumers have affinity for other creators, meaning one-off spends in a show of support have more meaning to them than a basic subscription
- Entertainment should adapt to the fan-first behaviours, looking for niche, individual big spenders rather than a broader audience of small spenders: niche is the new monetisation mainstream, too



Source: MIDiA



ANALYTICS BUDGETS ON THE RISE

By 2021, **data analytics has turned into an established music business practice – and a burgeoning industry with countless tools, services, and in-house analytics solutions** sourcing professionals with insights. Yet, it seems like there's still a lot of room for improvement, as most businesses surveyed are planning to increase their data analytics budget in the coming year – with almost no plans to cut down on analytics expenses across our sample.

Today, **music businesses are looking at data analytics as one of the main drivers of competitive advantage in an increasingly saturated market.** The increasing volume of music released, coupled with single-oriented release cycles that became commonplace in recent years, mean that most music companies – regardless of the subset they operate in – are pressured to expand their operations to sustain their market share. Label managers that used to run a few big albums every year now work multiple singles each month. **As these recording pipelines expand, labels rely on data to optimize their**

portfolios and marketing spending.

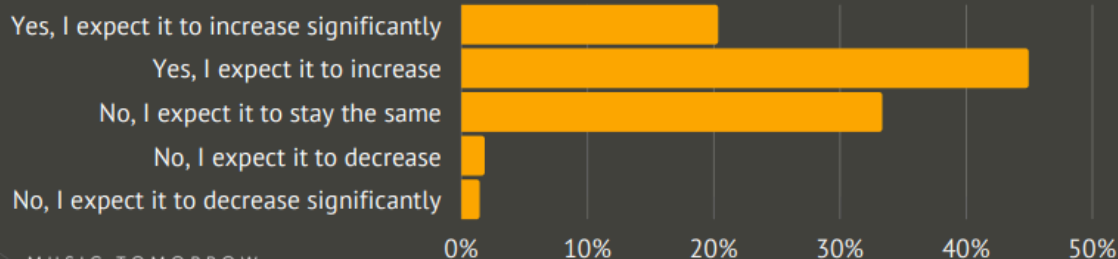
Their counterparts on the publishing side of the business handle ever-growing catalogs and rapidly expanding volumes of operational data, as streaming consumption expands into emerging music markets – all while compromised metadata remains a common denominator.

62%

of businesses planning to increase their budgets significantly name **ML, AI & Predictive analytics** as the category for future investments

These tensions put data forward as one of the main avenues for innovation in the music business, as **emerging data tech in the fields of predictive modeling and ML opens a host of new opportunities.**

Do you expect your company's data analytics budget to increase over the next 12 months?



Source: State of Data 2021 Industry Report by Music-Tomorrow



STATE OF DATA 2021: AT A GLANCE

ANALYTICS BUDGETS EXPECTED TO INCREASE THROUGHOUT 2022

Our findings suggest a good year for the music data industry, with most companies surveyed – regardless of their segment of the music business – planning to increase their analytics budgets for 2022.

65%

of all music businesses in our sample plan to increase their analytics budget for 2022

95%

of surveyed music professionals are using data analytics at least once a week

DATA ANALYTICS ARE A DAILY PRACTICE

Music data is now integrated into most workflows in the industry, with most music professionals engaging with analytics daily.

CUSTOM DATA SOLUTIONS ARE COMING OF AGE

As the music data practices mature, businesses are looking to leverage custom analytics solutions to access tailored insights and process operational data.

52%

of all music businesses are developing custom in-house data processing & analytics solutions

Source: State of Data 2021 Industry Report by Music-Tomorrow



PRIMARY DATA GOALS AND USE CASES

Internal/external reporting (48%), workflow optimization (48%), and strategic analysis (39%) were the most prominent data use cases.

Artist data analytics came in a close second, with a near-third of respondents expressing that they use data **to support artist pitches (32%), benchmark against other artists (33%), and scout and evaluate new talent (35%)**

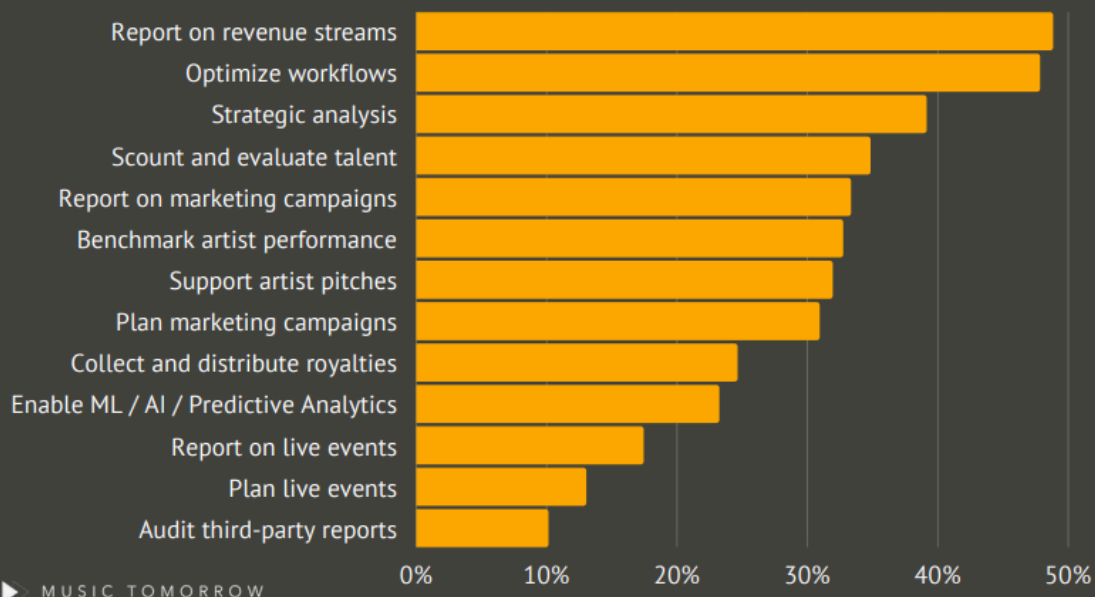
Marketing-related analytics were in third place, with **32%** of respondents using data **to plan marketing campaigns and study best practices**, as **33%** engaged with data **to report on marketing campaigns**.

