STAGESTARTER

STAGESTARTER
A new music event start up

A Thesis Project By
Andrea Russo
783253

Academic Tutor
Cabirio Cautela

Politecnico Di Milano
Facoltà del Design
MSc of Product-Service System Design
A.Y. 2013/2014

Questa Tesi la dedico a me stesso in primis, perchè nonostante tutto non mi sono mai arreso e perchè sono pronto per entrare, non più ufficiosamente ma, ufficialmente nella mia nuova vita senza limiti o riserve. La dedico a mio padre che è il mio eroe e mi ha insegnato la vita. La dedico a mia madre che mi ha insegnato l'amore, l'affetto e l'educazione. La dedico a Martina che mi ha accompagnato in questi anni riempendomi di amore. E infine la dedico a Gerry che mi ha insegnato l'amicizia fraterna.

ABSTRACT eng

is a mix between a social network and a crowdfunding platform.

A social network is a dedicated website or other application which enables users to communicate with each other by posting information, comments, messages, images, etc. It works as a social network for the venues and for the artists. Every one, who is registered to the platform, has a profile and can browser the website where they can find informations and the possibility to contact each other for discussing about a collaboration for the realization of a music event.

StageStarter offers a new way to interact between artist and venue and provides the crowdfunding functionality, putting the power of fans to work for the cause. StageStarter is a platform who help artist and venue to organize the best event.

Before talking about the project we will talk about the music industry and the crowdfunding world. We explain the amazing and controversal world of the music industry and we will illustrate the new world of the crowdfunding platforms and their amazing power. We will find the limit of the music industry and we will discuss about the new scenario where we can start to build our Start up.

ABSTRACT ita

StageStarter è un incrocio tra un social networdl e una piattaforma crowdfunding.

Un social network è un website che permette agli utenti che lo utilizzano di comunicare tra di loro postando informazioni, commenti, messaggi, immagini etc. Lavora come un social network per le locations e per gli artisti. Ognuno, sia di una, sia dell'altra categoria, ha un profilo e possono navigare il sito. In questo modo hanno la possibilità di contattarsi a vicenda e pensare insieme a una collaborazione per la realizzazione di un evento musicale. StageStarter offre diversi modi di interagire l'un l'altro e offre le funzionalità di una piattaforma crowdfunding, mettendo l'enorme potere dei fan al lavoro per la causa. StageStarter è una piattaforma che aiuta gli artisti e le venue a organizzare eventi e live performance.

Prima di parlare di questo progetto, parleremo dell'industria musicale e del mondo del crowdfunding. Spiegheremo il meravigliso e controverso mondo della musica e illustreremo il nuovo crescente mondo delle piattaforme crowdfunding e del loro notevole potenziale. Troveremo i limiti dell'industria musicale e discuteremo sui nuovi scenari da dove poi potremo partire per la costruzione di questa startup.

INDICE

MUSIC INDUSTRY

CROWDFUNDING

NEW SCENARIO

THE PROJECT

MUSIC INDUSTRY

1. MUSIC INDUSTRY

1.1 HISTORY OF THE MI

"The **music industry** is the business of performing, recording, and selling music through a number of differente methods" (WiseGeek, Team of researchers, writers and editors).

Until the 18th century music was in the hands of aristocrats and churches. The first composer who saw business opportunities in the world of music was **Wolfgang Amadeus Mozart,** who in the second half of the same century began selling his music and his performances to the public. After his death, it was his wife's duty to continue the commercialization process of his music. After this in a few decades a music market was formed, which took hold in the 19th century through the sale of compositions, arrangements, manuscripts, which were in the hands of sheet-music publishers.

At the beginning of the 20th century **sound recording** favored a new music market. Until 1880, music

Wolfgang Amadeus Mozart

1850
Sheet-music publishers

1902
Vinyl Record

1877
Phonograph Cylinder

1960
8 Track

1963
Cassette Tape

1991
MP3

1980
CD
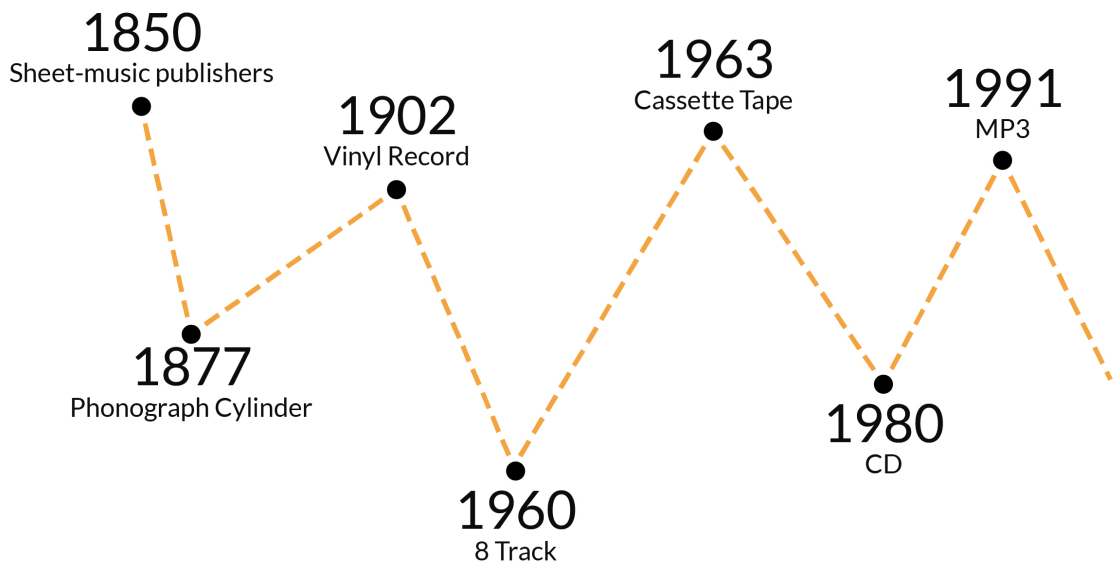
appeared in the music industry thanks to phonograph records, but with the arrival of the radio there was a boom in the music industry. While concert halls, theaters and clubs continued producing music and **live performance**, radio gave visibility and popularity to unknown bands. This brought to the biggest revolution in music industry of all times. In this period all the biggest record labels (such as Columbia Records, Crystalate, Decca Records, Edison Bell, The Gramophone Company, Invicta, Kalliope, Pathé, Victor Talking Machine Company and many more) were born.

In the second half of the 20th century many of the labels which did not manage to impose themselves gave space to the "**Big 6**": EMI, CBS, BMG, PolyGram, WEA and MCA. It was between the '80s and nowadays that the process of trading brought the Big 6 to become only four. In 1987, Sony acquired CBS records, and changed name into Sony Music. After that, Polygram merged with Universal Music Group and formed MCA. In 2004 Sony and BMG created a unique music label and Universal was "forced" to acquire EMI, forming the presently known EMI. At the end of 2011 the 88% of the music industry was in the hands of: Universal Music Group, Sony Music Entertainment, Warner Music Group and EMI. The remaining 12% is distributed amongst the countless independent labels.

1.2 MUSIC INDUSTRY REVOLUTIONS

Another important evolution in the music industry happened at the beginning of our century with the coming of the digital distribution. Everything started with Napster. In the summer on 1999 Shawn Fanning and Sean Parker established the first peer-to-peer software for the digital file sharing. However they did not create a proper peer-to-peer, as they used a system of centralized servers which maintained the list of connected systems and shared files.

In 2000, millions of users started downloading files illegally through the peer-to-peer method. Although legal actions were taken against the company, music industry was affected. In 2001 a judge obliged Napster's servers to shut down the activity; this however did nothing but increase the services that emulated the by then famous Napster. In the following period, softwares like WinMx, Kaaza, eMule and Torrent were created.

At the beginning of 2000, because of these events, the biggest labels reported a big decline of the sales; the revenue of the USA halved in only a decade: from 14 billions in 1999 to just 6 billions in 2009.

After the coming of Napster and the other various systems of file sharing, music industry saw a new era. It started

Napster Logo
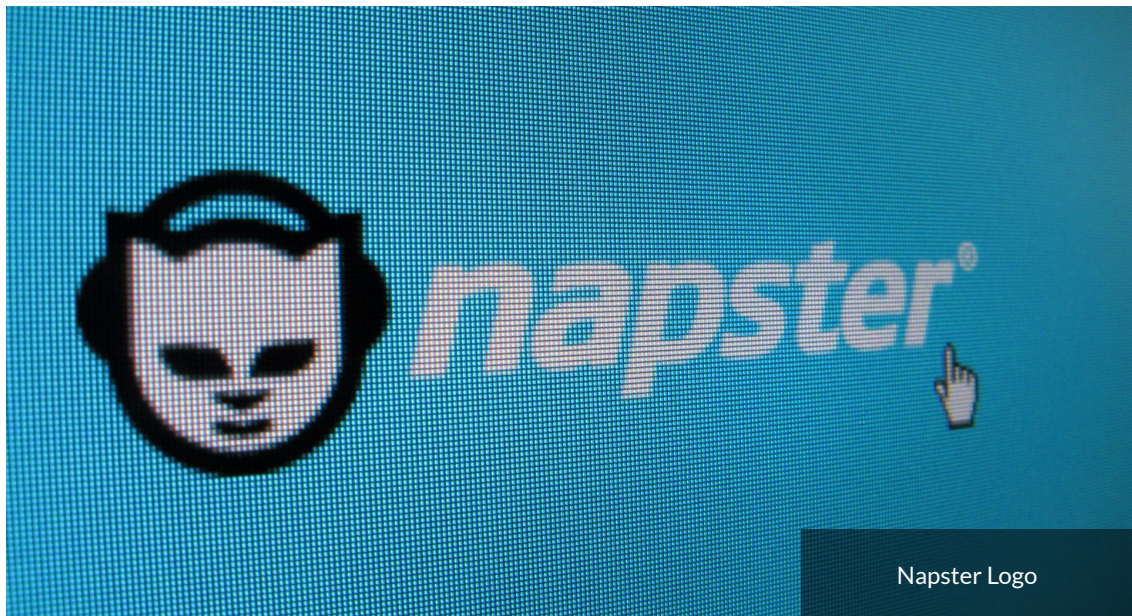
First ipod by Apple

in 2001 when the Apple company announced and commercialized the first iPod. Before then, all the portable devices where cds and cassettes players. Though the walkman had had an extraordinary success in the '80s, everything changed with the coming of digital music players. The product was based on a mini hard-disk, which was able to contain a remarkable amount of music. The first model had a capacity of 5 GB, but in just a little time the capacity was expanded exponentially. Apple started producing various versions of the iPod, making it smaller and lighter, compatible with Windows operative system and inserting codec AAD, the best codec of that time.

The iPod was just one the first; other companies started producing similar products, but Apple did not only provide an industrial product. At the beginning of 2003 Apple launched the first platform used for the sale of music in a digital format. This way Apple revolutionized the music industry through an agreement with the main record companies which permitted the sale of music through an online shop. The iTunes Music Store allowed the purchase of songs for only 99 cents and full albums for 9,99 dollars. The file, once downloaded, could be reproduced on the various digital devices and also ripped on cd. After only 16 days from the launch, 2 million songs had been downloaded. Considering that the online shop

was available only for american users who had Macintosh machines, this was a clamorous success. Soon after the platform became available also for Windows users and extended to different countries. In 2006 an american user from Michigan, Alex Ostrovsky, reached the threshold of a billion downloads and after a few years, in 2012, the revenues coming from the sale of music online, overcome the ones coming from the sale of cds.

Everything changed with the new record music industry, artists, record companies, promoters and retail music stores. Most of an artist's income came from live performances and from merchandise. This united much more the artists to their record label, but not all record labels did the same. Emi was the first to sign a contract "360 deal". Robbie Williams, for example, in 2007 was totally united to his record label. But at the

Spotify Software

Pandora Logo

same time, new types of contracts were created. Some companies offered only the distribution and the commercialization but did not offer most of the services included in a "360 deal" such as marketing and promotion. Moreover, with the evolution of technology, many artists were able to record and compose thanks to the cheap hardwares and softwares on the market, and also thanks to the internet were able to publicize worldwide their own music.

All this brought to a decline of recording studios, but to a growth of companies which produced hardwares and softwares for music.

Furthermore, in these years, there was a new service for the users, which penalizes even more record labels, the "pay for stream" service. Service such as Spotify, Pandora and Apple's iTune Radio, offered an unlimited streaming of music, for a very reasonable price. For this reason, there was an increase of the offers for this type of business modes in spite of the music sale. In the same moment other companies were created, such as Kick-Starter, which helped independent artists to produce their albums thanks to funds made available by their fans and supporters.

1.3 RECORD LABELS / LANDSCAPE

So we have seen how record labels were created and how they developed, but we haven't seen yet what they do and what they are. They coordinate the production, the distribution, the marketing, the promotion and the defense of copyright. Moreover they conduct a constant talent scouting and the take care of the artists who have a contract. From 2012, as we have seen up to now, the main record labels, called also Major, are three. They own nearly the 80% of the whole music world. They are: Universal Music Group, formed by EMI and UMG; Sony Music Entertainment, formed

88% | **6%** | **2%** | **4%**

MAJOR | **INDIPENDET** | **VANITY** | **DIGITAL**

by EMI Music Publishing and Sony/Atv Music Publishing; Warner Music Group, formed by EMI's Parlophone and EMI/Virgin Classic label and WMG.

1.3.1 BUSINESS STRUCTURE AND PARTICIPANTS INVOLVED

The structure of a record label: the architecture and the main participants. The compositions are created by a songwriter and are mainly his properties. Things change when the artist is an employee of a company. There are different types of contract, but most of the times, the composition is owned by the company and the songwriter has only the royalties of the sales or on the use of the composition. Another type of contract consists in owning a license on the works. This means that the composer is the owner of the opera but he commits to a publishing company which manages the distribution and the sale through a publishing contract. The company will have some royalties for each time the opera will be used in a sector, radio, broadcasting and diffusion in public events. Part of the incomes will be divided with the artist, through a percentage arranged before in the contract. In this case the publishing company is responsible of the promotion of the opera.

1.4 INDEPENDENT LABELS

In the musical overview there also independent labels. Generally they are the labels which weren't incorporated by the "Big 3", or that maintain a non mainstream profile. The independent labels should be much more independent and, music-wise, more experimental compared to the other labels, more free and are not connected to a market too "commercial".

Besides these labels there are also the sub-labels, the Vanity labels and the internet/digital labels.

1.4.1 VANITY LABELS

Whereas the first ones are a lower category of the bigger labels, the other

ONAIR Light in a Radio

two are very different. The Vanity labels are labels with an imprinting given by the ownership or by exposition of a unique artist. Most of these labels grow with the artist's growth. Often, during his career, an artist creates his own label to the sell it to a bigger company.

1.4.2 DIGITAL LABELS

The internet/digital labels are labels born exclusively through internet. The idea of a net label is to propose at a reasonable price the music produced by the artists under their contract. Often it's a habit to use the free download service to share much more their works and so have more visibility on the scene. Most of them will barely print a cd or an LP, this happens rarely. They are more interested in a digital sale of the music files, so that they don't have many expenses and are economically safe. Some of these labels have even been created as labels of a single person, so the staff is basic, as the budget.

1.5 TYPE OF CONTRACTS

1.5.1 TRADITIONAL DEALS

Record Label either "Purchases" or "Funds" an Initial Album, comprised of Master Recordings.

Record Label owns that album, and it's individual masters, in perpetuity (the term), worldwide (the territory).

The Artist is paid a percentage royalty on sales and other means of exploitation.

Record Label reserves the "option" to renew this arrangement for an agreed upon number of future albums.

Record Label does not share in artist's other revenue streams.

1.5.2 360 DEALS

Identical to a "traditional" deal, but where Record Label, in exchange for advance funds, is sharing in other

	TRADITIONAL DEALS	360 DEALS	LICENSE DEALS	P&D DEALS
Own the album	●	●	●	
Distribution	●	●	●	●
Promotion	●	●	●	●
Touring		●		
Merchandising		●		
Publishing	●	●	●	

revenue streams, to include touring, merchandising, and publishing.

Deals might also be "180" deals or "240" deals, where label is participating in some, but not all, of the artist's non-recording revenues.

Record Company share of non-record revenue sources range from 15% - 30%, and can vary by category.

1.5.3 LICENSE DEALS

Record Label "Leases" an Initial Album/ Masters for an agreed upon fee.

Record Label assumes the right to exploit that album for an agreed upon number of years (the term) in an agreed upon list of territories (the territory).

Exploitation rights for the Album/ Masters revert to the Artist at the end of the term. The Artist is paid a percentage royalty on sales and other means of exploitation. Record Label reserves the "option" to renew this arrangement for an agreed upon number of future albums.

Record Label does not share in artist's other revenue streams.

1.5.4 P&D DEALS

Pressing & Distribution Deals.

Artist maintains ownership of master recordings. Artist agrees to pay Distribution Company a percentage fee for physical and digital sales.

Jay-Z, 360° deal Contract

SIAE Head Office, Rome

Artist keeps all other revenues, but is responsible for all expenses and back-end functions.

In matter of the recording there have been different changes, as seen before. Originally the record label was also responsible of recording the track trough a recording studio. This was a bigger income for the company, as it proposed a larger service. Though nowadays it's easier and cheaper that the artist occupies himself of the recording of the track. Many producers have the possibility of opening their "home studio" thanks to the continuous growth of a cheap technology which has very reasonable prices.

