

Catarina Pereira

1805747

Creative Business Project

Road-X

MA Music Business

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Steve Cole

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Index

1. **Executive Summary**
2. **Introduction**
3. **Background/ Literature Review**
 - 3.1 Live vs stream
 - 3.2 Touring and its challenges
 - 3.3 Merchandise
 - 3.4 Case Study 1- Pomplamoose
 - 3.5 Case Study 2- Thy Art Is Murder
4. **Methodology**
 - 4.1 Qualitative and Quantitative Research
 - 4.2 SWOT Analysis
 - 4.3 Myers Briggs
5. **Project Overview- Road-X**
6. **Marketing Analysis/ Competitors**
 - 6.1 Terrible Merch
 - 6.2 TAG Group
 - 6.3 Competitor Matrix
7. **Branding**
8. **Revenue- Where's the money?**
 - 8.1 Commission revenue Model
 - 8.1.1 Case Study- Deliveroo
 - 8.2 Subscription revenue Model
 - 8.3 Freemium Revenue Model

9. Marketing Plan

9.1 Online Advertising/Permission Marketing

9.2 Print Advertising

10. Budget and Expenses

11. Project Reflective Analysis

12. Appendix 1- Data graphs

13. Appendix 2- Interview

14. Appendix 3- Mood Boards/ Wireframes

15. References

1. Executive Summary

The purpose of this project is to introduce the music industry to an innovative new creation called Road-X. Road-X is a multifunctional touring app that will be used by up and coming artist and its functionality will work around bringing accessibility and simplicity towards touring. The features that will offer (both individually and in packages) will include the main necessities for an artist to go on the road, including:

- Transport
- accommodation
- Merchandising
- Musical gear hire
- Insurance
- Bonus Features

This proposal revolves around the challenges that up and coming artists face when they are new to exploring the live music industry. This includes financial issues, organization and negative touring outcomes such as debt. Road-X aims to tackle those issues by introducing the features above which will help the artist to keep updated on any tour updates, be able to plan a tour according to their ideal budget and be in control of their finances. This will include push notifications on promotions, deals and availabilities, a chat box to communicate with providers and a 24/7 customer service for any issues. One of the most compelling advantages of this new project against competitors is the simplicity of it all and the ease of stress that comes with it, as artists will benefit from all the touring necessities in the palm of their hands.

Our targeted audience will be aimed at indie artists and up and coming bands who want to improve their touring experience, as well as booking agents and managers who want to feel secure and in control of the tasks required on their role.

Road-X will aspire to become an important asset in the lives of artists, and develop to the international market, as well as targeting major industry names in

the future. This is the main objective of Road- X: to provide simplicity in an extremely complex industry.

2. Introduction

Many experts in the International Federation of the Phonographic Industry predicted that the music industry was going to undergo significant transformations, most significantly the transition to a service sector. And in those predictions, it included a drastic fall in record sales due to the rise of digitalisation and redistribution of profit, Sweetnam (2019), lead-vocalist of Canadian rock band Sumo Cyco and once a signed artist to Capitol records at age 15, stated that 'labels brushed aside the ascension of MP3's, when they should have pioneered new ways to profit from music digitalization. Instead, they were focused on teaching the public to have respect for intellectual property. This has led to the development of companies such as iTunes and later Spotify, which lead the way to streaming platforms.

Needless to say, the rise of the digital era has contributed further to the rise of popularity in concerts and overall growth in the live sector. The key findings of Wish You Were Here UK Music's 2017 report show that the total audience that attended live music events in the UK mounted to £30.9 million (12% increase from 2015), along with a total concert attendance of 27 million (13% increase from 2015). The total festival attendance in the UK increased up to 9% with a total of £3.9 million, and the number of local residents rose up to £18.4 million, equivalent to a 7% increase from 2015. Not to mention the creation of a new business opportunities and the loss of control over profit from record companies. This is all due to the fundamental changes in music distribution and promotion in this industry's present landscape. Sweetnam, (2019) further adds that today's music industry even though it hasn't necessarily become a more friendly environment for artists (with issues such as royalty payments and social conditioning due to algorithms); it has definitely become a place where

musicians can thrive not only as artists per se, but also as entrepreneurs. Nowadays, musicians face a new era of artistry independence. Advanced recording software has become widely available and less expensive, which allows music to be created in the bedroom. Professional studios are not as required as before and neither are record labels, which have reduced the costs, associated with distribution and promotion while Internet's open communication and rise of social media took over. Today up and coming artists such as Chance the Rapper distribute their music free of charge through platforms such as Spotify and Soundcloud, and this serves as a way to build their momentum. When it comes to today's music industry, free music is a powerful tool for concert promotion and leverage for ticket sales.

Live concerts traditionally have always been one of the main income sources of an artist, but now with the rise of streaming, it has become a main revenue driving force to the industry. While some artists' main revenue sources are relied on plays and sponsorships the majority of acts count on touring and merchandising as a way of capitalizing from today's technology changes. Up and coming bands such as Sumo Cyco reveal that 'live shows and the selling of their merchandising are a big source of income'. They also add that the trick to make money as a band is to gather as much from as many sources as possible. According to Sweetnam (2019), 'there are no paydays, just survival'.