Observed variance in primary data goals is obviously subject to inherent biases in our sample – yet,

it still highlights the faceted nature of music data. Even some of the more narrowly focused specialists, like marketing managers in the recording industry, engaged with multiple aspects of music data in their day-to-day, tapping into several music data platforms that often went beyond strictly marketing-related analytics.

Such diversity in data use cases means that most music professionals still have to work and harmonize multiple data tools and sources. Even as third-party analytics providers like [Soundcharts](#) and [Chartmetric](#) developed cross-platform tools designed as "one-size-fits-all" solutions, most businesses in the industry still have to build compound data stacks to account for variations in use cases.

What are your main goals when working with data?



Source: State of Data 2021 Industry Report by Music-Tomorrow



+361%

Mass Merchant stores, like Target and Walmart, have doubled their share of the vinyl album universe since before the pandemic due to a 361% increase in vinyl sales since 2019.



250K

BTS had the biggest single week of CD sales so far in 2022 with their album *Proof* in June.

LUMINATE

*CURRENT - MUSIC RELEASES THAT ARE LESS THAN 18 MONTHS OLD. **CATALOG - MUSIC RELEASES THAT ARE 18 MONTHS OLD OR OLDER, AND HAVE FALLEN BELOW NO. 100 ON THE BILLBOARD 200 CHART AND DON'T HAVE A SINGLE FROM THE ALBUM THAT IS CURRENT ON ANY OF BILLBOARD'S RADIO AIRPLAY CHARTS
* MODERN-ERA: SINCE LUMINATE BEGAN TRACKING MUSIC SALES IN 1991
STYLES: DAVE J HOGAN/GETTY IMAGES

10

+27.4%

Current* vinyl album sales are up over this time last year

-8.4%

Catalog** vinyl album sales are down over this time last year

Top Hits By Year

2021

"Levitating" by Dua Lipa

626.6m

on-demand audio streams

2020

"The Box" by Roddy Ricch

920.4m

on-demand audio streams

2019

"Old Town Road" by Lil Nas X

1.0^b

on-demand audio streams*

2018

"God's Plan" by Drake

917.9m

on-demand audio streams

* the only song to reach this threshold in its release year

Source: Luminate-MRC DATA

RADIO IN THE PANDEMIC ERA

IN THE U.S., total radio listenership for music has remained steady despite the initial impact of the pandemic on in-car radio listening. Satellite radio and streaming live broadcast radio have compensated for the loss of AM/FM radio listeners for music engagement.

Where Radio Listening Happens Now

% of U.S. Music Listeners tuning into radio in a typical month for music engagement

AM/FM RADIO

2020	61%
2021	59%

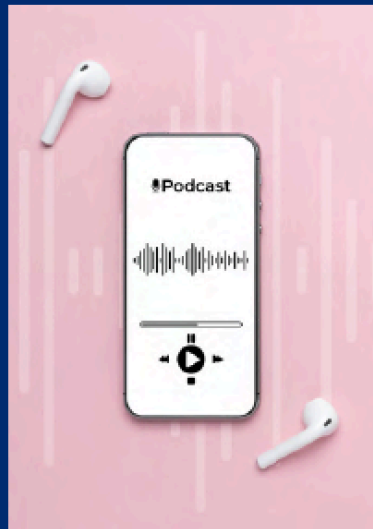
SATELLITE RADIO

2020	19%
2021	21%

STREAMING LIVE RADIO

2020	21%
2021	24%

U.S. MUSIC 360 2020-2021



PODCAST LISTENING'S GROWTH MIRRORS MUSIC AND SPORTS ENGAGEMENT

The rate of people listening to podcasts in the U.S. grew over the past year. In fact, podcast listenership grew at a rate on par with both music listenership and engagement with sports, as millions of U.S. consumers picking up the hobby as commutes started to resume following the 2020 lockdowns.

Podcasts on the Rise

% of U.S. general population engaging in entertainment activities (over the past year vs. previous year)

Rank of Growth	Entertainment Activity	% Engaging in Activity (+/- percentage point change vs. 2020)
#1	Listening to music	75% (+3%)
#2	Engaging with sports	43% (+2%)
#3	Listening to podcasts	33% (+2%)

U.S. MUSIC 360 2021 (JULY 12-27)

Source: Luminate-MRC DATA