Traditionally the record label provided to the artist a record producer and sound engineers who managed the whole development of the track or of the album. Although this solution is much more professional, now the "do it yourself" solution is much more used, avoiding the recording studio.

When, instead, there is a recording studio, the label provides a whole series of sound technicians who care of the whole recording process, starting from the musicians and getting to the mastering of the track or of the album. All the people who, in this case, work for the artist, are payed exclusively by the label through a fixed term contract or a simple

employee contract. Though, in this last case, traditionally everything which is recorded is the label's property and not of the artist.

All this process is done by the A&R department, the artist and repertoire division. It's a division of the music company which manages all the recording of the opera, starting from the responsibility of the research of talents through the talent scouting. For this reason, usually, the people who work in this environment are young and mainly musicians or music journalists because they have to keep up with the new trends.

Another factor in the world of music are the sales. The music labels rely on distributors which will act as a go-between amongst the factory of cds lps etc. and the sellers. This way the music retails will pay the distributors who in their turn will pay the record label. This, at end, will split the profit through the royalties, arranged in the contract, with the publishers, the artist e with who has collaborated with the achievement of the track.

Up to not too long ago this was the only sales method used by record labels. Nowadays instead the distributor can be avoided as, lately, retail online has an enormous success. These large online shops pay the record label directly without having to go through a distributor.

What happens instead when a music track is played on the radio or on a streaming software? In this case there are some societies which are in charge of controlling and protecting author's rights. There are different of these societies in the world. BMI and ASCAP in the USA, SOCAN in Canada, MCPS or PRS in the UK and SIAE in Italy. These companies are in charge of collecting another kind of royalty which will be payed to the artist or to the record label according to the stipulated contract.

The same procedure applies also when the tracks are reproduced on a "pay to stream" software or on any other software which can reproduce them.

Another participant in music's world is the promoter. A promoter acts as an organizer and as a go-between for the artist, the label and the venue. Since a few years the role of a booking agency has become very important as it represents the artist for the promoters and is in charge of the contracts, of the booking and has to make sure that everything is conducted in the correct way. This subject will be analyzed better in the next chapter.

Queen's Concert, 1987

1.6 TOURING

If on one side there is a decrease in the sale of cds and other material products, in the last 15 years the business of concerts has increased a lot, thanks to the internet era which has opened new market frontiers also for producers and independent labels with only a few resources at disposition. Beneath there are the participants of this world, how they work and how they are related between themselves.

1.6.1 ARTIST MANAGEMENT

In an artist's career there are many important people to consider. He can benefit from the help of a whole staff, starting from the manager. The latter takes the part of the artists and manages everything which concerns the economic side and the public relation. The artist commits the management of the economical relations with all part to the manager, from the closure of the contract, the booking, the taxes and all the services which include an economical relation. Lately it's even more useful because of the profit which derive from merchandise and online services, where the artist manager is the go-between amongst all those companies.

"A **live performance** is a concert before an **audience**. The performance may be by a single musician, by a musical ensemble, or a musical band. **Concerts** are held in a wide variety and size of settings, from private houses and **small nightclubs**, dedicated **concert halls**, entertainment centres and parks to large multipurpose buildings, and even sports **stadiums**."

Nowadays it can be seen that there is a turmoil within these components; this happens specially in the world of independent labels. Many of the above mentioned participants are excluded from this world. For example, today the publisher is considered almost a luxury. It's much cheaper and efficient a music retail online. The expenses are almost non existent and internet is suitable for all. Another example is the way of publicizing oneself. The various online services are highly used, specially by the independent labels; it's enough to look at Youtube and all the other social media.

1.6.2 BOOKING AGENT

What does an artist do when he is looking for performances, live, interviews etc.? Most part of artists rely on experts who do this as a job. The most simple thing to do is to find a booking agency suitable for their purpose. Lately booking agencies are more and more specialized so it's easy to recognize the most appropriate, but it's so easy to find, that it's also very difficult to get in. Excluding the well none artists, it's not easy at all to get into a booking agency. Since technology has reduced the costs of the productive process of a track or an album, the number of musicians has greatly increased creating this way a very strong competition. This is seen specially when an artist looks for a booking agency. Without this,

Concert Ticket, Sam Taylor

the artist is completely alone and the most important thing, lately, is to try and make the public now owns name through performances and lives.

What is the booking agency's job? The first objective is to find clubs, bars and other locations which are willing to let the artist perform. This process is not so simple as it seems, but at the principal aim is to sell tickets and so to earn money. Usually the booking agency, or simply the booking agent has a portfolio of artists, some better known than others. Obviously the agent's priority is to make sure that all his artists perform. Usually the profit percentage is about the 10% of the revenue of booking. Then of course other type of contracts exist. Sometimes according a performance, some royalties on the sales of tickets may be asked, so not only on the price of an artist's live. So it's not important the type of contract that is agreed with the promoter, the profit percentage is always around the 10%. The habit, of course, is to expect a bigger percentage when the artist is a beginner, until they will be available for bigger venues.

Though, the booking agent doesn't look only for locations and performances. It's very important, for the artist, the visibility that he has on his public. The booking agent will try and find programs in television ready to receive him, propose interviews,
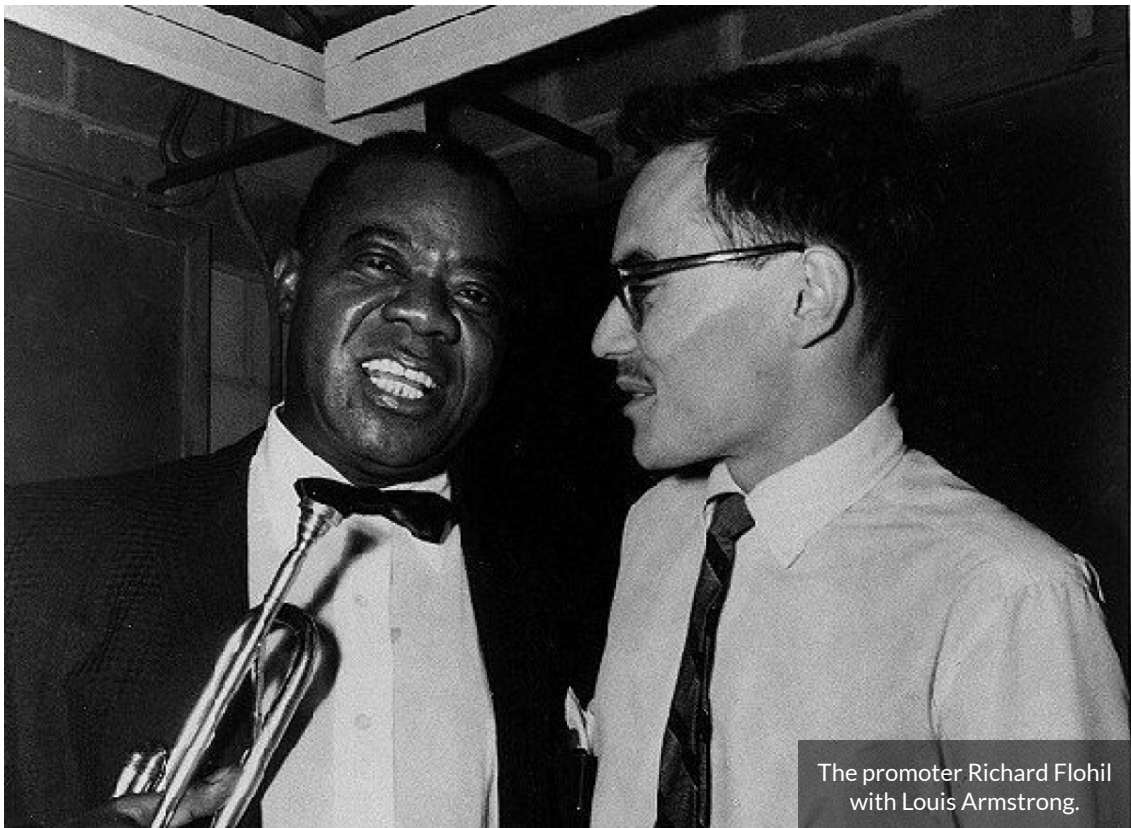
make their music go on the radio or in some film.

It's up to the agent to always keep the contact with all these parts, to let the work be easier in future with other artists or possible tours. He is the one, together will all the staff, who organizes and books all the tour dates.

Moreover, it's up to him, obviously, the research of new talents to propose.

1.6.3 PROMOTER

The promoter's role is fundamental in the music industry's world. The music venues use promoters to organize and fix the dates of a place. The type of contract which is signed is based on royalties, some kind of admission fees, called "the door". This can be a percentage on an entry ticket and, in some cases, also on the sale of food and drinks. Obviously the variations are many and the contracts vary a lot

The promoter Richard Flohil with Louis Armstrong.

from venue to venue.

Amongst the promoters there are also people who are much more independent. Instead of being restricted by a long term contract, they rent the place just for a few days. In this way there is a much higher percentage on the event profit, as this takes charge of all the expenses. But on the other side the risk increases as only the renting of a place can make the difference. This is one of the reasons why the promoters are able to work in this independent way. In this case a significant follow-up is nearly an obligation. This is why the biggest promoters are socially well known. In this last period it's very important to use one's own marketing capacities. A very used method in this sector is the "guerrilla marketing" which consists in a marketing much cheaper. Expenses

The Door supervisor in a Live concert

lowered, but more concentration on time, energy and creativity. The aim of this kind of marketing is to create a unique connection with the public, to generate a buzz and consequently convert everything to viral.

Going back to the venues, some of these stipulate contracts with the promoters' agencies, in some cases only one; others instead commit to various agencies and promoters, establishing a kind of rotation in the calendar. In can happen that different promoters find themselves to work together in the case of big events and, because of this, they divide the investments and the profits. In some events it's common to consider the idea of having a host. What is a host? Generally it's a person very well known in the milieu and socially influent, who can involve all his contacts, in exchange of a special treatment as, for example, the possibility of having some free entries. So the role of a promoter is to take care of all the organization of the event. Once agreed the price and fixed the date, the Agent sends to

Equipment during a Live concert

the promoter the rider, a document in which are included all the details that concern equipment, back line, hotel, hospitality, food, flights etc. From this moment the whole management is nearly exclusively of the promoter, who will have to plainly the event in all its details. He occupies himself mainly of the publicity; but most of the times, specially when a promoter is independent, he cares of the security, the sale of the tickets, the entrance policy, the scenic design, the lights, the equipment, the booking of the hotel, the artists and much more.

The types of business and the management of the work vary between the promoters of small

clubs and the promoters of very big events, in the middle there's a whole world, but the procedure is mainly the same, what makes the difference are the requirements of the artist (stage, sound, lights ..) and the needs to manage a more or less extended public.

It often happens that the promoter himself is a musician or a dj, so it's much more frequent that the same promoter performs at his event. Lately famous bloggers or people with lots of followers on the social media, start a career as promoter as it's much easier to promote and event having many contacts.

In Italy it's very easy to find promoters who work in the black, specially in small and medium realities. The promoter's role is very underrated and venues take advantage of this, thing that doesn't' happen with the big agencies.

There are often arguments about the money in the promotion industry. There is a big story of corruption and irregularity of the registers behind all this world. Moreover there are many difficulties in the accounting of the managing, specially in big events: incomes, expenses, supervision of the parkings, lockers, sales (such as cds and t-shirts), give-away promotional objects which are used to attract the guests, insurance expenses, cleaning department staff, and so on. An area frequently contended is the one of the crossed promotions in which the promoter, or any other part connected with the branch, will receive a favor (for example, a discount on the price) in exchange of a future favor to the seller. If the existence of the regime, or the relation between the parts are reserved, it can become a form of corruption. Another reason of incomprehension are the various "lists" of the guests who will be admitted for free o with a VIP treatment, or the "door policy" used by the bouncers to decide who will be admitted and at what price. Written or not, these agreements tend to facilitate the party with the bigger structure o with the bigger control of the production of the events.

> "**Live performance** is an area of the music business that has **thrived** and **grown** even during a decade that included an attack on a major U.S. city, war, and the largest recession ever."

Paul Allen
Author of the book "Artist Management"

1.7 LIVE PERFORMANCE

"Live performance is the income source that has the greatest number of elements that require the personal involvement of the artist manager, but live performance, as in the United States, is an area of the music business that has thrived and grown even during a decade that included an attack on a major U.S. city, war, and the largest recession ever."

Live performances help artists to begin a career. There are not so many opportunities, such as a show, that help an artist to earn enough money to be able to carry on his career. So this is very important for the manager and for who is part of the business. It's also an important way to spread his music and to build a fan base, to grow professionally and also to sell records and products. There are five different duties to organize a live performance: booking engagements, managing the tour, promoting the tour, managing the administrative business functions, and generally managing the artist. Usually an artist manager should do everything, but if the artist is a Big, there will be several teams.

The primary income for an artist are the various royalties which come from songs they have written, the sale of their records and the related products, the sale of tickets and the payment of admissions at performances. But there are also other incomes, such as the sale of merchandise and the acquisition of sponsorships and product endorsements.

There are two particular and different ways to earn money with a live performance. One is to sell soft

RECORD MUSIC REVENUE VS TICKET REVENUE
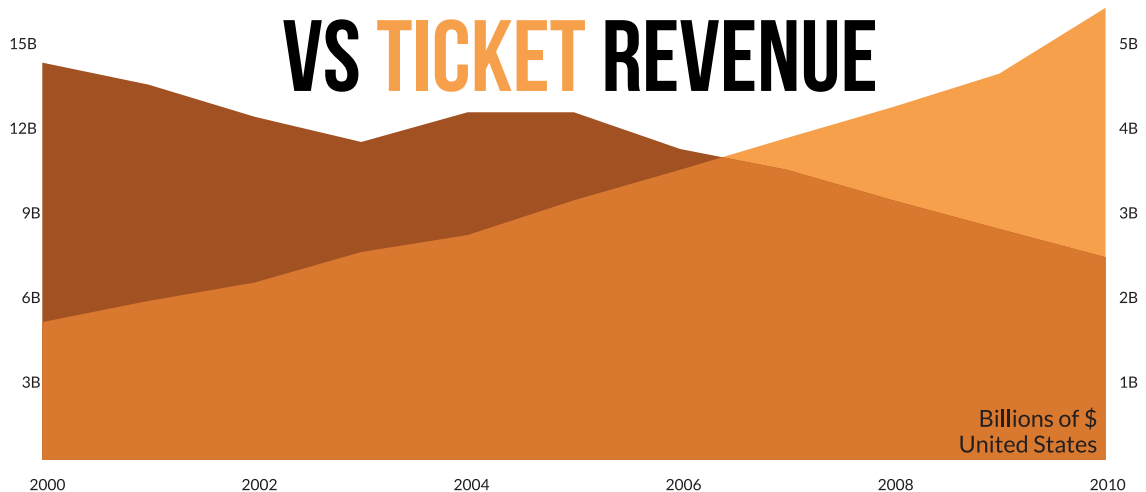
tickets, and the other one is to sell hard tickets. But what is the difference between these two type of tickets? Soft tickets are those which are purchased by fans to attend events like festivals and fairs, where various artists participate all together. Hard tickets are those that fans buy to see an artist perform. That's why it's very important for an artist to try and sell hard tickets because it means that he sells his performance. This is an objective, and the manager knows that. It's important that the artist gets to have followers who are interested in seeing him and would pay to see the

artist perform.

The agent is responsible of finding opportunities to let the artist perform and be paid. There are agencies which are specialized in small clubs and others ones in big venues. The commissions to agencies that book small places can reach 20% or more, because the value of the performance is relatively small. Obviously if the agent books bigger venues for a large performance opportunity for an artist, the commissions will be around 10% and sometimes it's also possible to negotiate a lower fee, such as when there is a series of performances with

Jennifer Lopez with her agent

the same promoter. Once a contract is signed the agent collects a deposit, called guarantee, from the promoter with specific instructions regarding when any additional payment to the artist must be made.

1.7.1 BUSINESS MANAGEMENT

The artist managers can decide if it's better to assign the business management of live performances to a business manager, or to do it themselves. Everything depends on the determination whether an available paid performance, or a series of tour performances, will earn enough money for the artist to make the engagements worth accepting. The manager takes note of how much the performance will pay, and subtracts all expenses associated with the engagement. All the money which comes out from the subtraction is the profit earned by the artist.

Obviously there are also some exceptions. There can be some live performances without any profit, though the artist is aware of that from the beginning. But sometimes it's also good to reach the breaking event without earning money. This happens when the artist has the opportunity

to open a headliner's show, as that the appearance will be helpful to promote a record, attract the attention of the radio, or build a fan base.

It's very important to put down very carefully a detailed list of all the expenses. If just one component is missing, it can make the difference between a profit or a loss.

Agents are also responsible for collecting deposits, which are amounts of money paid in advance by the promoters. In order to keep a particular date, the promoters historically used to pay 50% of the fee, thirty days before the performance. Nowadays the promoters try to pay less, around 10% and just one week before the event. Obviously this different ways of paying in advance, change according to the experience of the promoters, or if it's not the first time that the artist and the promoter work together. Deposits are held by the agent and he will pay who has to be paid.