Growth in the live music sector of the past years as well as the implications of streaming has seen an increase of up and coming artists and bands going on tours to promote their music as well as to create income. But it also has seen the development of implications in regards to being on the road including financial risks that every so often to the termination of musical careers.

The goal of this business proposal is to provide up and coming artists the opportunity of having easier accessibility to touring as well as decreasing the encountered complications that come with it such as expenses. This project will come in in the form of an application, which will provide all the attributes and necessities in order to organize a successful tour run, including transport,

accommodation, merchandise and gear insurance. We will start off by offering an overview of the present live and service in the music industry and the implications in regards to the music industry and the implications in touring. This will be followed by the start of the author's reflective analysis, which will offer insight on this creative project's methodology and the different types of data collected in order to support this proposal. This reflective analysis will also mention the progress of this projects' idea. This will include the advantages and disadvantages of certain business model choices, supported by interviews and articles. Next, there will be a more detailed explanation of the proposed app idea and its assets along with a marketing analysis, which will provide the reader with an overview on competitors and their attributes, followed by demonstration of mood boards and branding ideas. As a business proposal, the author has been made aware of the challenges and risks surrounding the presentation of a band new idea. Therefore, this proposal will include an analysis on business models and the variation of business revenue, explaining its attributes and disadvantages. This data will be further supported by the presentation of case studies, and the contractual issues that an entrepreneur might face during the process.

3. Background/ Literature Review

3.1 Live vs Stream

According to the International Federation of the Phonographic Industry (IFPI, 2018), global recorded music revenues achieved one of the highest rates of growth since 1997, at an astounding 9.7%. Due to the fan's engagement with streaming services and paid subscription audio such as Spotify, digital revenue currently accounts for 58.9% of the global recorded music market, showing an increase by 34% of total streaming revenues in 38 markets. This accounts for 255 million users of paid subscription accounts. While digital revenue is thriving. Physical revenue suffered a decline by 10.1% which is equivalent to $\frac{1}{4}$ of the overall market. Even though streaming has depleted recorded sales income, IFPI

further adds that 'performance rights revenue increased by 9.8% with an overall increase of 14%, along with synchronization revenue with an increase of 5.2%.' PRS for Music Chief Executive Robert Ashcroft mentioned in an interview with Radioandmusic (2013) that the importance of licensed online services (iTunes and Spotify) 'underline the value of music to the internet economy'. Even a few years back, digital music continued to emerge as the main driver of revenue growth in the music industry, with US\$641.8 million collected in royalties in 2012. This is equivalent to 1.7% increase from 2011. Online revenues such as song rights, download sales and royalty payments increased by 32.2% between 2011 and 2012, thanks to new licensing agreements made with Google Play and Microsoft Xbox, which helped UK digital revenues soar upwards. Subscription based services have been known in the industry for their notoriously low payouts but it has shown several benefits towards artists of all levels, such as immediate exposure to fans which generates buzz, and above all, driving up attendance to live shows.

Even though streaming plays a vast majority in the music industry, revenue from live performances and touring have shown a consistent growth year after year. Frost Online (2018) stated that back in 2000, live performance made 33% of the overall industry revenue compared to 53% of recorded music. But in 2016, the industry saw a major shift as live music made 43% revenue, leaving digital sales at 38%. Touring has now become a driving force to the music industry as 59% of artists' annual revenue came from live performances in comparison to 9% in digital sales. Eventbrite (2018) further mentions how live shows have proven to be crucial in the last five years as it is expected that worldwide revenue will grow up to US\$23.7 billion by 2019. By 2015 in the US alone, on-demand music streaming rose 9.3%, while live shows have become a primary source of income, spending up to 66%, while CD's and digital downloads went down nearly 50% over the past 4 years. It's important to add that both these income sources create a balance between each other and this connection should not be ignored. Reshnikoff, (2017) calls this a 'loop of growth' as the surge in streaming is connected to a thriving music festival industry where 43% of revenue counts for ticket sales. Streaming music leads to people to buy show tickets and creates

vital promotion for live shows. Eventbrite (2018) adds that 42% of fans discover music by streaming and in the meantime, 51% buy tickets to see those artists as a show. There's a higher demand for live entertainment more than ever and it is said that live music revenue will lead to an increase at 'an annual growth rate of 3.3% leading up to 2022' (Sanchez 2018), with ticket sales and sponsorships making up its main sources.