Promoters actually have a tough time. If they lose , they can lose a lot, but if everything goes well and they manage to earn a lot, their profit is cut by many more unexpected expenses. Because of that, the promoters developed systematic ways of adding expenses. The interesting thing, is that everyone knows what the promoter does; as everyone knows which are the real expenses, an amount of stealing is accepted, and it's a bad form for the promoter to steal more than what he should be spending.

There two companies which are international promoters: Live Nation and AEG; these two companies usually purchase entire tours.

LIVE NATION

The world's largest concert promotion company

2005
founded

117
venues

50 million
tickets/y

22,000
events/y

1.7.2 CASE STUDY: LIVE NATION

Amongst the many promoters' agencies, there is one which seems to have a kind of monopoly: Live Nation. This is one of the most famous live-events company in the world. Born in California, it's almost only focused on concerts' promotion. It was officially established in 2005 as a spin-off for Clear Channel Communications and in 2010 it merges with the biggest ticket online company, Ticketmaster, and it becomes Live Nation Entertainment. It put under contract artists as if it was a record label, but mostly it has the role of promoter, more than

music owner. The preponderance of contracts is the result of a submission of the artist to the company. This way Live Nation is free to create events, for the artist under contract, and also to be the only one able to do it. As for U2 and Madonna, Live Nation isn't the owner of the copyright, but it manages all the performances. In opposition, though, we find the contract of Jay-Z where Live Nation considered indispensable to assure themselves all the royalties of the future albums.

Every year Live Nation promotes more than 22,000 events, which are equivalent to more than 50 millions tickets sold. Because of the success in this environment, the company has decided to execute a purchase policy of the bigger venues. Live Nation is the owner and manages around 117 venues, 75 in the USA and 42 in the rest of the world.

In 2000, Clear Channel Communications, Inc. acquired SFX and changed the name of the company into Clear Channel Entertainment. Clear Channel Entertainment continued to acquire promoters, to be able to build a promotional company of national scale, and expanded to the point that it could promote artists' entire national tours. Clear Channel Entertainment also acquired control of concert venues by purchasing them, entering into long term lease relationships, executing management and/or exclusively booking agreements. Clear Channel Entertainment directed artists for the venues he owned, leased, managed or exclusively booked.

This business practice made the promoters increase and become competitive, because it was impossible for local promoters to bid

against national tour offers. As Clear Channel Entertainment generally would not allow the artists to be promoted by the competitors to get the venues, these were also denied to the promoters who promoted concerts. Independent venue owners and operators found themselves in a competitive disadvantage as well, because they weren't able to compete and provide venue services to the artists which Clear Channel Entertainment promoted. Facing an insurmountable competitive disadvantage, many more promoters and venue owners became ripe for acquisition by Clear Channel Entertainment.

Several antitrust actions were filed against Clear Channel Communications that claimed they had unlawfully acquired monopoly power in the market for the promotion of popular music concerts, and engaged in numerous anticompetitive actions to maintain and exploit this power.
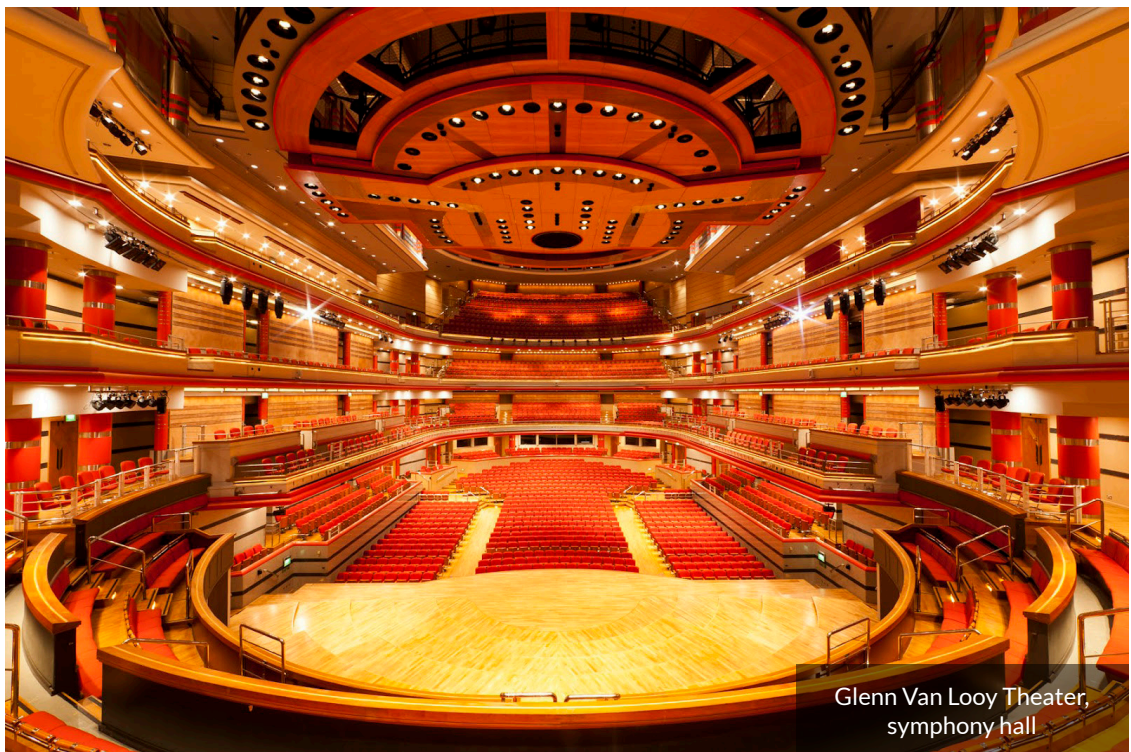
Glenn Van Looy Theater, symphony hall

1.7.3 VENUES

Initially, concerts were held in theaters utilized for plays or other such facilities and, as rock and folk artists grew in popularity, expanded to indoor sports arenas with seating for up to 30,000 fans and, in some instances, in outdoor sports stadiums with seating capacities in excess of 60,000 fans. Independent companies were formed to provide remote (at locations other than the venue hosting the concert) ticket sales. As the popular music concert market developed, facilities designed and intended for use solely as venues for live popular music concerts were constructed throughout the country, primarily in large urban areas. The most prevalent type of venue constructed for live popular music concerts are outdoor amphitheaters, with a seating capacity generally between 8,000 and 25,000 fans spread over designated seating areas (usually under cover) and large lawn areas. These facilities have become the dominant venues for popular music concerts because, as they are

Troxy Palace, the London's most iconic venue

constructed to host music concerts, they have good sight lines, acoustics (although not to the level of a symphony hall) and staging. Conversely, arenas and stadiums are primarily constructed for sporting events and are generally not desirable venues in which to view a concert. Amphitheaters also enjoy the advantages that: Fans enjoy attending concerts outdoors and mingling in the lawn section before and during the concert; they are more flexible than arenas and certainly stadiums in the size of the shows they can handle because they are less costly to operate, lawn seating allows amphitheaters to approach the seating capacity of indoor sports arenas while fans at less popular shows spread out in the lawn areas making the show seem to have a larger attendance; and attendance at amphitheaters tends to be higher because fans of limited means can purchase a lawn ticket at a reduced price and still obtain a good vantage by arriving early and are not locked into undesirable seats.

The artist is the bedrock of the popular music concert industry as it is the artist that draws the fans. It is

Madonna,
a music superstar

commonly recognized that there are less than one hundred artists who can attract an average of 8,000 to 30,000 fans during a national concert tour. In its World Industry Report, Promoters of Performing Arts, Sports and Similar Events with Facilities in the U.S., IBISWorld states that, in 2005, the top 100 tours comprised 67% of the total domestic concert revenues. LNE recognizes the limited number of major artists and has centered its entire business model around controlling them.

As its Brad Wavra, Senior Vice-President of Live Nation's Touring Division, stated:

"There are only a handful of great artists out there that can do 10,000; 12,000; 15,000 tickets in 40 cities across the country. Everybody knows who they are, they're historic artists, legendary artists. So, when they're on a touring cycle, you know, we all want to get them to come play for us." (Transcript of Artist House Music's Interview of Brad Wavra, Ex. "B" hereto.)

Brad Wavra
during a conference

1.7.4 NEW ARTISTS AND SUPERSTARS

A new artist have two different choices. He can go to play as an headliner in a clubs, so he can easily fill venue of one hundred to two hundreds seats, or, if he is signed to a record label, he can be the opening act on a big tour. Actually the second opportunity is chosen by the agent very often. There can be a lot of motivations for prefer one new artist or an other new ones. if the artist's album is going well or he has a hot single or video he can help some artists. For example, a well-known headliner may not be selling tickets very well and wants a hot new opening act to bring people in.

In recent years, something called a buy-on has taken hold in the United States. It means an artist can get the opening slot on a major tour by paying money to the headliner. It's very common in Europe this practice, but it's not so new also in the United States. The theory is that you are getting so much exposure that it's worth it to you or to your record company. Sometimes the new artists is required to buy tickets or maybe pay for newspaper ads. This practice is very common also in some festivals. It's a terrific place to push an artist's careers ahead, and they all have slots in the afternoon for newer artist, and if his performance sets off an Internet buzz,

HEADLINER

BUY-ON

SPLIT

it can truly move the needle.

So if the artist is new he can get fees in the range of $250 to $1500 per night. If he is very popular on the local scene and he can fill a club of one thousand people, he can get $5000 to $10'000. Sometimes the clubs can pay the artist giving him a split of the gate. So no front money. It can be from 20% to 60% of the ticket. It can happen sometimes the performer take the entire profit by the ticket (the gross minus all the expenses). This is possible cause the promoter will earn money selling drinks to the fans. If the artist is really hot locally, he might get a minimum guarantee of $100 to $250 or so against his share of the gate.

But what about the expenses ? This is a complex argument. If we think about a four-piece band on the road, we can pay around $10'000 per week, broken down roughly as $1000 for crew, $2000 for food and hotels, $2500 for equipment and personnel costs, and $4500 for insurance, commissions to managers and agents, equipment repairs, etc. But what about dj's or a

Sensation, one of the most amazing night party

band for a one-night live performance? The things change.

A midlevel artist can easily fill a venue with 1500 to 2500 seaters. It means he's selling 250'000 to 500'000 copies of your albums. This means he should be able to make about $5000 to $50'000 per night. Then there are other artists that we can define as classic artists. They can filled arenas, but no longer sell huge numbers of records or draw big crowds. They've settled into a comfortable touring groove that keeps them on the road for most of the year and makes them a good living. They play in amphitheaters, festivals, fairs, performing arts centers, and casinos, and generally stick to comfy places with plush seats because most of their fans are older. As we have talk, it's very common with this kind of artists the possibility to buy soft ticket, which means that people come for reasons besides the show.

For these artists, I mean the midlevel and the superstar artists, the profit can come from the split. Instead of being paid flat fees, they can get a guarantee against a percentage of the net profits or gross of the show. This guarantee works exactly the same way as an advance. If the artist don't make any profit, he can still keep the guarantee, but if you make money

Foo Fighters concert, different seats, different ticket price
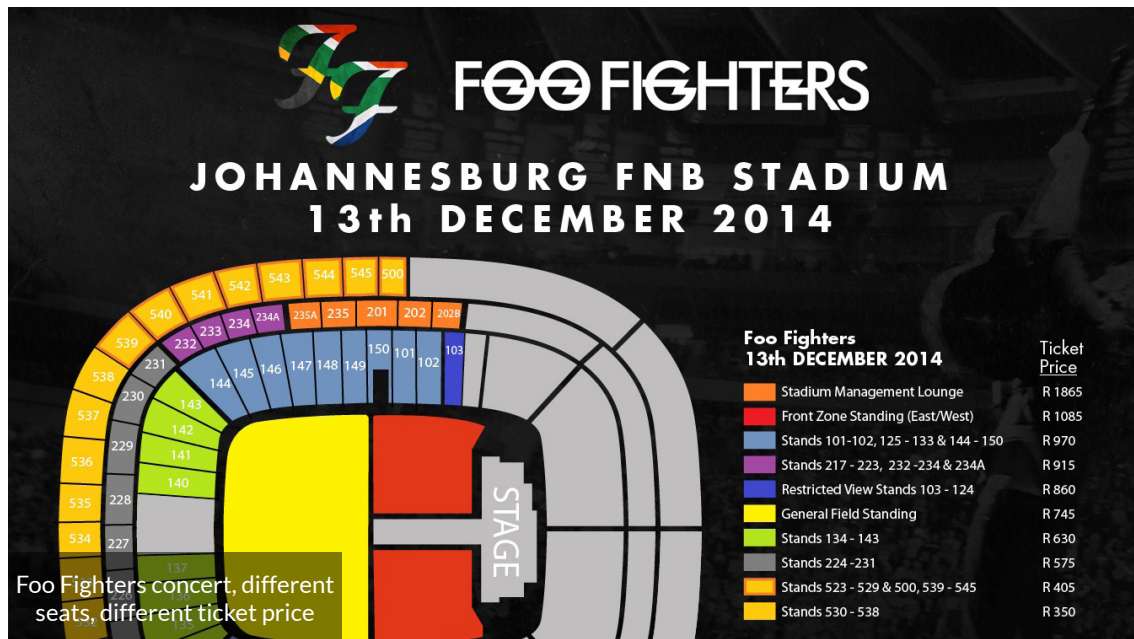
the promoter deducts the guarantee and pays you the excess. The usual split is from 90/10 to 85/15, meaning the artist gets the major of the net profit, and the promoter gets the rest.

1.7.5 TICKET'S PRICE

It's not so easily decide how much the client is able to pay for a live performance. There are a lot of reason that decide the price of a ticket. First of all is about the age of the crowd. The artist know very well is own fans and so he will know if they are young or old. This is an important motivation for making the price. A young crowd have not so much money. They go to school and live with their parents or they just start to work and they don't reach a good salary. An old crowd have more money so they can spend much more for a concert or any live performance. Other factor is about the city. If an artist is very famous in London, doesn't mean he is also so famous in Paris. It's very important to make a research about the fan groups, where they are located and which one is more active. What' about the venues ? There can be a lot of difference between a club and an amphitheater, and what about the scenography of the perform? So it's not so easily decide a price. We saw the most important factors but there are still many of them.

> Live performance agreements contain
> basic information such as the name of the company
> or person hiring the artist,
> the **date** and **time** of the engagement,
> the specific **location** of the performance,
> the services the artist will provide,
> and any **riders** to the contract.

1.7.6 THE PERFORMANCE CONTRACT

Live performance agreements contain basic information such as the name of the company or person hiring the artist, the date and time of the engagement, the specific location of the performance, the time anche length of the performance, the services the artist will provide, and any riders to the contract. A rider is an attachments for the artist's performance as well as any personal needs the artist has prior to and during the performance. Riders include very technical specifications for the production crews to follow when preparing the stage for the artist, elaborate food before the performance, expensive beverages, and luxurious dressing room accommodations. For major artists on tour, concessions of this type are often justified as a way to reduce the rigors of being on the road for lengthy period of time. The new artists can expect small but reasonable personal concessions in a rider. However, all expenses associated with any rider are charged directly back to the artist as costs of the artist's performance, and are deducted as an expense from the receipts from ticket sales. This is an important consideration for the artist manager or business manager as they create a budget for a performance or tour.

The performance contract or agreement includes the circumstances

under which an engagement may be cancelled. Those reasons includes the death of key personnel such as a band member, the tour manager, or production staff, and the health of the artist. If there is the possibility that the artist will be exposed to personal danger the performance may be cancelled. Under all of these circumstances, the artist manager must return any deposit that have been paid. For the promoter, individual, or company hiring the artist, however, there generally is no recovery of their losses resulting from the causes for cancellation provided for in the contract unless they have purchased insurance to cover the potential losses.

The artist manager should include provisions in the contract that give him or her the right to approve advertising for the engagement and proof that the advertising was actually bought The manager will also want approval of the distribution of all complimentary and promotional tickets to ensure, for example, that all radio stations in the artist's musical format in the market are treated equally. As the manager reviews the list of people requesting premium complimentary seating, they should know that artists

A **rider** is a set of **requests** or **demands** that a performer sets as criteria for performance.

Expenses

Merchandising

Legal

Catering

Free Tickets

Billing

Recording

Technical

Interviews
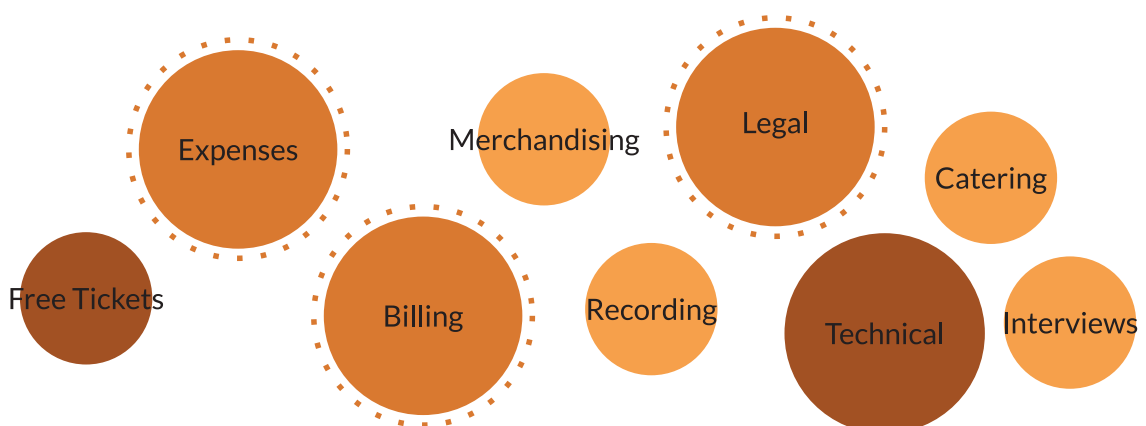
can become upset when people in the first two rows of a concert audience are people who are "suits", or people who were given priorit seating but aren't the energized fans the artist would prefer to see in the front rows. A good rule of thumb is to male it a policy that priority seating for required complimentary tickets begin behind row 5. If the artis is the headliner for the performance, the manager should include language in the agreement that gives the artist and the manager should the approval for any other artists who may appear on stage as opening acts. Other sections of the contract are specific about details of the performance, how licenses and permits will be handles, and how settlement and payment will be handled.