3.2 Touring and its challenges

In the present industry, the income that comes from a tour is now considered a central point in an artist's business plan. Hirsimäki, (2015) added that 85% of artists' income comes from live performances, as concert tickets' price are more expensive and artists are performing more often. In comparison to records, concert experiences cannot be digitalized, which puts live performances at the top of the music industry's pyramid. Pirie (2014) describes touring as an 'expensive business where enthusiasm is the main currency'. Artists are familiar with the diminishing royalty payments for their music, which means that the creation of new business models for touring and commissioning is necessary. Younger fans are a vital part of concert promotion and compensating for smaller product turnovers. Although this statement can often be considered biased and an overall generalization due to the different tastes of music genres, it's still valid to consider that young fans of the ages 13-19 are the second biggest market, and seeing live shows can often be considered an issue. Young fans are being priced out of the market, meaning that valuable revenue is being taken down for up and coming artists. Lindvall (2018) commented that 'unless you are already successful, touring costs'. It's an expensive endeavor, but necessary as a source of income for artists. Labels nowadays are not providing as much tour support as before, as they are scrambling to compensate for the lost CD revenue due to the rise of digitalization. 360 record deals are becoming far more popular, as a few labels are now asking for a percentage of band's merchandise and live revenue. In many cases, present up and coming artists struggle on tour and while in some lucky cases bands break even with expenses, in many cases the outcome is debt.

In a survey conducted by the author, 55.56% have experienced breaking even at the end of a tour in comparison to 33.33% of debt, and revenue at 11.11%. It also presented that debt would estimate between £200-£500 (both options reaching 25% in votes), and even when bands achieved a certain income, the majority of responses it only reached an amount of less than £200 up to £500 (both at 38.46%). This data will be converted into apps, which can be found in the appendix.

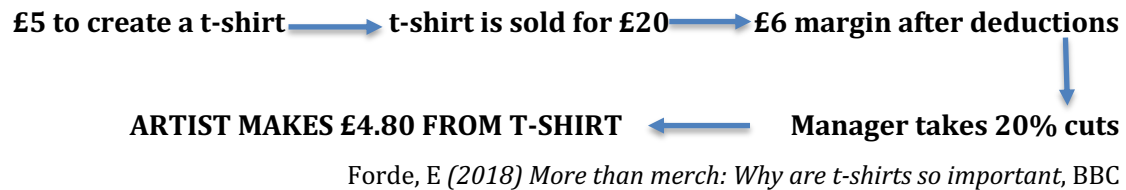
Another main touring challenge in the music industry is the transportation struggle. Fuel and parking problems are two of the main factors that leads to an increase in expenses for several up and coming bands. Piotrowski (2018) mentioned how fuel price increases has led independent musicians to suffer major setbacks. It's the frustration of many artists and in many cases it determines the trajectory of their careers. It has also been added that international oil prices spiked over the last decade by 34% (in 2006, the cost was US\$2.61, and US\$3.50 by 2014). Due to higher transportation costs, bands make the choice of fitting tours into tight schedules. This leads to long grueling driving hours, as well as missing out on opportunities into more ambitious tours. The data presented on survey conducted by the author indicated that 70.83% of artists have stated that their usual tour length goes up to a week, while 29.17% indicated 2 weeks. The survey also stated that the average touring expenses can be between £500-£1000 with a score of 53.57%, and this including the average of transport expenses are between £500-£700 (scoring at 50%), while 15.38% accounted for £800+ and 34.62% with less that £500. This may or may not include the costs of hiring a designated driver which in average can cost £80/day depending on experience. Of course in some rare cases, the dive might own its own transportation, which can reduce costs, but this usually translates on fuel costs, catering and accommodation that needs to be provided.

3.3 Merchandise

As revenue from physical sales has been at steady decline, merchandise is now a big part of how artists make money. Forde (2018) commented on how the market for global music merchandise was worth US\$3.1 billion by 2016, which was up 9.4% from \$2.83 billion in 2015. Christman (2017) comments that this growth is relatively small compared to other revenue categories, but merchandise sales makes up as one of the main revenues while touring.

Hirsimaki (2015) further supports the importance of artists having their own merchandising as not only supports their musical career, but it also strengthens the band and gives it recognition. Burgin (2019) commented on how touring and merchandise are both very important and go hand in hand, while adding that while on tour, artists are directly showing off your product without relying on online adverts. And 'if you impress new audiences, they'll buy your merch' (Burgin, J 2019). An Instagram survey created by the author has shown that 71% of artists see more revenue from merchandise compared to ticket sales with a score of 29%. When artists were requested to present more information on their answer, the results showed a variation in opinions. Scott. (2019) commented that merchandise can vary in revenue each night, while fixed rates can mount up to £100 each night. He also added that 'ticket sales go hand in hand, as there are more chances for merchandise sales if you sell more tickets', although sales in band merch are not guaranteed with ticket sales. Tindill. (2019) supported the statement that revenues can swap from time to time, when show fees can pay more but merchandise outweighs them sometimes, and 'bands who make their own merch will see a larger return'.

There are hidden costs to the creation of merchandise, which add up to many of the challenges that artists face while on the road. Forde (2018) further notes how VAT can swallow up to 20% of sale price. Although grassroots venues don't charge a fee or percentage to bands on their merchandise stands, venues with a capacity of 10,000 take between 20%- 30%. And if we look at the bigger picture, the merch selling process would go as follows:



Forde (2018) further comments on the number of streams needed to generate the same revenue as a t-shirt sale:

- . Spotify- 6549 streams
- . Apple Music- 2554 streams
- . Youtube- 27,027 plays

3.4 Case Study 1- Pomplamoose

Pomplamoose is an American musical multi-instrumentalist duo formed in 2008, known for their viral videos on YouTube and popular song covers. In 2014, the band went on tour for 28 days around the US, playing 24 shows in 23 cities. They sold just under US\$100,000 on tickets, with 1129 tickets just from their San Francisco date. In an article talking about the tour, Conte (2014), one of Pomplamoose's members, describes being in an up and coming indie band as being a 'never-ending and scary low-margin business', where band members have to prepare for months in order to gather risk and debt. Several expenses for Pomplamoose's tour included hotel bookings, renting a van and lights as well as assembling a crew. Since there was no label support, it required an upfront investment from the artists themselves, which went straight into their credit cards (\$17,000 on one, \$7,000 on the other). Both the band and crew would be receiving a weekly salary, which was a total of four musicians, one front of house engineer and a tour manager). Conte (2014) goes on to further explain where all the expenses came from and what the income was. The budget list goes like this:

\$26,450- equipment rental, lights, lighting board, van rental, trailer rental, road cases, backline.

\$17,589- Hotels and food. Two people per room, 4 rooms per night.

\$11,816- Gas, airfare, parking tolls.

\$48,094- Salaries and daily food payments

\$21,945- Manufacturing merchandise, publicity, supplies, shipping.

\$16,463- booking agent and business management commissions

Pomplamoose's **revenue** was:

\$97,519- ticket sales

\$29,714- Merch sales.

\$8,750- Sponsorship

Pomplamoose's expenses got to a total of \$147,802 while the total income was \$135,983, making the total loss of \$11,819. As we analyse the budget and the expenses provided, we can conclude that the investment towards a full band wasn't necessary. If Pomplamoose had toured as a duo, expenses such as salaries, daily food payments and accommodation could have been avoided and saved the band over \$50,000. But since live shows nowadays are the main source of income for artists, it's important to invest in a well-produced show in order to impress fans, leading to an increase of streams for that said artist, hence leading to yet an increase of ticket sales for the next show and so on.

3.5 Case Study 2- Thy Art is Murder

In 2015, lead vocalist from death core band Thy Art is Murder had announced that he was going to step down from his position. His personal statement went viral through all social media platforms, not due to the departure status of it, but because he revealed the financial struggles that the band faced, even for a big touring act such as Thy Art is Murder. It was stated that the band had made 'between \$16k-\$18k each over 6-7 years.' Brewer (2016) goes on to state that this amount of revenue was equivalent to \$3,000.00 per member per year and \$1.44 per hour if it was equated to a salary of a full-time job. This led to several debates in regards to the state of the industry, especially due to streaming. On the article written through Metalsucks.net, Brewer, D (2016) goes on to further add that a moderately successful international touring band's consistent source of revenue will be coming from touring and merchandise sales, while streaming is here to stay whether we like it or not.

This case shows similarities to Pomplamoose's touring experience, and one of them being the miscalculation of expenses on a touring budget. Even though the amount of money made by a mid-level international touring band with the same popularity as Thy Art is Murder is not abundant enough to make investments such as buying a house, it's still possible for a band to make a better living comparable to a 9 to 5 job, and even more so than what Thy Art is Murder made. Brewer (2016) demonstrated this by creating a basic typical budget with a few variables that included: a typical guarantee of 500 sold tickets, low-end estimate of merch sales, typical crew rate, rented van and cheap accommodation.

The budget was as follows:

Tour Income

\$2,000.00 per night show guarantee (30 dates)= \$60,000.00

\$750.00 per night in gross merch sales (30 dates)= \$22,500.00

TOTAL INCOME GROSS= \$82,500.00

Tour Expenses

Merch/commissions:

Estimated merch expense = -\$9,000.00

Management commissions of guarantee (15% gross) = -\$9,000.00

Agent commissions of guarantee (10% gross) = -\$6,000.00

Management commissions of NET sales of merch= -\$2,025.00

Total commissions: \$26,025.00

Crew Expenses: (weekly salary per week for 4 weeks)

TM/FOH \$1,000.00 per week = -\$4000.00

Merch seller \$650.00 per week= -\$2600.00

Driver \$600.00 per week = -\$2400.00

Stage tech \$450.00 per week= -\$1800.00

Total crew cost: \$10,800.00

Vehicle and Travel expenses:

Estimated cost for 32 days van rent w/ trailer= -\$5200.00

Estimated cost of fuel for full US tour at 12,660 miles (\$2.50 gallon/10MPG) = -
\$3150.00

Estimated cost of tolls/parking= -\$500.00

Hotels (25 nights x \$100.00 per night [double bed, cots, band brings air mattress]) = -\$2500.00

Total vehicle/travel cost= \$11,350.00

Production Expenses:

Small light rig/fog machine/strobe rental = -\$2,000.00

Misc. costs (gear, taxis, uber, incidentals) = -\$1,500.00

Total Production cost s= \$3,500.00

Band/Crew Per Diems:

\$10.00 per day for 5 members/4 crew/ \$90.00 per day total for 32 days = -
\$2,880.00

Total per diem cost= \$2,880.00

TOTAL ESTIMATED COST OF EXPENSES: \$52,060.00

GROSS INCOME = \$82,500.00

Subtract EXPENSES- \$54,555.00

Remaining Profit = \$27,945.00

Brewer, D. (2016), *Why Thy Art is Murder Should Be Making Much More Money, Written by a Metal Band Manager*, Metalsucks.net

4. Methodology

4.1 Qualitative and Quantitative research

In this proposal, the author plans to further investigate the expectations in the live music industry and touring. As shown in the previous chapter, the changes in the industry's sectors were studied and the importance of live concerts was elevated and further supported by research.

Due to the focus on different groups in the music industry such as booking agents/managers, concert goes and touring artists, the data collection and analysis throughout this project is going to vary between quantitative and qualitative data, implementing a mixed method research. Quantitative data will be coming from surveys and polls which will generate numerical data, and this will be focused on consumers whom will also have the option to develop their chosen answers. Qualitative data will be recovered from interviews and quotes in which the focus will be on touring artists and other industry professionals. The interviews will provide more insight into the industry but will also have the objective of helping on developing this project further with suggestions given by interviewees. This will be found on appendix 2.

4.2 SWOT Analysis

From an entrepreneurial point of view, it is important to include a SWOT analysis in this project in order to evaluate its potential and analyse its obstacles order to find solutions on how to tackle them. Nordmeyer (2019) says that it is an important tool known for its simple method with no technical skills required, in order to structure brainstorming sessions and to gain a collection of ideas as well as identifying internal and external factors. This brainstorming session will be applied to this touring application project to identify its strengths (the increase in demand in the live industry), weaknesses (such as the complex use of technology), opportunities (the novelty factor) and threats (risk of losing revenue). It's also an opportunity to integrate both qualitative and quantitative data gathered throughout this research in order to enhance decision making. The multiple factors will be shown throughout this project at a later chapter, and these will be further analysed along with the potential business models utilised for the marketing and revenue creation of this application, all of this in order to provide a better outlet for the success of this business project.

4.3 Myers Briggs

A Myers Briggs Type Indicator test will also be included in this project. Although it's not necessarily focused on the business proposal per se, the author found it necessary to be included. It's a tool that explores personal development and increases one's self awareness and it can be useful to develop skills of entrepreneurship. Southern (2018) explains that MBTI 'focuses on how people like to learn new information and how they like to make decisions', which can be a useful source to make a business run a smooth process and potentially build a better team of employees. Although MBTI tests tend to be focused on personal skills, this will be utilised to analyse the author's entrepreneurial skills and how they can be valid towards the development of this touring application proposal.

5. Project Overview- Road-X

This business proposal will be focusing on the development and creation of a multifunctional artists touring application called Road-X. This app provides an easier and effortless way for artists to organise their touring route and live experiences. This idea came about based on the author's academic studies and its own professional experience in the live music industry throughout the years. Having lived the struggle being in and up and coming band has given the first-hand experience and more reasons for this idea to be developed further in order to become a reality. The main goals for this creation are:

- To provide up and coming artists more accessibility and the ability to explore into more revenue in the live industry.
- Enable artists to take control over their touring necessities such as transport, accommodation as well as merchandising.
- Enable artists/managers to be able to check the advance information for each concert location of the specified tour, such as tech spec, load in times, sound check, show schedule and curfew.
- To provide artists with more security and ease the stress that it's involved in preparing an expensive endeavour such as touring.
- To provide more control to artists over their expenses and revenue made throughout their tour in order for the best decisions to be made.
- Provide security not only to independent artists but also to booking agents and touring managers whose job is to organise a successful tour.
- Help artists with last minute emergencies encountered while on the road such as transport malfunction, gear theft insurance and merchandise low stock.
- Provide extra commodities while on the road such as available Wi-Fi, meal deals in available food places at certain touring points, as well as available rehearsal spaces.

- Provide a high standard customer service with 24/7 guarantee, which will include email, online chat and telephone

Looking at the present state of the music industry as explained above, this application is a novelty for artists. Burgin (2019) while being interviewed about the ‘perfect tech gadget’, mentioned that an app is a simple and easy idea, like ‘having all of the touring options in the palm of your hand’. Sweetnam (2019) described merch count as a necessity in order to provide an inventory post-show and enabling the synchronisation of that information to a phone.

The idea for all of features mentioned above is that these not only be included individually, but are also meant to be in the form of special packages. These packages will be separated in terms of content and budget, which will be separated into 3 categories. (Bronze, Silver and Gold package). Industry professionals will be able to add all the information in regards to their tours and the app will come up with the best package option for their needs. The larger the artist’s budget, the more features and luxuries are included in their packages.