1.8 CHANGING TRENDS

We have seen the world of Booking agencies and the Promoter's world. But how they behave emerging artists in these fields. We find significant differences between the behavior of established artists and new talent that are for the most strangers.

As for the artist known is much easier to run into these types of millionaires contracts, instead for the emerging artist is a much more difficult environment. First, let's start from the assumption that an emerging artist, hardly enters into exclusive contracts with agencies or promoters more or less independent.

For the most part, the artist finds himself in contract to one or more booking agencies but did not have any kind of contract with promoters. This, firstly because the independent promoter has no agreement or arrangement with the venues. Being independent does not have the ability to enter into a contract with an artist as they can not meet the growing or not growing demand for events.

If we talk instead of promoters with contracts with the venues we are in another paradox. The promoter, that is not an agency, will manage not more than 2 or 3 venues. In this case, the artist finds himself interested in signing with it as it is not his interest to propose the same artist in the usual places.

For decades, the industry of live was controlled by a number of promoters, which owned and managed the venues. For the most part, this system works quite well. A group of very knowledgeable audiophiles, plan tour dates and making sure that the big band continue their tour through the city. The problem is, this system is not the same for emerging artists.

And incredibly difficult for emerging musicians get these stage-gatekeeper. With the advent of social networks, as we saw earlier, it is much easier to get to know and spread their own music. And mainly thanks to these website that a new generation of artists is emerging. They are artists that do not need great expense to create their own music. Obviously, the booking agency or promoters find themselves in front of thousands of such new emerging artists and a complicated world composed of the new generation of musicians.

SoundCloud Platform

CROWDFUNDING

2. CROWDFUNDING

2.1 INTRODUCTION

Crowdfunding is closely related to crowdsourcing, a term first mentioned by Howe in wired magazine. The term originates from a combination of the words "crowd" and "outsourcing". Howe and Robinson first introduced the term in the June 2006 edition of Wired Magazine. Whereas companies often looked abroad in order to find cheap labour, the development of Web 2.0 platforms made that they could reach an unlimited supply of potential workers (Howe, 2006). Crowdsourcing can be used in both commercial and non-commercial environments. It is a form of outsourcing not directed to companies but to the crowd via an open call using the Internet. Wikipedia is probably one of the clearest and earliest examples of a non-commercial form of crowdsourcing. Jimmy Wales and Larry Sanger created an online

Jimmy Wales
founder of Wikipedia

> "**Crowdfunding** is build up out
> of the words **crowd** + **funding**
> Crowd: a particular group of people
> Funding: money for a particular purpose"

Oxford Dictionary
Dictionary by Oxford University Press

encyclopedia where every entry can be added and modified by its users. The result is the largest online encyclopedia that exists of 24,083,125 pages being made by 14,658,566 users. In Wikipedia itself Crowdsourcing is defined as:

"The act of outsourcing tasks, traditionally performed by an employee or contractor, to an undefined, large group of people or community (a crowd), through an open call."

Nevertheless, it refers to the creation and sharing of content whereby large groups of people deliver the input. Returning to the wisdom of the crowds, given the right set of conditions the crowd will almost always outperform a set of employees. Howe argues that there are four developments that made crowdsourcing possible. The development of open source software like Linux caused a rise of the amateur class. Furthermore the development of the Internet made that it is a more widely used and made tools available for everybody. And most importantly the Internet facilitated the online communities like MySpace and Facebook.

The crowdfunding phenomenon is explained to have found its roots and shares similarities to crowdsourcing. Like crowdsourcing is crowdfunding build up out of the words "crowd" and "funding". Crowd as explained by the Oxford dictionary refers to:

1; a large number of people that are gathered together in a public space,
2; a particular group of people (Oxford, 2011).

"Funding" on the other hand is

"**Crowdfunding** is the collective effort of individuals who **network** and pool their **money**, usually via the **Internet**, to support efforts initiated by other people or organizations. Crowdfunding is used in **support** of a wide variety of activities,

Christian Kickstart
No-profit crowdfunding platform

referred to as
1; money for a particular purpose.
2; the act of providing money for such a particular purpose (Oxford, 2011).

The combination of these words therefor presumes the most basic explanation of crowdfunding to be the "providence of money for a particular purpose by a large group of people. Like crowdsourcing, crowdfunding uses online social networks or communities in order to finance any kind of project or enterprise. Hereby often making use of groups of people that share the same interest and using the greater collective in order to make an open call for financing instead of making use of professional institutions like banks. There by following the argument stated by Howe (2006):

"Who better to decide and finance what should be created than the same people who will ultimately consume the product?"

The limited literature approaches crowdfunding mainly from a purely financial angle focussed on angels finance and venture capital for small and medium sized companies. In the popular press the term is used in and out of season for different kind of initiatives and is seen as promising new business model. Nevertheless, at the same time there is a discussion in the popular press whether crowdfunding is not merely a form of entertainment. Within the limited literature research and in the popular press one has tried to come up with a clear definition or summery

of its characteristics. Crowdfunding is therefore currently used a container term that incorporates different forms of raising financial resources.

2.2 CROWDFUNDING HISTORY

The crowdfunding started in the late nineteenth century. France gave the Statue of Liberty to the United States during the celebrations for American independence. The huge statue, the skeleton consists of a steel space frame, was transported in huge boxes from Europe to the American continent. Arrived at her destination she went to New York where she was kept apart for some time. Joseph Pulitzer was then to ask, through the New York World, the citizens, the incentives to be able to reconstruct the work. Within a few months, the

Statue of Liberty
first example of crowdfunding

case of New York, then empty, saw more than $ 100,000. On this occasion there were more than 125,000 people participating in that fundraiser. Today, the Statue of Liberty is the symbol of the city and all New Yorkers.

Another example, much more recently, it have had with the British group Marillion. His fans attended the fundraiser for their possible tour in the United States of America. It was thanks to their donations, the group received $ 60,000 to start their American tour longer. The idea set off by their own fans, without any involvement by the Band. Imbandirono a fundraiser through an internet site.

Crowdfunding models involve a variety of participants. They include the people or organizations that propose the ideas and/or projects to be funded, and the crowd of people who support the proposals. Crowdfunding is then supported by an organization, called The Platform, which brings together the project initiator and the crowd.

One of the first crowdfunding website was Artistshare. Founded in 2000 with the idea that fans would finance production costs for albums sold only on the Internet. ArtistShare was described in 2005 as a "completely new business model for creative artists" which "benefits both the artist and the fans by financing new and original artistic projects while building a strong and loyal fan base". A United States based company, ArtistShare (2000/2001) is documented as being the first crowdfunding/fan-funded website for music followed later by sites such as Sellaband (2006), SliceThePie (2007), IndieGoGo (2008), Spot.Us (2008), Pledge Music (2009), and Kickstarter (2009).

Crowdfunding websites helped companies and individuals worldwide raise $89 million from members of the public in 2010, $1.47 billion in 2011 and $2.66 billion in 2012 (from which $1.6 billion was raised in North America). In 2012 there were more than 1 million individual campaigns globally.

2.3 WHAT IS IT

Crowdfunding is the process of asking the general public for donations that provide startup capital for new ventures. Using the technique, entrepreneurs and small business owners can bypass venture capitalists and angel investors entirely and instead pitch ideas straight to everyday Internet users, who provide financial backing. (At the same time, you will also gain early validation of

Some crowdfunding keywords

project concepts and the projected scope of target markets.) Using services like Kickstarter and IndieGogo, creators essentially build web pages that host information, photos and promotional videos on products, projects or services they're looking to get funded. Viewers are then offered special rewards in exchange for pledges that support their efforts. Rather than equity or a share of profits though, benefits often take the form of exclusive merchandise, advance access to new releases, or more personal incentives. In the case of a movie, for example, donating $20 might get you a copy of the DVD, $50 a signed poster, and $500 an executive producer credit. For a larger donation (say, $2500), you might get a personal handwritten thank you note from the director, invite to an exclusive launch party, or even a bit part in the movie itself.

An offshoot of crowdsourcing – a business practice that involves asking user communities to submit ideas or

contributions, e.g. possible designs for your firm's new logo – crowdfunding has recently grown in popularity. Many small projects have gotten the support they've needed to get off the ground, while a few very high-profile projects, such as Double Fine's new adventure game (which netted its first million in just 24 hours and turned the heads of many hopeful game developers) are quickly kicking down the doors for larger, full-scale ventures.

Crowdfunding doesn't just help you finance your projects – it also lets you gauge public interest before launching new products or inadvertently spending millions on goods destined to collect dust in a warehouse. Some even say it's the best thing to happen to business since Apple's App Store. More important to note though is that you don't have to be a large, successful business to tap into its power – and that nearly any venture from art exhibitions to charity fundraisers can benefit. Whether looking to boost interest in a new neighborhood record store or skate park, or your grandkids' school fair, even everyday individuals can enjoy the heightened support and publicity such campaigns bring. Furthermore, this strategy not only allows you to gauge the scope of

general consumer interest in, and test the validity of, new concepts. It also gives you a direct conduit to shoppers, including those who are willing early financial supporters, and consequently the likeliest to spend more on updates and future releases. (A value proposition that becomes even more attractive if your product incorporates opportunities for the post-release purchase of additional content, e.g. via add-ons, expansions and micro-transactions…) As an added benefit, crowdfunding additionally allows you to start forging early and strong relationships with committed customers, who will ultimately become your product's top advocates upon release.

From an entrepreneur's standpoint, it's hard to argue with the results. Under typical scenarios, business owners make educated guesses about products that people will be interested in, and how much they'll be willing to buy. Using crowdfunding, they can instead test ideas at little up-front cost and then spend accordingly. What's more, crowdfunding provides a better way to generate interest in projects and pre-orders up-front. Not only are customers more emotionally invested in the development process, they're also more emotionally

invested in the end result. Advance purchases also provide working capital to fuel production, and rewards offered in exchange for fans' support provide a positive way to give back to deserving contributors. Best of all, crowdfunding lets you launch big ideas with next to no advance costs, and launch them right from your kitchen table. Even better, you can monitor and manage the process from your home computer, laptop or even your iPad.

Another significant advantage of crowdfunding is that you don't give away any ownership or equity stake in the venture. Traditional sources of investment typically require that you give up a portion of a company or project in exchange for their support. Moreover, investors frequently expect a quick return on investment (ROI), often at odds with entrepreneurs' focus on long-term value creation – and can even influence your project in ways you hadn't anticipated, and sometimes don't welcome. In contrast to the crowdfunding model, which affords backers
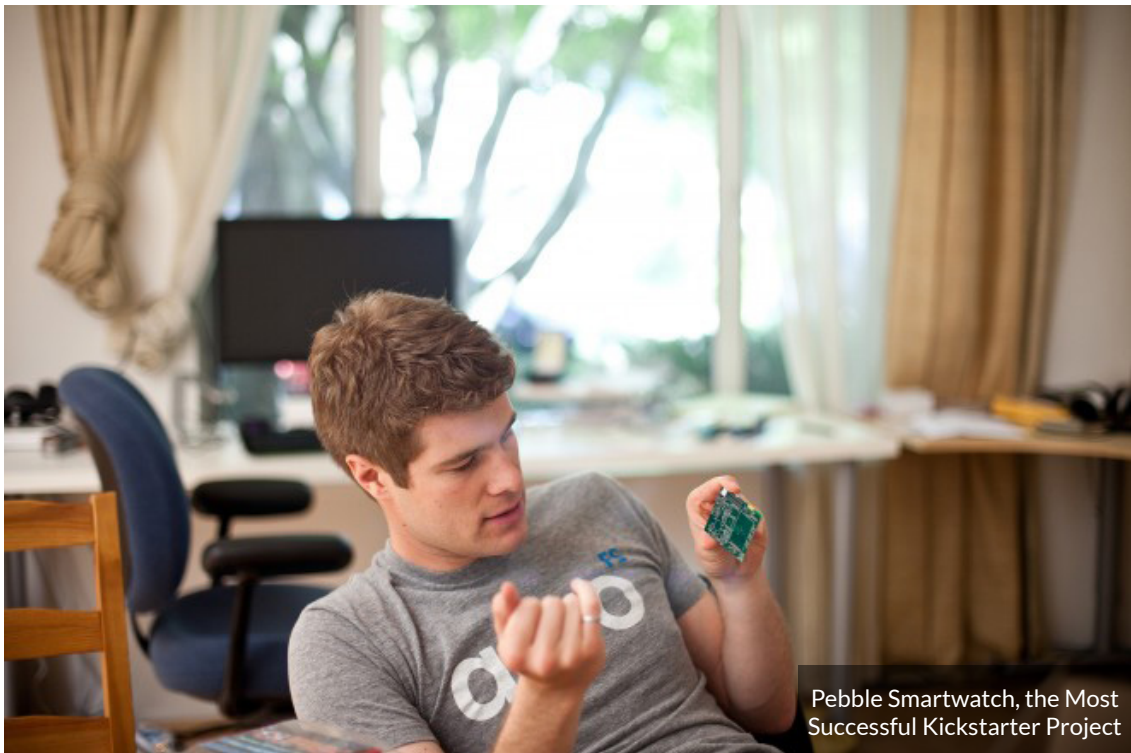
Pebble Smartwatch, the Most Successful Kickstarter Project

indiegogo

Indiegogo approves donation-based fundraising campaigns for most anything — music, hobbyists, personal finance needs, charities and whatever else

KICKSTARTER

Kickstarter is a site where creative projects raise donation-based funding. These projects can range from new creative products, like an art installation, to a cool watch, to pre-selling a music album.

crowdfunder

Crowdfunder is the crowdfunding platform for businesses, with a growing social network of investors, tech startups, small businesses, and social enterprises

no formal creative or commercial power over your project, traditional investment models, and investors, can often hold your feet to the fire at any time.

What about the future prospects and the expectation about this world? At the end of 2012, we can count 536 online platform; more than 200 only in the united states and 160 in the Europe union.

One of the famous campaign was about the smartwatch Peeble. In one month they collect more than 10 million dollars. It's a good example of the potentiality of this business model. A lot of people in the industry think the crowdfunding could double.

The crowdfunding growth rate is much more important in this period, where the availability of funds or financing is dramatically reduced.

Also the Europe Commission is interested in this fundraising model because it's important to develop a system of alternative banking. So it seems they are a lot who wants to bet in the crowdfunding future.

2.4 CROWDFUNDING ACTIVITY

Before 2012, it were counted more than 500 crowdfunding platforms worldwide. Every developer of any project can then choose the platform that best suits his needs. The platform offers to the client, in this case the owner of the project, the entire system he needs to promote his idea. The customer will end up with the whole organization and the ideal conditions for your project. The purpose of these platforms will be to replace the traditional intermediaries. The artist or designer will have no more to do with the record companies or venture capitalists, but much more simply with users who may participate, if they deem interesting, fundraising request. These platforms that use crowdfunding to seek stakes from a community of high net worth private investors and match them with the project Directly initiators .

1 **71%**
DONATION / REWARD

2 **15%**
LENDING

3 **14%**
EQUITY

Data by ClickStartMe
Crowdfunding Platform

2.4.1 CROWDFUNDING MODELS

There are four different models of Crowdfunding Platform:
- Equity-based crowdfunding
- Lending-based crowdfunding
- Donation or reward-based

Crowdfunding for financial return is most effective for digital goods such as applications or computer games, films, music, or literature. It also raises the largest sums of money per campaign. More than 80% of the campaigns in this category raised above $25,000 (data by crowdfunding.nl). Donation-based and reward-based crowdfunding for cause-based campaigns that appeal to funders' personal beliefs and passions perform best. Donation-based and reward-based crowdfunding for art and performing arts projects drive less funding volume than the mainstream

media suggests. The campaigns in these categories are much smaller, with two-thirds of them generating less than $5,000. Nearly $1.5B was raised by crowdfunding platforms globally in 2011 and North america was the largest market for fundraising.

But which are the platforms much more used in this field? The selection was made by Forbes, one of the most trusted magazine of American business.

2.5 BEST CROWDFUNDING PLATFORM

2.5.1 Kickstarter

Kickstarter is a site where creative projects raise donation-based funding. These projects can range from new creative products, like an art installation, to a cool watch, to pre-selling a music album. It's not for businesses, causes, charities, or personal financing needs. Kickstarter is one of the earlier platforms, and has experienced strong growth and many break-out large campaigns in the last few years.