Their initial structure goes as followed:

<u>Bronze</u>	<u>Silver</u>	<u>Gold</u>
• Ideal for a weekender route • 6-seater touring van • No accommodation options included	• 9- seater touring van available • Ideal for a week’s route • Accommodation feature included	• Ideal for 2 weeks or more • 9-seater touring van/ touring bus • Accommodation feature included

• 50 1 colour t-shirt prints + free stickers • Routing Plan	• 50 2 colour t-shirt prints + free stickers • Routing Plan • Insurance included	• Unlimited merchandise print +free stickers and pins • Routing Plan • Insurance Included • Bonus features available
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Artists will be able to make slight edits to their packages including the duration of their tour. For example, even though the bronze package is ideal for a weekender, artists may want to use it for a week. Same thing goes to a band who goes on tour for a week, but has a budget to enjoy the golden package. Although packages surround the main idea for this project, the author is aware that several bands don't necessarily want and/or need the full list of touring necessities for their route, due to the experience gained through a DIY route. Therefore, all of the features offered will be also be available individually. Mood boards of the initial design of this project will be included in this proposal as appendices and will act as base guide lines. Mood boards act as style guides and allow clients to see the proposed idea for a potential new business. A visual presentation is essential to make this proposal more credible and stronger. Taylor (2017) states that 'a fully

designed mood board allows you to present multiple prototype concepts at once', and allows you to create an easier projection of your vision to a client.

We'll be looking at each of the main application features individually and analyse what each one has to offer:

- **Transport**

Artists will be able to choose between companies that specialise in touring transportation (such as Vans for Bands) and price comparisons will be available in order for them to find the best deal according to their budget. In case they cannot find their ideal option, artists can choose the option for the app to send a notification on deals/promotions that serve as a backing plan. It will also send a notification if the original deal becomes available once again. Transport insurance will also be included in packages, in case it's not already included in the transport company's policy.

- **Accommodation**

Artists will have the option to choose between various air bnb facilities as accommodation following their show. These will be presented according to availability, parking options and the artists' available budget. Just like the transport feature, the app will offer the artist the option of being send notifications when accommodation at a certain location becomes available and/or other similar options. Once booked, notifications will be sent through the app to update the artists on:

- The date approaching
- When keys can be collected
- When parking is available

A chat group will be established between the artist and the accommodation owner in order to establish a business relation and details can be sorted

straight to the source. This feature is an opportunity for not only home owners make revenue of their own through the application, but also artists themselves. A recent idea has also been established by the author in order to allow a 'couch surfing' system between touring bands. This is an opportunity for musicians to connect and be more in touch with the local scene.

- **Merchandising**

Artists will be able to have full control over their merchandising throughout their tour. Burgin (2019) commented on how social media is making audience reach more challenging for bands, especially when they are trying to sell their products. He further added that it all comes down to paid advertisement a social media's algorithm and research, which yet makes it restrictive for new fans to be reached. Forde (2018) also commented that there is a concern in regards to over-producing that can lead up to 'unsustainable losses' especially for up and coming acts. He also commented on the development of technology partnering up with merchandise, which allows artists to anticipate demand before the start of a tour, as well as printing on demand while on the road. Road-X will not only allow artists to find the best deals from merch companies (ex: Pins & Knuckles), but also allow artists to have control over their inventory as well as their income made from merch sales. It will be necessary for artists to fill this information manually through a sheet established through the app, which will follow up with an app notification in regards to the profit/loss margin in each show night. In case of low stock on an item, the artist will be able to contact the merch company through the app and notify on the low stock, and will be able to arrange an emergency delivery to the location where is needed. This feature will also send out notifications of the possible promotions and deals.

- **Gear Hire/ Insurance**

As a touring artist, it's very important to have insurance in case of theft or gear/transport malfunction. The option of insurance will either be included with gear and transport hire features per se, or it will be available separately. The author is aware that this feature is in need to be further discussed and developed.

In case the band/ artist does not possess insurance and opts for not getting it, the app will include a feature to hire gear for a specific amount of time necessary for the artist. This app will send notifications on the best deals and promotions in hiring gear including amps, cabs as well as instruments

- **Show Info/ Routing Plan**

Artists will be able to provide information on the advance of their upcoming tours, including:

- Tour dates
- Load in times
- Soundcheck times
- Show Schedule
- Curfew
- Promoter's information and contact

These will be available at all times to be checked and reviewed, as well as edited if a change occurs. The app will notify the artist when these events are approaching,

similar to a Facebook event notification. In case there are payments overdue in any of the features presented that should be paid prior to the start of the tour, the application will notify on a deadline. This feature will be included in every single package.