Advantages: Huge user base, most popular crowdfunding website. Successful technology and design projects make a lot of money. Dance and music projects have a very high chance of success (74% of dance projects are successful). Allows you to limit the number of pledge packages you offer. Incredible resources for statistics.
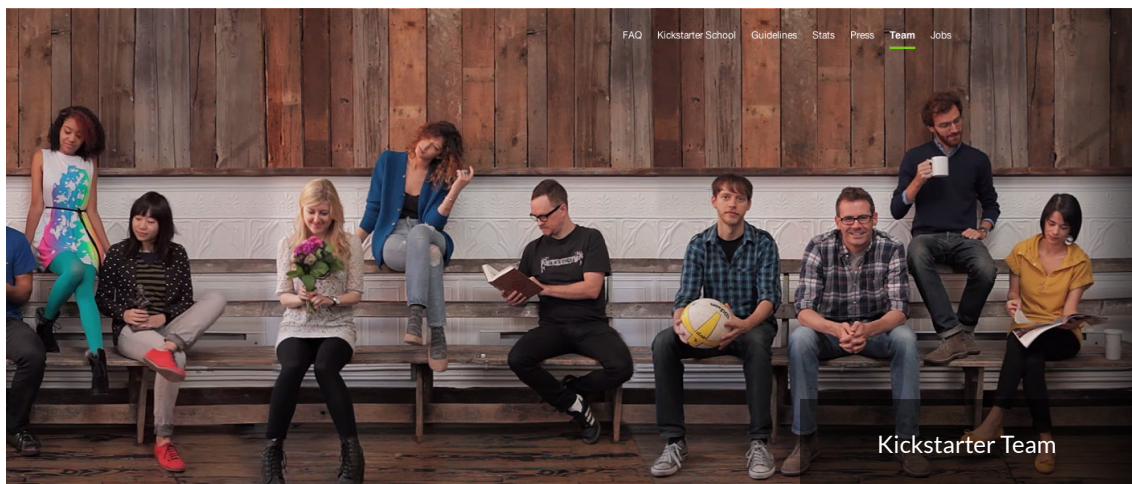
Kickstarter Team

KICKSTARTER

Kickstarter is a site where creative projects raise donation-based funding. These projects can range from new creative products, like an art installation, to a cool watch, to pre-selling a music album.

indiegogo

Indiegogo approves donation-based fundraising campaigns for most anything — music, hobbyists, personal finance needs, charities and whatever else

ROCKETHUB
The world's crowdfunding machine

Rockethub powers donation-based funding for a wide variety of creative projects.

investedin
We Power Crowdfunding!

You might want to create your own crowdfunding community to support donation-based fundraising for a specific group or niche in the market.

SoMoLend
People Investing in People

Somolend is a site for lending for small businesses in the US, providing debt-based investment funding to qualified businesses with existing operations and revenue.

AngelList

If you're a tech startup with a shiny lead investor already signed on, or looking for for Silicon Valley momentum, then there are angels and institutions finding investments through AngelList.

crowdfunder

Crowdfunder is the crowdfunding platform for businesses, with a growing social network of investors, tech startups, small businesses, and social enterprises

LendingClub

Lending Club is an online financial community that brings together creditworthy borrowers and savvy investors so that both can benefit financially.

crowdrise

Crowdrise is a place for donation-based funding for Causes and Charity. They've attracted a community of do-gooders and and fund all kinds of inspiring causes and needs.

appbackr

If you want to build the next new mobile app and are seeking donation-based funding to get things off the ground or growing, then check out appbackr and their niche community for mobile app development.

Disadvantages: Difficult to get featured on the front page. If your project is the development of a technology, it cannot be a finished product. If you do not completely fund your project, you get no money. You cannot stop funding of your project once you begin (can create logistical issues). Fashion, photography, and publishing perform exceptionally bad.

Notes: While gaming brought in the most money in 2012, it is also one of the least successful project areas; this is likely due to a surge of independant developers attempting to get funding for their project as they heard it was trending hard on Kickstarter. Something important to note is IF you plan on making a game, make sure you have a big name to go along with the project OR in support of your project. This is a running theme with the massively successful gaming projects that caused $83m to go into gaming in 2012.

2.5.2 Indiegogo

While Kickstarter maintains a tighter focus and curates the creative projects approved on its site, Indiegogo approves donation-based fundraising campaigns for most anything: music, hobbyists, personal finance needs, charities and whatever else you could think of (except investment). They have had international growth

because of their flexibility, broad approach and their early start in the industry.

Advantages: Can claim funds even if your project doesn't get fully funded (at a higher percentage however). Easier to get featured as there are fewer projects. Still a huge user base (around 10m unique visitors in 2012). One of the lowest percentages taken of final funds of a successful project. Largest insight based blog in the crowdfunding field.

Disadvantages: If you don't reach your funding goal, they take one of the highest percentages of final funds. If you choose flexible funding and don't make your goal, you must take the money from your pledges. Can only distribute funds in USD, CAD, Euros, and Pounds. Other currencies may be charged an exchange fee by your bank.

2.5.3 Crowdfunder

Crowdfunder is the crowdfunding platform for businesses, with a growing social network of investors, tech startups, small businesses, and social enterprises (financially sustainable/profitable businesses with social impact goals). Crowdfunder offers a blend of donation-based and investment crowdfunding from

The new Indiegogo Logo, a crowdfunding platform

individuals and angel investors. The company has localized crowdfunding and investment to help develop entrepreneurial ecosystems and access to capital outside Silicon Valley. Its unique CROWDFUNDx initiative in cities across the US and Mexico connects local investors with local entrepreneurs both online and offline, and does the work to validate top local companies in each city across the US and Mexico.

2.5.4 RocketHub

Rockethub powers donation-based funding for a wide variety of creative projects.

What's unique about RocketHub is their FuelPad and LaunchPad programs that help campaign owners and potential promotion and marketing partners connect and collaborate for the success of a campaign.

2.5.5 Crowdrise

Crowdrise is a place for donation-based funding for Causes and Charity. They've attracted a community of do-gooders and and fund all kinds of inspiring causes and needs.

A unique Points System on Crowdrise helps track and reveal how much charitable impact members and organizations are making.

2.5.6 Somolend

Somolend is a site for lending for small businesses in the US, providing debt-based investment funding to qualified businesses with existing operations and revenue. Somolend has partnered with banks to provide loans, as well as helping small business owners bring their friends and family into the effort. With their Midwest roots, a strong founder who was a leading participant in the JOBS Act legislation, and their focus and lead in the local small business market, Somolend has begun expanding into multiple cities and markets in the US.

2.5.7 Appbackr

If you want to build the next new mobile app and are seeking donation-based funding to get things off the ground or growing, then check out appbackr and their niche community for mobile app development.

2.5.8 AngelList

If you're a tech startup with a shiny lead investor already signed on, or looking for for Silicon Valley momentum, then there are angels and institutions finding investments through AngelList. For a long while

AngelList didn't say that they did crowdfunding, which makes sense as they have catered to the investment establishment in tech startups, but now they're getting into the game. The accredited investors and institutions on AngelList have been funding a growing number of select tech startup deals.

2.5.9 Invested.in

You might want to create your own crowdfunding community to support donation-based fundraising for a specific group or niche in the market. Invested.in is a Venice, CA based company that is a top name "white label" software provider, giving you the tools to get started and grow your own.

2.5.10 LendingClub

Lending Club is an online financial community that brings together creditworthy borrowers and savvy investors so that both can benefit financially. We replace the high cost and complexity of bank lending with a faster, smarter way to borrow and invest.

2.6 CROWDFUNDING TRENDS

While these platforms vary along stated dimensions like form of security to investor—equity, debt, rewards, donation, industry and geography— there is another more important, often not stated, dimension that differentiates emerging platforms: quality. While the term "quality" can mean many different things, in the context of crowdfunding platforms it should come down to this: the more transparently that a platform brings together investors and entrepreneurs with the tools needed to make informed decisions which allow for mutual benefit, whether financial or psychological, the higher the quality of that crowdfunding site. The platforms that achieve this goal responsibly will share five characteristics:

1) Differentiation.
Projects on Kickstarter raised $371 million during the platform's first 3.5 years in existence and over 50% of that amount in the last six months alone. Kickstarter's lead is growing

Renaud Laplanche,
Lending Club CEO

in rewards-based crowdfunding and other rewards-based platforms need to give users a reason not to use Kickstarter. If they fail to do this, Kickstarter will continue to attract the best opportunities and the capital that goes along with these projects.

2) Curation.
Kickstarter was not the first rewards-based crowdfunding platform, and Lending Club was not the first peer-to-peer lending site. However, a key feature these platforms share is curation. In short, these marketplaces help their investors make better decisions by curating the opportunities available. In the case of Lending Club, the platform offers potential investors one-on-one live assistance from Lending Club team members and a wealth of information on borrowers, from credit score, to debt-to-income ratio, to qualitative answers on how the borrower intends to use the proceeds from her loan. Not surprisingly, despite the fact Lending Club was not the first peer-to-peer lending site, it is the undisputed leader today, with almost $2 billion in loans funded. The platforms that survive must vet the opportunities they present to investors. Those that do not will wind up presenting investors opportunities that might have great tag lines and photos, but have no substance—and investors will be left holding the bag.

2.7 USEFUL DATA

Most crowdfunding platforms generate revenue by charging a percentage commission on funds paid out to funraisers. This commission is typically calculated form the total funds raised, and/or based on achieving a "fully-founded" goal. Commission are generally lower in North America compared with other regions and Europe, likely reflecting a higher degree of competition.

Name	URL	Type	Funding	Fee	Function	Country
AngelList	http://www.angel.com	Equity and Debt	AoN	Free	Startups	All
ArtistShare	http://www.artistshare.com	Pledge	KiA	$595 + $12.95/month	Music	All
BankToTheFuture	http://www.banktothefuture.com	Equity, Debt, and Pledge	AoN	5% + $2,785.12	Small Business	UK
CircleUp	http://www.circleup.com	Equity	AoN	Variable	Small Business	All
CrowdCube	http://www.crowdcube.com	Equity and Pledge	AoN	5% + $2,785.12	Small Business	UK
CrowdSupply	http://www.crowdsupply.com	Pledge and Retail	AoN	8%	Retail Products	USA
EquityNet	http://www.equitynet.com	Equity	AoN	$69+/month	Small Business	US
Fundable	http://www.fundable.com	Equity and Pledge	AoN	3.5% + Monthly Fee	Small Business	All
FundedByMe	http://www.fundedbyme.com	Equity and Pledge	KiA	5%	Small Business	Sweden
FunderHut	http://www.funderhut.com	Pledge	AoN or KiA	5% or 7.5%	Small Business	US
Fundly	http://www.fundly.com	Pledge	AoN or KiA	5.9-7.9% + Monthly Fee	Charity	All
FundRazr	http://www.fundrazr.com	Pledge	KiA	7.2% + $0.30/transaction	Everything	Canada
GoFundMe	http://www.gofundme.com	Pledge	AoN or KiA	7.9% + $0.30/transaction	Charity	All
GoGetFunding	http://www.gogetfunding.com	Donation	KiA	7.9% + $0.30/transaction	Charity	All
Healthfundr	http://www.healthfundr.com	Equity	AoN	Variable	Health and Medicine	All
IndieGogo	http://www.indiegogo.com	Pledge	AoN or KiA	4% or 9%	All	All
Innovestment	http://www.innovestment.de	Equity	AoN	8%	Small Business	Germany
Invesdor	http://www.invesdor.com	Equity	AoN	€1 + VAC	Small Business	Northern Europe
Kickstarter	http://www.kickstarter.com	Pledge	AoN	8-10%	Creative	All

Kopernik	http://www.kopernik.info	Other	AoN	12-13%	3rd World Technology	All
Lending Club	http://www.lendingclub.com	Equity and Debt	AoN	1.11-5% + Processing Fees	Small Business	All
Microryza	http://www.microryza.com	Pledge	AoN	8%	Science and Research	All
MicroVentures	http://www.microventures.com	Equity	AoN	10% + $350	Small Business	All
Mosaic Inc.	http://www.joinmosaic.com	Debt	AoN	1% a year	Solar Energy	All
Peoplefund.it	http://www.peoplefund.it	Pledge	AoN	8%	Creative	UK
Petridish.org	http://www.petridish.org	Pledge	AoN	8-10%	Science and Research	All
PledgeMusic	http://www.pledgemusic.com	Pledge	KiA	15%	Music	All
Pozible	http://www.pozible.com	Pledge	AoN	6.4-8.4% + $0.30/transaction	Creative	Australia
Prosper Marketplace	http://www.prosper.com	Debt	AoN	0.5-4.95%	Personal Loans	All
RocketHub	http://www.rockethub.com	Pledge	KiA	8-12%	All	All
Seedrs	http://www.seedrs.com	Equity and Debt	AoN	7.50%	Small Business	UK
Seedups	http://www.seedups.com	Equity	AoN	5%	Startups	USA, Ireland, UK
Sellaband	http://www.sellaband.com	Pledge	AoN	Free	Music	All
Sponsume	http://www.sponsume.com	Pledge	KiA	4%	Creative	All
Upstart	http://www.upstart.com	Debt	AoN	3% of raised, 1.5% of returns	Post-College Investment	All
YouCaring	http://www.youcaring.com	Pledge	KiA	2-3% + $0.30/ transaction	Charity	All
Zopa	http://www.zopa.com	Debt	AoN	Variable Borrowing Fee	Personal Loans	UK

KICKSTARTER

The most famous crowdfunding platform.

2009
founded

58,491
Successfully funded projects

138,962
Launched Projects

$1,036,295,685
total dollars pledged

43.56%
Success Rate

5,850,669
Total backers

14,209,343
Total pledges

2.7.1 Case Study: KICKSTARTER

Kickstarter is the most famous crowdfunding platform. The company's stated mission is to help bring creative projects to life.

It is one of a number of crowdfunding platforms for gathering money from the public, which circumvents traditional avenues of investment. Project creators choose a deadline and a minimum funding goal. If the goal is not met by the deadline, no funds are collected, a kind of assurance contract. Money pledged by donors is collected using Amazon Payments. The platform is open to backers from anywhere in the world and to creators from the US, UK, Canada, Australia and New Zealand.

Kickstarter takes 5% of the funds raised. Amazon charges an additional 3–5%. Unlike many forums for

fundraising or investment, Kickstarter claims no ownership over the projects and the work they produce. The web pages of projects launched on the site are permanently archived and accessible to the public. After funding is completed, projects and uploaded media cannot be edited or removed from the site.

There is no guarantee that people that post projects on Kickstarter will deliver on their projects, use the money to implement their projects, or that the completed projects will meet backers' expectations. Kickstarter advises backers to use their own judgment on supporting a project. They also warn project leaders that they could be liable for legal damages from backers for failure to deliver on promises. Projects might also fail even after a successful fund raise when creators underestimate the total costs required or technical difficulties to be overcome.

Before some Stats regarding Kickstarter Successfully Funded Projects.

Most successfully funded projects raise less than $10,000, but a growing number have reached six and even seven figures. Currently funding projects that have reached their goals are not included in this chart — only projects whose funding is complete.

Kickstarter
Zoom on the website
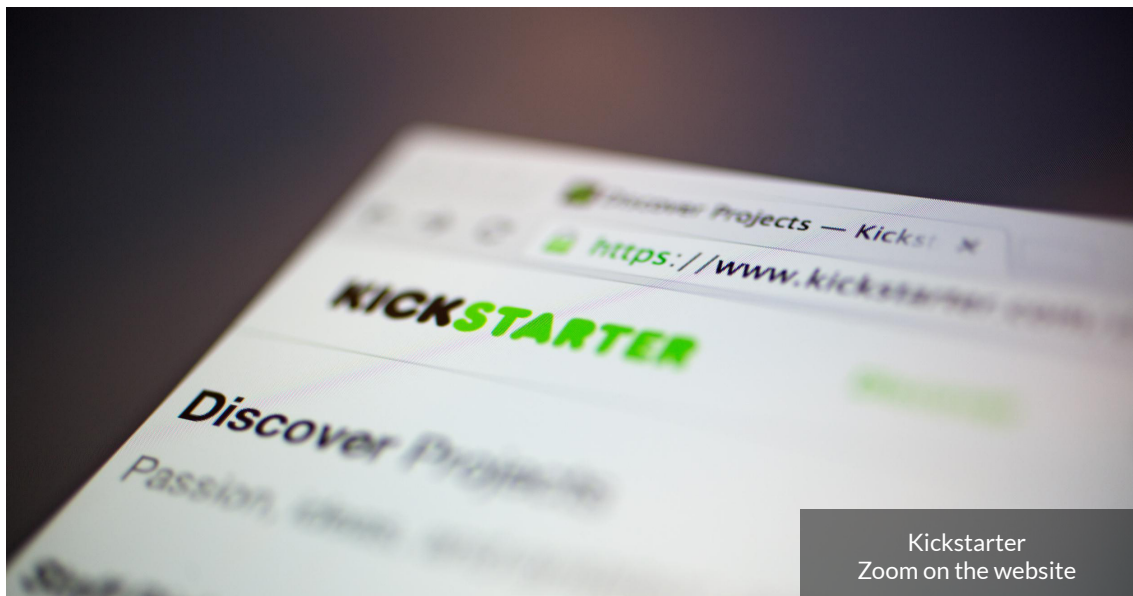
Category	Founded Project	Less then $1,000 raised	$1,000 to $9,999 raised	$10,000 to $19,999 raised	$20,000 to $99,999 raised	$100 K to $999,999 raised	1 M raised
ALL	63,907	6,877	39,973	8,693	7,007	1,287	70
Music	16,260	1,565	12,021	1,915	723	35	1
Film & Video	14,409	1,394	8,640	2,274	1,909	188	4
Art	5,724	1,038	3,941	492	237	15	1
Publishing	5,407	816	3,525	658	383	25	0
Theater	3,919	520	2,929	300	163	7	0
Games	3,556	216	1,355	661	972	318	34
Design	3,013	180	1,039	577	912	296	9
Food	2,442	115	1,182	620	499	25	1
Comics	2,012	238	1,228	295	215	35	1
Fashion	1,795	177	969	299	306	43	1
Photography	1,614	245	1,042	211	112	4	0
Technology	1,556	69	471	226	482	290	18
Dance	1,343	108	1,102	105	28	0	0
Crafts	498	147	298	28	22	3	0
Journalism	359	49	231	32	44	3	0

Data by KickStarter
Biggest Crowdfunding Platform

2.8 BEST MUSIC CROWDFUNDING

As we can see from the chart. The music project are more than on the other category. But what about the crowdfunding platform just based on music projects? Here the biggest four company which believe in this category.