6. Marketing Analysis/ Competitors

As it was analysed throughout this report, the live music industry is doing extremely well, and every year there has been an increase in live events as well as overseas visitors to the UK. Bennet (2018) says that in Glasgow alone, there was an annual spend of £78.8 million, quoting 'equating to an equivalent estimated Gross Value Added (GVA) of £36.5 million and an estimated 2,450 Full- Time Equivalent (FTE) jobs. It is safe to conclude that the live music industry's opportunities are on the rise, therefore more competition. Consultancy firm Price WaterHouse Coopers (2019) estimated that 'live music ticket sales revenue will generate US\$23.69bn at the end of 2019, compared with US\$20.51bn in 2014, equivalent to a CAGR of 2.9%'. It further adds that these numbers will be aided by technological innovation, and will keep playing a major role in the growth of live music revenue. In this section, we'll be looking at potential competitors and analyse their brand, followed by a competitor matrix which will examine the strengths and weaknesses that Road-X's project and the competitor brands share.

6.1 Terrible Merch

Terrible Merch is a merchandising company founded in London UK by Tersha Willis and Jack McGruer. The services it provides involve a combination of design and production as well as other merchandising services. The goal is to provide artists with more opportunities to make more revenue from their merchandise. Forde (2018) states that it all started due to the founder's experience in the business in regards to poor quality and 'how is stacked against the customer and

the artist'. Unlike other merchandising companies, Terrible Merch take on a hands-on-approach method (Forde. 2018). They not only provide the product, but also helps bands find their market potential in order to find new income streams to make a living, which makes them stand out as a company. They represent competition towards Road-X as they are close to launching their very own all- in –one touring app. According to Terrible Merch's press room page (2018), both co-founders partnered up with musician and UK designer Max Bloom to initiate the development of this invention. The application would 'allow bands to easily sell merchandise and replenish stock on the road, manage day-to-day logistics and gain valuable insights into ticket sales' (Terrible Merch 2018). Testing for their app was set to start September 2018.

6.2 TAG Group

TAG group is a travel event management company founded in 1998 based in London UK. The company has travel and event experts in nine global offices worldwide, and specialise in areas such as touring, corporate events as well as film and media. All services have 24-hour contact team support 365 days a week. Their touring package includes a team of specialists who handle tasks such as complex itinerary planning, budgeting and logistics as well as instant notifications in case of changes and cancellations.

Other services include handling production, reconcile transactions at the end of each tour, as well as offering discount programmes for transport rental. TAG group also provides smart technology for a maximum experience for clients and up-to-date information while on the road. The app is available via weblink once logged in, with an easy access to Android and iPhone users.

It consists of:

- Calendar dashboard
- Profile personalisation
- Preferred date/time and currency
- Tour production overview and dashboard
- Complete profile information

- Traveller transport details
- Hotel rooming lists
- Detailed maps
- Tour/ production budgeting report
- Synced to in-house booking system
- Full logistics

<https://www.tag-group.com/touring/technology> (2019)

6.3 Competitor Matrix

<u>Factor</u>	<u>Road-X</u>	<u>TAG Group</u>	<u>Terrible merch</u>
Quality	5	9	7
Customer Service	8	8	8
Customizable Product	7	9	7
Unique Features	7	9	7
Price	5	7	7
Navigation	5	7	5
Endorsements	0	9	8

Both Terrible Merch and TAG group show both a direct and indirect competition with Road-X. Meaning they both offer similar products and services, but also solve problems for the same target market while offering a different service. As it was analysed, these 3 companies have a technological feature in common which is an all-in-one touring application. Needham (undated) explains that the main competitive factors are price (is it cheaper?), service (is it faster and personalized?) and quality (does it offer better service?). TAG Group and Terrible Merch falls to an advantage in comparison to the others, as it also offers a desktop option for their services in which their clients can customise their experience and not depend on one single feature which is not preferable to some customers who are not used to such technological advances. An unfair advantage

that both TAG Group and Terrible Merch share against Road-X is their authority and already established reputation in the market, which can lead to a bias in regards to the present situation of Road-X. Road-X is a project that is yet to become a reality and it's still at the very beginnings of a start-up, which at the moment can only demonstrate potential and persuade potential investors with the initial idea. Therefore, the numbers presented in the competitor matrix above are currently hypothetical. Not to mention the media support and endorsements that Road-X does not possess. Terrible Merch has received PR through several online blogs as well as support from the BBC, while partnering up with technology experts crowdfunding to make their brand-new app available to the general audience. TAG Group is one of the world's leading travel and event management companies and shows a higher end reputation where its sponsors include Virtuoso and ABTA Travel Association.

Although Road-X is still in its inception stage, the application will be tailored for up and coming bands and focus on helping out artists to unlock their true potential in the live music industry. Its main selling point will be its simplicity and connection with the DIY movement in the music industry. Terrible Merch shares a similarity, as they focus on emerging acts and the ones who are close to breaking out and hand picking them in the process. Although potentially this is an advantage, they could be missing out on the expanding opportunity with reputable labels and bigger artists. Road-X's transportation feature focuses solely on vans and buses and at this stage, the UK is the main territory that this project will be focused on due to the author's touring experience in the mainland, which provided with a full list of useful contacts enough to initiate a plan for this start up. But both TAG Group and Terrible merch provide services in mainland but also abroad, which expands their territory therefore more opportunity for revenue, while Road-X has yet no experience outside the UK.