1. PledgeMusic is London-based quasi all or nothing crowdfunding model in which the company "releases the funds in three payments (on funding, release, and fulfillment)." In order to receive all of the money, bands must meet their fundraising goal. This site also allows artists to create pre-order campaigns in which PledgeMusic disburses the money immediately when the campaign is

MUSIC - 16,260 Successfully Funded Projects

63,907
All Projects

| Music | Film | Art | Publishing | Theater | Games | Design | Food | Comics | Fashion | Photos | Dance |

released and fulfilled. This second type of campaign is designed for labels and artists who already have a recording and are looking for marketing help. There is a "15% commission for every successful pledge received, after the target is reached."

2. Sell A Band is a European site that has had over $4 M pledged since 2006. Record labels, sponsors, artists, and more can use this site as a crowdfunding platform. The goal amount must be tween €3,000 and €250,000. Artists can also offer a revenue share as a reward so that their "believers" will benefit from the sale of the proposed album or song. Sell A Band takes 15% of the total money raised if the project is

successfully funded.

3. TuneFund is a US crowdfunding site that lets artists raise money from their fan-base for career-related projects and expenses. Artists must be US citizens. The company takes 10% of funds raised and allows contributions to be refunded after the 10% fee. The sites only allows artists to upload 3 songs per campaign, but artists can still link to their Bandcamp page or other music sharing websites.

4. ArtistShare is an established platform that was started in 2003 and is powered by FanFunded. Their projects have received countless awards and accolades including 5 Grammy awards and 18 Grammy nominations.

PLEDGE MUSIC
Let's talk about more on PledgeMusic.

How it works?
PledgeMusic is an alternative to the traditional music industry model. Historically an artist signs a contract with a label who, in return for an advance to the artist, take ownership of the artists output and responsibility for the marketing and production of their work. This model has operated for the last 50 plus years. Traditionally artists lacked the ability, knowhow or facilities to release their work to the market.
The last 10 years has seen a big shift in the dynamics of producing and releasing a record. Rather than needing a fully-fledged and staffed studio a record can be recorded, produced and distributed from a home computer. This has opened the market back up to the artist who now has an option where they are no longer

	SELLABAND	PLEDGE MUSIC	artistShare
URL	Sellaband.com	PledgeMusic.com	ArtistShare.com
TYPE	Donation	Donation	Donation
FUNDING	AoN	KiA	KiA
FEE	Free / 15%	15%	$595 + $12.99/m
COUNTRY	All	All	All

beholden to the record label to nearly the same extent. The biggest shift in this is clearly distribution; an album can be distributed over the internet directly to fans whereas as little as 10 years ago physical CD's represented 95% of the market. The other major difference is thanks to social media an artist is aware of who their fans are and has contact details for them.

Under the PledgeMusic "direct 2 fan" model an artist launches a project on Pledge to raise the money to fund their project. The structure is that fans "Pledge" to pay for the record once it is released. The minimum pledge is for the download at $10. There is then a menu of exclusive items available, ranging typically from a signed CD to Tee shirts, to a name in the album credits all the way through to a personal house concert and beyond. The fan gives their credit card details at the time they pledge, however should the campaign fail to reach its target (and thus is unlikely to happen) the money is not drawn down. So the fan is making a Pledge to make the project succeed & if the target amount required is not met then nothing happens.

The advantages to the artist and the fans are enormous. The artist completely bypasses the record label process, they keep their rights, they have control over their album and its release, sales are chart eligible and they have a contact with their fan base that had never previously been available to them. Fans benefit from far greater artist contact and affinity, exclusive incentives and genuinely are supporting the artists they like.

Pledge supports the artist throughout the campaign, designing the incentives, linking through to the web site and coordinating the project. This difference means that 96% of supported campaigns reach their

target, a further 95% of campaigns go on to exceed their target. The average fan spend is $75. These statistics are confounding an industry which is struggling to retain fan spend.

2.9 THE USER'S ROLE

The inputs of the individuals in the crowd trigger the crowdfunding process and influence the ultimate value of the offerings or outcomes of the process. Each individual acts as an agent of the offering, selecting and promoting the projects in which they believe. They will sometimes play a donor role oriented towards providing help on social projects. In some cases they will become shareholders and contribute to the development and growth of the offering. Each individual disseminates information about projects they support in their online communities, generating further support (promoters).

Motivation for consumer participation stems from the feeling of being at least partly responsible for the success of others' initiatives (desire for patronage), striving to be a part of a communal social initiative (desire for social participation), and seeking a payoff from monetary contributions (desire for investment).

An individual who takes part in crowdfunding initiatives tends to reveal several distinct traits: innovative orientation, which stimulates the desire to try new modes of interacting with firms and other consumers; social identification with the content, cause or project selected for funding, which sparks the desire to be a part of the initiative; (monetary) exploitation, which motivates the individual to participate by expecting a payoff.

2.9.1 BENEFITS, RISKS AND BARRIER
Pros
Crowdfunding campaigns provide producers with a number of benefits, beyond the strict financial gains.

- Profile: a compelling project can raise a producer 's profile and to boost provided for their reputation .

- Marketing : project initiators can show there is an audience and market for their project. In the case of an unsuccessful campaign, It provides good market feedback.

- Audience engagement : Creates a form where crowd funding project

initiators can engage with their audiences. Audience can engage in the production process by following progress through updates from the creators and sharing feedback via comment features on the project's crowdfunding page.

- Feedback : offering pre-release access to content or the opportunity to beta-test content to project backers as a part of the funding incentives provides the project initiators with instant access to good market testing feedback.

Cons
Crowdfunding also comes with a number of potential risks or barriers.

- Reputation : failure to meet campaign goals or to generate public interest result in a failure. Reaching financial goals and successfully gathering substantial public support but being unable to deliver on a project for some reason can severely negatively impact ones reputation.

- IP protection : many Interactive digital media developers and content producers are reluctant to publicly announce the details of a project before production to two concerns about their idea theft and protecting IP from plagiarism.

- Donor exhaustion : That there is a risk if the same network of supporters is reached out to multiple times, That network will cease to supply Eventually Necessary support.

- Public fear of abuse : That concern among supporters without a regulatory framework, the likelihood of a scam of abuse of funds is high. The concern may become a barrier to public engagement.

NEW SCENARIO

3. NEW SCENARIO

3.1 INTRODUCTION

Where is the problem of this kind of crowdfunding models? Most of all this platform based on music project are just for collect and raise money for the recording process. No one of the platform i looking for are based on live performance project. This is a limit, in my opinion, to not see the increasing process of the revenue of the live performances. As we can see in this chart, my project is about to put itself on the live performance category. We show previously how the revenue of the live performance are increasing in the last years. It's a big opportunity to move on on this direction cause, for now, there is no start up that are going to move on that field.

Before talk about my project I want to define different actors that are involved. The actor I want to talk about are: the new artist, the venue, the promoter and the final users.

3.2 THE ACTOR INOLVED

3.2.1 NEW ARTIST
The new artists are single artists or bands who are relatively new to the music industry. They are artists who have not reached the big crowd and which are not yet in contact with the major record labels. Most of them have not yet had to deal with booking agencies. They are relatively alone. Mostly they rely on independent labels for their music publishing. They therefore have no binding contract with their labels. For their performances they rely on independent promoters and not to the booking agencies. If they were related to some agency, it will just be small and independent agency, mostly born on the web and therefore they are not bound with them. The New Artists have a relatively small audience. Brought up via internet thanks to Youtube or small fan clubs. One of the few methods that have to be known is to upload some videos on youtube or songs on soundcloud (social networks based on music). Facebook is another way to increase their audience, in fact there they can create their own page to collect their fans. The new Artists are thus emerging artists, not too well known to the general public, and not linked to any, or nearly so, type of

ARTISTS

PROMOTERS

USERS

VENUES

contract. They have very low costs, both in the recording of albums, as we have already explained in the first chapter, and also during live performances. We have already talked about it earlier, what concrete alternatives the new artists have to perform in public.

3.2.2 THE VENUE
Initially, concerts were held in theaters utilized for plays or other such facilities and, as rock and folk artists grew in popularity, expanded to indoor sports arenas with seating for up to 30,000 fans and, in some instances, in outdoor sports stadiums with seating capacities in excess of 60,000 fans. Independent companies were formed to provide remote (at locations other than the venue hosting the concert) ticket sales.

As the popular music concert market developed, facilities designed and intended for use solely as venues for live popular music concerts were constructed throughout the country, primarily in large urban areas. The most prevalent type of venue constructed

for live popular music concerts are outdoor amphitheaters, with a seating capacity generally between 8,000 and 25,000 fans spread over designated seating areas (usually under cover) and large lawn areas. These facilities have become the dominant venues for popular music concerts because, as they are constructed to host music concerts, they have good sight lines, acoustics (although not to the level of a symphony hall) and staging. Conversely, arenas and stadiums are primarily constructed for sporting events and are generally not desirable venues in which to view a concert. Amphitheaters also enjoy the advantages that: Fans enjoy attending concerts outdoors and mingling in the lawn section before and during the concert; they are more flexible than arenas and certainly stadiums in the size of the shows they can handle because they are less costly to operate, lawn seating allows amphitheaters to approach the seating capacity of indoor sports arenas while fans at less popular shows spread out in the lawn areas making the show seem to have a larger attendance; and attendance at amphitheaters tends to be higher because fans of limited means can purchase a lawn ticket at a reduced price and still obtain a good vantage by arriving early and are not locked into undesirable seats.

It's very common in the last decades to go to the club also for a concert or for any live performances. Every city is dotted with very different clubs. For example in Milan we can find different kind of clubs. Starting for the one very small with a capacity of a hundred of people till very huge clubs where we can find different hundreds of people as a capacity. It's very simple to rent a club for a night. It consist basically to contact the owner or the director of the venue and ask it for the night. Obviously this kind of rent is cheaper than to organize a live performance in a big venue. It's not the same thing, for sure. but, like that, also small and unknown artist can perform for one night. The prices for rent a club are not so cheap but relatively not expensive as to organize performance in big venues.

3.2.3 THE PROMOTER

Before talking about the promoters, I would like to talk about the category of the agents. They are the people who interact between the promoters and the artist. Agents in the music business are very different from agents in the film business. While agents in the film business are the major power brokers in the industry, controlling

Sid Bernstein, the Beatles's Promoter, and Paul McCartney

many aspects of it, agents in the music industry are involved almost exclusively in booking live personal appearances. Music agents are sometimes involved in commercials, tour sponsorship, television specials, and other areas, but they don't participate in, or get paid for, records, song writing, or merchandising and thus aren't players of the same magnitude as film agents. That's not to suggest that agents aren't important, they are extremely so, and very influential. But their sphere of influence is limited.

The most part of the new artist hasn't an agent, or they are agents of themselves. The most of the time a new artist doesn't need this professional figure because are not so many the live performance a new artist does. Obviously the agent earn, as we talk about it, just when the artist performs. If an artist is not so known, it's very difficult for an agent find some venues who want that artist to perform. So it's impossible for an agent to survive with this kind of behavior.

Let's talk about the promoter now. Promoters are the people in each market who hire an artist for the evening. They can be local, meaning they work only in one city or area, regional, several states, national, covering the entire country, or international.Promoters book the hall, which means they owe the rent even if nobody shows up, pay for advertising the concert, and supervise the overall running of the show.

Promoters actually have a tough time. If they lose, they can lose big, but as acts get more successful they squeeze them and limit the promoter's upside. Two companies, as we saw before, Live Nation and AEG, are international promoters, who purchase entire tours. In other words, they make a deal to promote every date.

One think very important is that over the last few years, venues, have begun buying shows themselves. Deals for these are imaginatively called venue deals.As we discussed above, promoters traditionally rent the buildings from the owners, then turn around and make the deals with the artists. Under venue deals, the building owner contract directly with the artists, in effect acting as promoters themselves, and in fact competing with the promoters who rent from them. Sometimes the venue will pay artists more than promoters

will pay. This is partly because they have eliminated the middleman, but more importantly, it's because they have incoming from parking, food, beverage sales, and other areas that promoters don't share.

3.3 NEW OPPORTUNITIES

Now, that we have define all these actor, we can understand better what's going on right now. How live performance are planned and how the actors work in this field. One thing very important to say It's that It's quite impossibile to find any crowdfunding platform that work for the live performance. As we can see all the big platform based on music are involved in what we can call the recording process. None of them are involved in the perform process. This is a big door we can open. Apparently there are no startup involved in this field. This is a big consideration we could do.

3.3.1 SELLABAND

SellaBand is a music website that allows artists to raise the money from their fans and the SellaBand community in order to record a professional album.

On October 1, 2009, SellaBand

Competitors	Type	Fee	Record	Perform
(headphones logo)	Pledge	15%	✔	✖
bandcamp	Pledge	Freemium	✔	✖
PLEDGE MUSIC	Pledge	15%	✔	✖
S	Pledge	15%	✖	✔

launched a new model that gave artists total flexibility in their fan funding plans and did not take rights. Any artist, signed or unsigned, could use SellaBand to fund any project. The new model also incorporated the change, that artists are free to choose how much money the want to raise. The minimum funding target is €3000,-- and the maximum funding target is €250.000. Artists can also choose if they want to integrate a revenue sharing option into their funding. The minimum incentive is a download.

Artists can now choose different project objectives they want to fund:

- Music recording;
- Record releases (digital/physical);
- Promotion and/or marketing campaigns;
- Live concerts / touring / festivals;
- An exclusive fan product;
a combination of all of the above;

Currently there are 86 artists who reached their goal already. In December 2009 Cubworld was the first artist, closing his second budget. Less than two weeks after

bankruptcy, Aryn Michelle was the first artist, closing her budget under the new SellaBand-management. In October 2010 Epyllion closed the first budget on SellaBand that is not used for recording new but for promoting of already released music. In October 2010 Hind was the first sellaband-artist, reaching a top 10 entry. Her album Crosspop started on No. 8 in the Dutch charts. She was also the fastest funding artist on SellaBand managing to collect 40.000 EUR within 11 days. Public Enemy was the first major artist to sign up for SellaBand with a target of $250,000 in $25 increments. After a disappointing effort Public Enemy lowered their target to $75,000. They achieved this total on 28 October 2010. There are over 700 artists currently registered on Sellaband raising funds.

As we found on the website we can't effort to understand better the live performance process. There is a FAQ page on the website called Sellaband artist academy. No information about how to plan a concert we can find. So we arrive at the idea we could use Live performance as the object of our crowdfunding campaign but Sellaband doesn't offer anything to help the artist or to define better the campaign. The only thing we could do on that website is to ask for raising money for a budget that we could

PledgeMusic Homepage
music crowdfunding platform
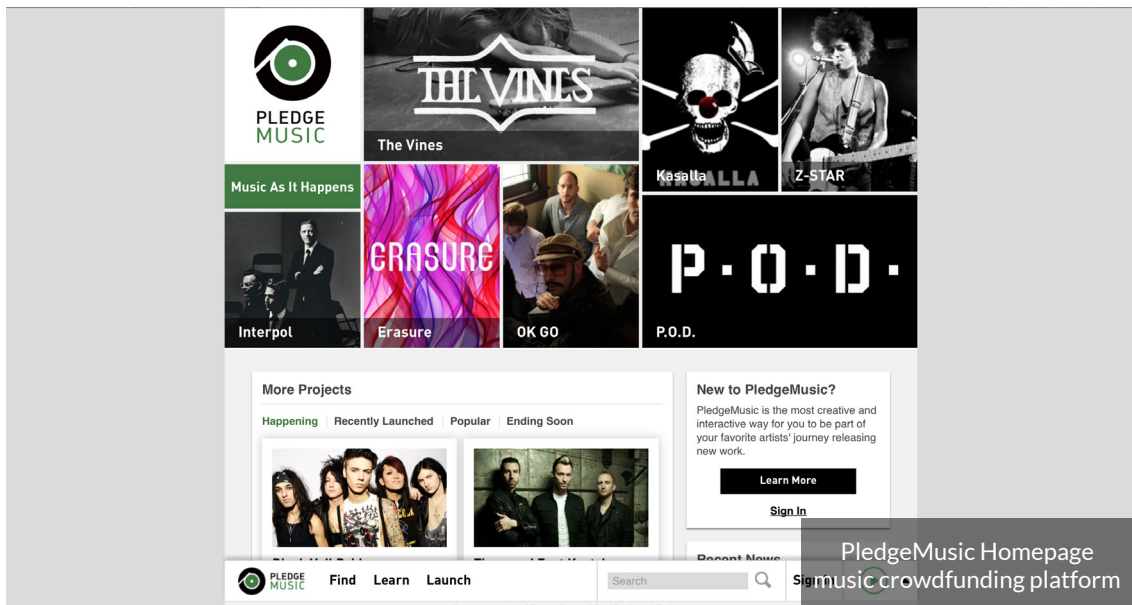
spend as we want. This platform is the only one we find on the market. Tens of other platform based on music project we found but no one has the possibility to open a campaign raising money for planning a live performance.

There are other music crowdfunding platform that are very popular, as PledgeMusic. But no one of them have the possibility to run a campaign for a live performance. There is no way to raise money with these crowdfunding platform. But let see what Pledge music is.

3.3.2 PLEDGEMUSIC

PledgeMusic is an online Direct-to-Fan music platform, launched in August 2009, that facilitates musicians reaching out to their fanbase (termed Pledgers) to pre-sell, market, and distribute music projects including recordings, music videos, and concerts. Broadly speaking it bears some similarities to such platforms as Kickstarter, Indiegogo, RocketHub and Sellaband.

PledgeMusic considers itself a direct-to-fan platform as opposed to a crowdfunding website. Features of

Live Performance by Aerosmith in London

PledgeMusic that distinguish it from other crowdfunding systems include that it:

- Is solely focused on raising funds for musicians
- Does not retain any ownership or rights to any music created through the platform
- Encourages artists to include contributions to charity as part of their fundraising project
- Absorbs all transaction processing costs involved in pledging on a project Encourages artists to offer a wide range of incentives and exclusive content to pledgers
- Does not process any funding transactions until the funding target is reached
- Is international, accepting artists, projects and pledgers from all over the world
- Allows pledger refunds

PledgeMusic allows two distinct types of campaigns: direct-to-fan and preorder. In direct-to-fan campaigns, fans are not charged until the project target is reached, at which point money is collected in an "artist account" that holds the money for disbursement to the intended recipients. If a target is not reached, fans are not charged. In preorder campaigns, fans are charged immediately, and the artist is paid directly upon project completion, much like traditional online retail.
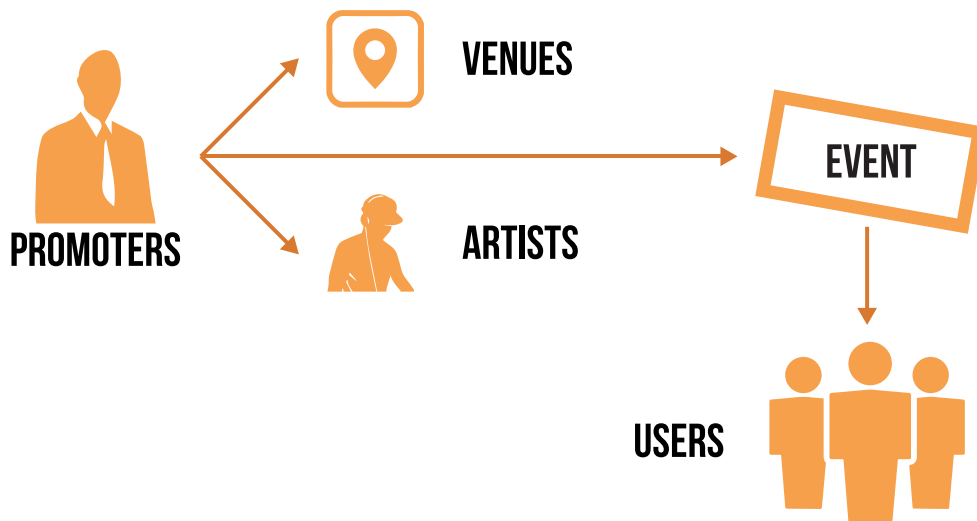
3.3 SET UP A LIVE PERFORMANCE

Let's see now how a live performance is planned. Before talking about this we have explained the actors that are involved in it. In the image it's very simple to understand the role and how to plan an event works.

In first, the promoter try to understand the felling about the city to understand which artist is better to book for that town. The promoter has the responsibility to understand the people taste about the music. It's not so simple but it's his job. Very common process is that the promoter ask to an agent about that artist. But not always is like that. As we speak before, it's just for famous artist have an agent. Especially for a new artist is not so common have an agent who work for you. So It's very simple to understand that the agent and the artist work together just when the artist is quite popular and so he can pay a person who works for him.

In this image we can see the promoter who contact the venue, to rent it and also contact the artist whom want to bring in his town. The promoter plan the event alone. He is the chief of the party. He negotiate with the owner of the venue. The most of the time the promoter already know the prices and the capacity of the venues, so he can choose the better place. He also contact the agent, or directly the artist, to book a date. He works alone in this process, he has the complete control of everything. One time he completes the booking process he starts to organize the rest. Like the promotion part, the tickets, the technical stuff and so on. Nothing is decided from the artist. The only thing he can do, it's to add to the contract a rider. But what is a rider?

The actual contracts for each appearance are customarily handled by the agency. At lower levels, they. are merely AFM standard printed forms. As they hit midlevel or up, they are the same printed forms with an attached rider. The contract itself is only one or two pages, spelling out the specific terms like dates, guarantee, hall size, splits, etc. Riders typically run thirty pages or more. The major points covered in your rider: Expenses, free tickets, billing, recording, merchandising, interviews or promos, catering, technical and legal stuff. But for the new artists, the most of the time, the rider it's not included in a contract. Actually is very uncommon to have it.

Some famous Social Network

3.4 SOCIAL NETWORK

How these actors involved, that we have already explaned can know each other and can contact each other? For a new artist is normal doesn't know how this world works and how to find the right person. The most of the time, the artist who becomes to throw himself in this world have no idea where to start. As we talk before, it's important to know how and where you can find some other actors. Actually if you are not part of this world is very difficult to start from the beginning. It's not so simple. The new artist has not the address book where he can find every person who work in this field. Sometimes a new artist finishes his career because he cannot be in touch with right person. Sometimes it's the only reason why a new artist doesn't become a established artist or a star.

3.5 NEW SCENARIO

So why the only way for an artist is to have an agent or a promoter that works for him? If the artist choose to promote himself it will be easy for him to plan an event without other people help. This way is also cheaper for the artist cause he will never pay other

actors for organizing for him the event. This is better for the new artist point of view cause he haven't got the money to finance his own event project.

What if we find a way to find the perfect venue for the artist. Every location has a different style and not every venues is good for every event. Each place wants to repect their style and doesn't want to promote an event that is not representing of his style. This is very important for a venue's point of view. They should respect their public and so promote the only events that match their style.

But how the artist can pay the venue and cover the expences and the various costs? What if we use the crowdfunding functionality to this kind of project? The users can easily pledge the campaign of the artist they believe to and raise an amount of money that the artist need to collect for their event project. In this way the new artist, who has not a lot of money to marketing himself, can find the budget to set up a gig by himself.
As we saw, there are different new scenario where we can work on. From this introduction StageStarter grow up. Let's see better what is it and how it works.

THE PROJECT

4. PROJECT

4.1 WHY STAGESTARTER

So we talk about Pledge Music and we talk about the promoter's event.

That's something missing in this example. Where is the artist? Actually, where is the new artist?

It's very difficult for a new artist trying to plan an event. According to the previous logic, he needs a promoter who believe in him and trying to organize and plan an event based on him. It's hard to find someone who believe in you if you haven't reach a good level of notoriety.

That's why StageStarter born. With StageStarter every event is promote by the artist and no more by a promoter or a booking agency. This is the base of the revolution of this platform. But StageStarter is not just that. StageStarter helps the artists to find the money to support your event. A lot of artists are very scared about this field of their career. Organize an event is very risky for the promoter. If an artist replace the role of the promoter, he also assumes all the responsability of that role. Also with regard to the money. For a new artist is very difficult to raise the money for organize and plan a live

performance. As we see before we can understand all the expenses we can find in a concert. So the artist should be very careful about that. That's maybe why a new artist never plan by himself a performance. But here we can find the help of StageStarter. StageStarter is a crowdfunding platform, where the artist can simply start a campaign to raise money for a concert. The artist can share and spread his idea of organize a live performance. By this platform he is able to collect money from his huge or little fan base. It's very simple to start a campaign. A

Through the platform he can ask to thei fan or their friends an help to reach the budget he needs to set up a gig. It's very simple to define the campaign. StageStarter helps him in every step he needs to follow. But let introduce better this new Platform.

StageStarter gives to the artist the possibilities to set up a gig through this platform. Actually is very simple to define and plan an event with StageStarter. Let's see how it works. The artist, or better, the new artist is

"StageStarter gives you everything
you need to set up a **gig**,
and provides **crowdfunding** functionality,
putting the power of fans to work for you"

able to register to this website for free. No expenses from him. No need to have a promoter or an agent or someone who talk for you and sign your contract. Important is the artist speaks for him or for his band as the owner of himself. Through this he can easily think for himself and do what he dreams to do. With StageStarter is very simple to set up a live performance. The artist doesn't need help from other actors. He can easily think for himself.

The same thing works for the venues. All the venues can register for free on this platform. It's very important to understand the role of the venues. They are the second player of this platform.

4.2 WHAT IS STAGESTARTER

StageStarter is a mix between a social network and a crowdfunding platform. A social network is a dedicated website or other application which enables users to communicate with each other by posting information, comments, messages, images, etc. It works as a social network for the venue and for the artist. Every one of each category has a profile and they can browser the website where they can find information and the possibility to contact each other.

It offers a new way to interact between artist and venue and provides the crowdfunding functionality, putting the power of fans to work for the cause. StageStarter is a platform who help artist and venue to organize the best event.

4.3 THE REGISTRATION

The registration to this platform is very easy for every category. Everyone can register for free to StageStarter

4.2.1 THE ARTIST REGISTRATION

He can just compile the registration steps and after that he is able to propone a raise campaign for his event. But how he can choose his right venue or club to performe? StageStarter offer an easily tool that allows the artist to find his perfect place. Nothing is complicate or left to chance. Through some little questions the platform choose for you the best place. His styles, his needs, his genre will match with the right venue. There will be a score for every venues. The artist can browsing through the venue and just when he will decided which one is the best for him, he can contact or send a request.

Venue decided, he can start a campaign to raise the money if the owner of the venue agree. But let's see later how specifally it works. It's the same process of kickstarter and the others crowdfunding platforms. When he start a campaign he can upload images or videos that explain better his music, his style and his dream to perform. Everything is decided by the artist,

and no more from the promoter or an agent, because he is the only one who can put some effort in it. With these media he can convince the audience and the clients of StageStarter to pledge money for his cause. The artist can choose his personal budget that he needs to have to perform. It's very important for the artist know what he needs. But He is not left alone. Through the FAQ page he can have some suggestion and advice for his campaign. One time he decides the budget, the platform sum that one with the venue's request. Now he can start a crowdfunding campaign.

But how does it work a crowdfunding campaign? As we see before the crowdfunding campaign start as soon as the artist and the venue agree to start a campaign togheter. The campaign is launched to raise enough money to pay the venue and the artist. One time he sets up the campaign, it will be online for a 30 days maximum. In this period everyone can pledge money for the cause. It's very simple and easy to make a pledge. You can give money for a 10 dollars minimum. Every pledge is reciprocated with a gift that the artist decides. The clients can choose from different possibilities of gift. Everyone has a different value

and so a different pledge. The artist can choose how many and what pledge he wants to propose. To the artist s recommended to gift everything that is related to his career. So, for example, albums, autographs, the ticket to enter at one of the live performance he is going to set up, and so on. He can decide which gifts are the best to have some pledges.The purpose of the gift is to convince the clients to do a pledge to the campaign. Also because it is the only purpose of the artist, that is to raise money for a live performance.

After he sets up a campaign he should let the people know about it. It's not so complicate to understand that the better way is to share the project on the social networks. With a simple click the artist can share his campaign on Facebook, on Twitter or on wherever social networks he wants. Obviusly it's not the only way to let the people know about the project. Everyone can use their own way to let the campaign become popular.

One time the fan base pledge the project and raise the miminum request of money, the project become real and the artist will receive all the money he collects by the end of the campaign. So the artist, not only receive the money he asks, but he receives all the money they pledge till the closing of the campaign. With that money he can set up the event and so keeps in touch with the venue to organize the live performance. Till that StageStarter is the platform for everything he needs. After that it's the task of the artist to set up, with the money he collects, the event. The artist obvously is always in contact with the venue so he can know from the beginner how to set up the gig.

4.3.2 THE VENUE REGISTRATION
The owner of the venue can easily register to the platform for free. Nothing is to pay to StageStarter. He can compile the form from the website and be ready to rent his venue.
How does he can do it? There are several steps to compile on StageStarter. A part from the basic information, that the platform needs, he should upload images or videos of his location. This is the best way to let the artist understand if the venue is the best venue for his performance. After this he should compile the match step. What is the match step? It's the same step that the artist should compile to match the perfect venue he is looking for.
There will be several questions where

the owner of the venue can check the boxes to define better the actual profile of the location. Through this step is very easy to find the perfect match and enter into a ranking, based on each artist. Throught this way the artist will be associate to the location is was looking for. It's very important for the venue to compile perfectly the form cause it's the most important way to understand the location style.

The owner will find a calendar where he can manage to set up the free days where the venue is able to hold an event. It's a costumable calendar that he can set up wherever he needs to modify the schedule of his location. If he changes the mind on one date he can modify wherever he wants from his personal dashboard.

After he compiles the entire form, with the adding of the images or video, where he can show the location, it will have the venue's page. It will show every informations the owner choose to share with the platform.

4.4 THE CLIENT PLEDGING

The client comes to StageStarter to find his artist or through the artist social network page, where he probably find

the link for a StageStarter campaign that the artist start. He can surf the website as he wants or, if he is looking for someone specifically he can find all the informations about the future event. He can so decide to pledge the cause if he believes in the project.

On the homepage of the website he can find all the campaigns. He can search by location, by date or looking for someone specifically. By clicking on one campaign he will be redirect to the campaign page of the project where he can find out everything the project is about. In that page, the client can see the date of the event, the pledge percentage to complete the campaign, the location of the event and all the other information the event is about. There is an other thing very important to understand the project. He will find, in the center of the page, the video that show the artist purpose. It's the best way to understand what the project is about.

If he believes in the project he can decide to pledge the cause and be part of the campaign. To encourage the pledging, the clients can decide the specific amount of money he would like to dedicate to the project. The pledge are divided by package.

Every package costs from a minimum of $10 till $1,000 and when the clients choose to "buy" one of them he will buy a reward that the artist choose, as we see before. This way to reward the client who choose to believe in one project, push the clients to pledge the campaign. This is an other way to convince the clients to believe in the cause.

4.5 ARTIST AND VENUE PROFILE

One time, an artist and a venue are registered to StageStarter, they can decide to surfing the platform. For an artist is simple to find the right venue. He can find it in different way. He can browsing the website looking for some venue or he can just see his dashboard. One time the venue has finished the registration, the owner has a complete profile who everyone can check. The same thing happen to the artist. As soon as the artist complete the registration, he will have an entire profile dedicated to himself. The most part of the information he puts in the registration

form, a part for the private one, can be checked by the venues who are browsing through their profile.

So it's very simple for an artist looking for some venues. He can search the venue sorted by the closest, the biggest, the cheapest and by the best matching. We tolk before about the match. When an artist and a venue is going to register. they found trough the registration form, a page with different questions about the style, the music, the equipment. This is the best way to understand your right venue. So if an artist is browsing for a venue, he will have the possibility

REGISTRATION

1st **BE PART OF THE STAGESTARTER COMMUNITY**

Artist
PROFILE

BROWSING

2nd **BROWSING PROJECTS**

send a
REQUEST
to the venue

receive a
REQUEST
from a venue

NO

Accept
REQUEST

YES

3rd **STARTING PROJECT**

Start
CAMPAIGN
crowdfunding

REGISTRATION

1st **BE PART OF THE STAGESTARTER COMMUNITY**

Venue
PROFILE

BROWSING

2nd **BROWSING PROJECTS**

send a
REQUEST
from an ARTIST

receive a
REQUEST
from an ARTIST

NO

Accept
REQUEST

YES

3rd **STARTING PROJECT**

Start
CAMPAIGN
crowdfunding

to contact the venue trough the StageStarter messagges or send it a request to book the venue and start a crowdfunding campaign.

What a artist could see in a venue profile? He can see all the informations he need. Starting from a description, images, video, costs, location, and many many others. Everything is available on the profile so the artist can check wherever he wants. On the profile there is also the possiblity to check the calendar of the venue. So the artist can see which day the venue is available for a show and when is not.

The venue also can see all the different artist profiles. So if the venue is looking for fill his calendar, the owner of the venue can browser the artist pages and contact them or send a request for a show. It's very simple to browser the platform. StageStarter give the possibility to browser through different profile. Every artist or venue, who is register to the platform, are inserted to the platform database, so everyone can have the visibility.

4.6 SEND OR RECEIVE A REQUEST

During the browsing, the artist can decide to send a request of event to a venue. He can easily surfing the plarform till he decides to send a request to a specific venue. Send a request is very easy. He can find the botton to send it on the venue's profile. After he clicks on that, an other page comes out where he should define all the details about the request: date, changing budget, changing rewards, changing informations, images and videos to show at the venue. This is a good way to let the venue know more about the project.

The venue will receive a notification of the request and he can open that on his dashboard. He will see all the informations and all the details about the project. At this point the venue can contact the artist who send to him a request, or he can confirm as soon as he receives the requet if he agree with all the details. If he is not convinced he can contact the artist or he can change some details about the event.

Obviously the same thing happens to the artist who receive a request from a venue. It's more or less the same thing. He can accept or he can decline, he can contact the venue to change the details or he can send back the request with some information modificated.

4.7 CROWDFUNDING CMP

When a request is accepted it will start a crowdfunding campaign. But why a crowfunding campaign? We start with the idea that a new artist has not the budget to risk for planning an event. Other thing is that the venue doesn't want to risk to open the club for a night where he can earn nothing. Other important aspect is that the venue don't believe in some artist, also because they are new, to affirmed. So the crowdfunding campaign is a way to check if the artist is followed by fans or not.

All the crowdfunding campaign finish after thirty days. In this thirty days all the users can pledge the campaign to

1st CROWDFUNDING CAMPAIGN RUNNING

2nd CLOSING A CAMPAIGN

3rd SUCCESSFUL PROJECT

Crowdfunding CAMPAIGN

TIME is over

Budget REACHED

YES NO

Budget -15% Fee

Campaign CLOSED

EVENT CONFIRMED
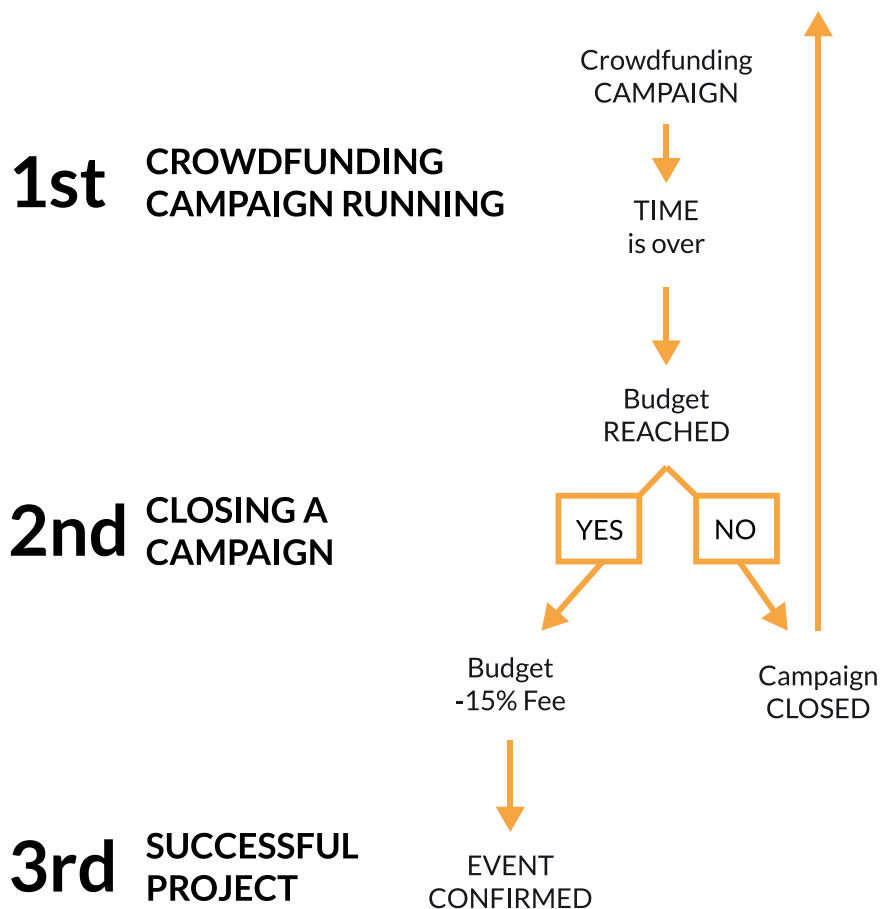
raise the budget. The only work of the budget is to organize the event. Most of that is to pay the venue. The artist and the venue can share their project wherever they want. Starting from facebook, to twitter or wherever social network or blog they want.

4.7.1 THE BUDGET COLLECTED

They have thirty days to collect all the money. If they come to the minimum budget, they will have a successful project. After that they will receive the money they ask. All the budget they need to collect is the budget who they ask plus a fee they need to pay for a successful project. The sum is composed by 85% fo their budget, and 15% of fee. If they arrive to the minimum budget, and so have a successful project, they will receive all the money they ask and StageStarter will receive the 15% of fee.

If the project receive more money of what they ask, it will be always the some story. 85% to the artist/venue and 15% to StageStarter. But if campaign don't receive enough money, the users will receive back their money and the artist and the venue will not pay any money to Stage Starter.

But how they will be divided the budget? At the beginning they will ask for a specific amount of money. So each of them will receive the specific amount of money they asked. If the money are more than they asked, they will be divided in two. One will be sum to the artist budget, and one to the venue budget.

Here we can see two different example of an event. We start from the sum of the artist request with the budget the venue ask. After that we will sum the 15% of fee and we can see the total amount to collect through the crowdfunding campaign.

To collect this money we need different pledge from the users. The minimum amount is $10 but we can pledge also more. In the first example, the maximum is $400.

If the project raise the minimum budget, the revenue of StageStarter will be $617 in the first example, and in the second ones $352.

1ST EVENT REVENUES

artist	$1,500	+		event	$3,500	+
venue	$2,000	=		15% Fee	$617	=
TOT	$3,500			TOT	$4,117	

50 x	$10	=	500$
50 x	$20	=	1,000$
25 x	$50	=	1,250$
10 x	$100	=	1,000$
2 x	$200	=	400$
137			**$4,150**

REVENUE

$617

2ND EVENT REVENUES

artist	$1,000	+		event	$2,000	+
venue	$1,000	=		15% Fee	$352	=
TOT	$2,000			TOT	$2,352	

60 x	$10	=	600$
30 x	$20	=	600$
10 x	$50	=	500$
5 x	$100	=	500$
1 x	$200	=	200$
106			**$2,400**

REVENUE

$352

4.8 BRAND IDENTITY

4.8.1 FONTS AND COLORS

Lato Regular
ABCDEFGHIJKLMN
OPQRSTUVWXYZ
abcdefghijklmn
opqrstuvwxyz
1234567890àèìòù

Lato Black
ABCDEFGHIJKLMN
OPQRSTUVWXYZ
abcdefghijklmn
opqrstuvwxyz
1234567890àèìòù

BEBAS NEUE
ABCDEFGHIJKLMN
OPQRSTUVWXYZ
ABCDEFGHIJKLMN
OPQRSTUVWXYZ
1234567890ÀÈÌÒÙ

F3A442

D97721

A54E19

999795

1A171B

67A886

FFFFFF

F4CB7A
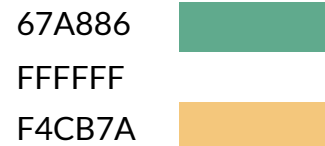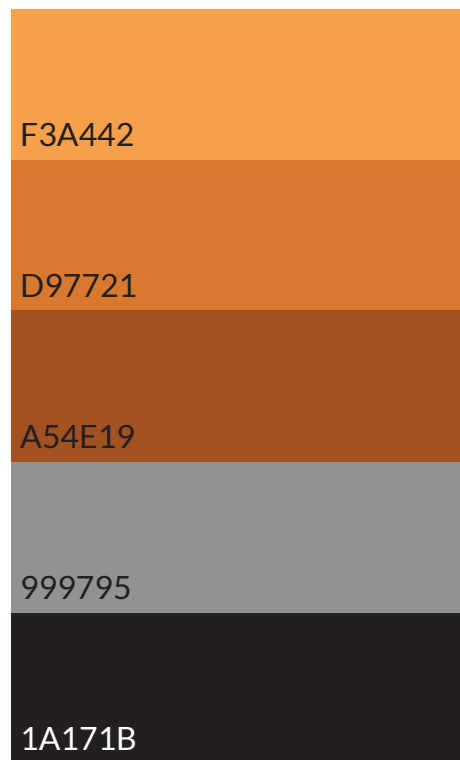
4.9 STAGESTARTER PLATFORM
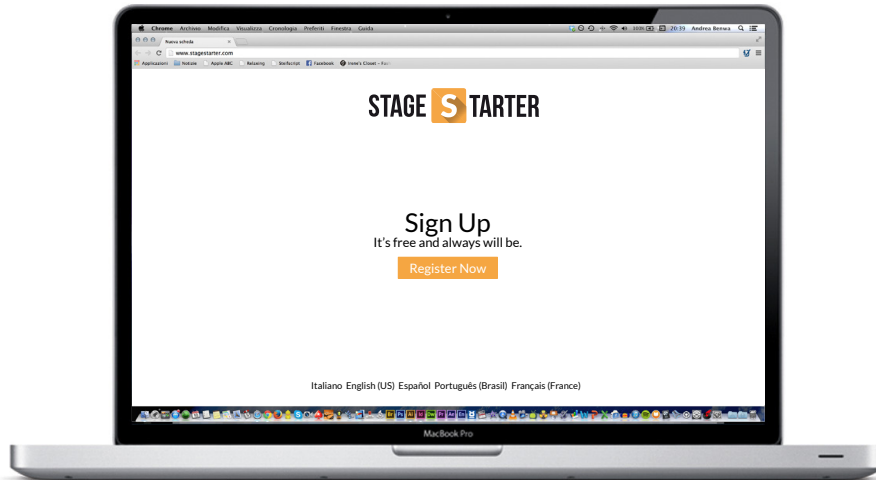
4.9.1 REGISTRATION FOR ARTISTS

4.9.2 REGISTRATION FOR VENUE

4.9.3 PROFILES AND DASHBOARDS

ARTIST PROFILE

VENUE PROFILE

ARTIST DASHBOARD

VENUE DASHBOARD

4.9.4 SURFING THE WEBSITE

BROWSING BY EVENT
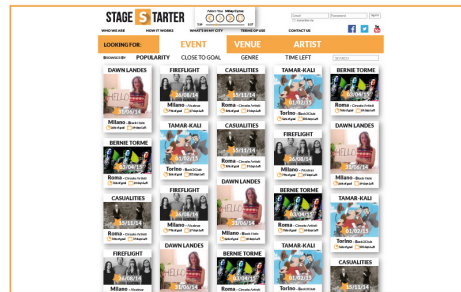
BROWSING BY ARTIST
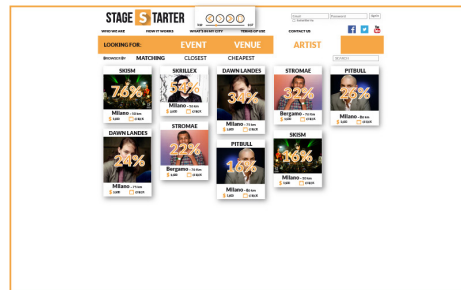
BROWSING BY VENUE
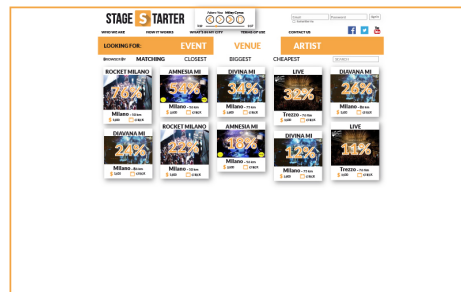
4.9.5 REQUEST PAGE AND
CROWDFUNDING CAMPAIGN PAGE

REQUEST RECEIVED

CROWDFUNDING CAMPAIGN

4.10 BUSINESS MODEL

KEY PARTNER	KEY ACTIVITY	VALUES PROPOSITION	CUSTOMER RELATIONSHIP	CUSTOMER SEGMENT
Venues Artists Users	Planning event Reframing of planning Social Networking	Possibilities to set up gig Crowdfunding campaign	Event opportunity Fans power Freedom market	Venues New artists Music addicted
	KEY RESOURCES Website Community	Social Network for artists and venues Help from the fans	**CHANNELS** Website	

COST RESOURCES	REVENUE STREAMS
Server renting App & Website Marketing Management	AoN Model

4.10.1 TECHNICAL COSTS

Technicalities		Price	Resources
Web Service VPS Online Server rent	*rent Pack for business *Server managment software *Business managment software *RAID protected storage 50Gb	$150	Exthernal Resources
Visa / Mastercard service		-----	Exthernal Resources
Website domain		$150/y	Exthernal Resources
Website development		$5,000	Exthernal Resources

TOTAL

For the first year, StageStarter need: $5,300

4.10.2 DIFFUSION & MARKETING

Activity	Number Of Unit	Time	Person	Price	Resources
Social Networking	-----	monthly	1 person	$600/m	Exthernal Resources
Viral Video	-----	-----	-----	-----	Internal Resources
Web Marketing	Fb, Twitter Google+	monthly	1 person	$400/m	Exthernal Resources

TOTAL: $1,000/monthly

The amount will be added to the $150 of annual website domain

4.10.3 REVENUE MODEL

Rewards-based crowdfunding campaigns are commonly offered in one of two models: "Keep-it-All" (KIA) where the entrepreneurial firm sets a fundraising goal and keeps the entire amount raised regardless of whether or not they meet their goal, and "All-or-Nothing" (AON) where the entrepreneurial firm sets a fundraising goal and keeps nothing unless the goal is achieved.

The only model StageStarter supports is the AoN Model.

Just if the project raise the minimum budget, StageStarter take a fee on it.

AoN MODEL

SUCCESSFUL CAMPAIGN

85% → ARTIST VENUE

15% → $
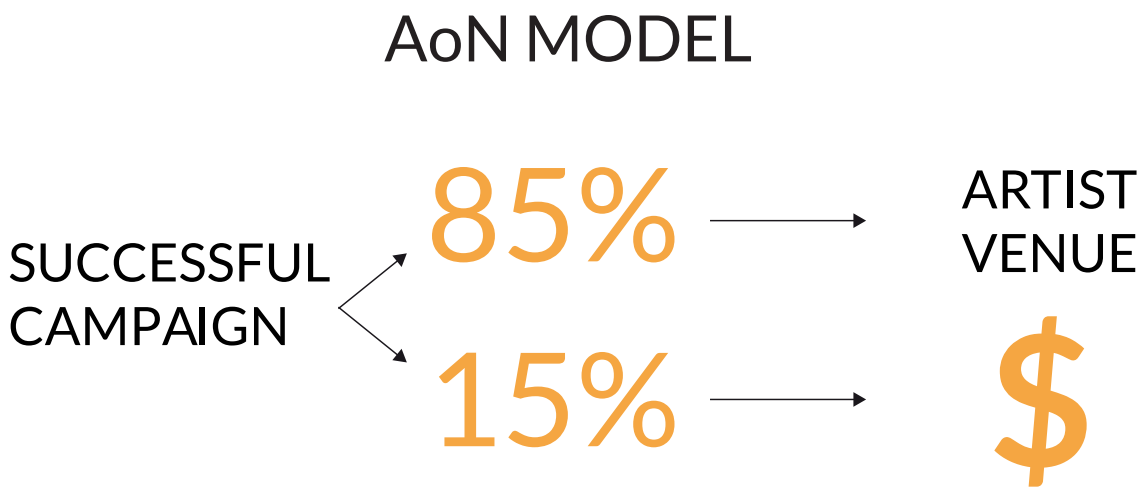
4.10.4 RESOURCE ALLOCATION

	2015											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
FIXED COSTS:												
Server Rent VPS		▉										
Web Site Developement		▉										
Internet Domain		▉										
Server Management Software		▉										
VARIABLE COSTS:												
Social Network Management												
Web Marketing												

WEBLIOGRAPHY

hongkiat.com
agentassociation.com
law.freeadvice.com
howstuffworks.com
360crowdfunding.me
francescodamato.typepad.com
ilfattoquotidiano.it
wired.it
rockon.it
osservatoriesterni.it
wikipedia.it
wiki.answers.com
lifehacker.com
entertainment.howstuffworks.com
ideasuono.it
kingofgng.com
bibliozon.it
news.bbs.com.uk
forbes.com
parequity.com

BIBLIOGRAPHY

DAVID BYRNE, How the music works
PASSMAN, DONALD S., All you need to know about the Music Business
P. ALLEN, Artist management for the music business, Elsevier, 2007
WIKSTRÖM, The music industry: Music in the cloud. Polity Press, 2013 edition
P. TSCHMUCK, Creativity and innovation in the music industry. 2012 edition, Springer
FRANCISCUS ALEXANDER TER KUILE, The state of crowdfunding, 2011
SCOTT STEINBERG, The crowdfunding bible. Read.me, 2012
MASSOLUTION, Crowdfunding Industry report, Crowdsourcing.com, 2012