7. Branding

The branding for Road-X was thought as being simple, effective but also captivating enough for the costumer. Nowadays, consumers have a short attention spasm but also lose interest when a certain item is over complicated. Blindell (2014) states that a simple logo design provides a clear message and allows the consumer to have a quick recall and recognition. And nonetheless, a simple design is convertible across different types of media, so there's more opportunity for exposure. The logo designed to represent Road-X was inspired by the sense of speed and reliability, hence why the arrow shapes were chosen. Since Road-X is as of yet an initial idea, several changes are going to take place in regards to colour schemes, fonts as well as wire frames. In the meantime, this presentation will introduce the initial prototype designs through mood boards and wireframe demos in an appendix at the end.

8. Revenue- Where's the money?

Due to the present initial stages of Road-X, the options for the app's monetization are yet to be decided, thus projections are not yet formed. Therefore, the author of this project decided to present a list of business revenue models, which could potentially be an option for the creation of its income. The advantages and disadvantages of one of each model will be analysed, along with a few brief case studies, which will give much more understanding of how the models work.

8.1 Commission Revenue Model

(Pahwa, 2017) comments that this is a type of transactional revenue model 'where a party charges commission for every transaction/action it mediates between two parties or any lead it provides to the other party'. He further adds that it's one of the most common 'revenue earning strategy among online marketplaces'. This model was the initial proposal for Road-X as it surrounded on the idea that outside companies would provide their services for each of the app's features and be grouped according to location, personal preferences and of course budget. A big share of revenue would come from customers and the companies would get a commission of each purchase. This tactic motivates employees and competition as they're driven by income. Kokemuller (2019) adds that pay is tied to revenue as it optimises sales efficiency. Of course the disadvantages of this model presented are the unpredictable expenses due to high commission costs in exchange for revenue performance. Due to commission uncertainty, there could also lead to the risk of budget challenges and the lack of alignment in revenue and compensation, meaning that commissions might be paid but payments themselves aren't collected.

8.1.1 Case Study- Deliveroo

Deliveroo was launched in 2013 and it's one of Britain's most successful start-ups. Over the last years, the company raised \$480 million and it's currently valued at \$2 billion (Matoso, 2018). Its unique selling point is its customer focus but also towards restaurants. Matoso (2018) describes their niche as a 'done for you' logistics system for restaurants that do not have their own delivery system in place. Their hyper-localized system of 'zones' set up allows food to be delivered to places according to customer's geographic, giving it a logistics driven approach through a routing algorithm. The company has a combination of a great app platform for customers combined with a solid logistics system thanks

to data that allows to optimize the service. The company at this point is planning to leverage their data by identifying gaps in local markets. This has a main objective of helping restaurant franchises 'pinpoint key locations into which they can expand', on which the delivery process is essentially outsourced through Deliveroo.

Their value proposition includes a hassle-free delivery and allowing people to reach their favourite restaurants without leaving their homes (self-service customer relationship). According to Singh (2019), a big share of Deliveroo's revenue comes from customers with a delivery charge worth £2.75 along with commission fees worth 10% to 20% per order as well as promotion fees charged to restaurants. The costs and expenses that Deliveroo goes through is what anyone would expect from a commission-based revenue model. Costs vary between website development, rider salaries (£6-£7/h), administrative as well as advertising costs

8.2 Subscription Revenue Model

In this business model, customers pay a recurring fee at regular intervals (monthly/annually) in order to have access to a certain product. This was one of the main options thought for Road-X along with the commission model due to the time and convenience that can be provided to customers because of the automatic purchases. For a small monthly fee, customers would have access to every feature offered by the app. Another potential option would be offering customers different subscription packages: the higher the cost, the more features they would have access to. Charlton (2015) comments that choosing a subscription model is a better way to predict volume and demand in advance as well as a higher margin. And since money is upfront, there's a better chance for good cash flow, which is great to show up to potential investors. This model also leads to a fast feedback loop, meaning that customers are more willing to raise any issues that come up. In comparison to the commission model, subscriptions lead to brand growth due to customer loyalty.

The disadvantages that come with this model are factors such as the hassle that comes with it and the longevity factor, meaning that customers can leave anytime. The volume of subscriptions can also be difficult to balance as it's hard to predict what will happen when people don't need to use the app. It's important to take the artists and bands who are not on tour at a certain period of time into consideration, and whether they'd keep paying a fee even when not utilising Road-X. However, Brumpton (2019) commented that by keeping up with subscription payments even when not on the road would allow artists to keep up to date with any exclusive promotions that could come just simply for being a loyal customer.

8.3 Freemium Revenue Model

In this business model, basic services are provided free of charge and fees are raised when a customer wants to have access to additional premium features. Pashwa (2017) comments that the goal of this model is to increase user-base and to 'generate more revenue by implementing micropayment strategies', which pay for specific services. This is a common practice in mobile app games such as Candy Crush and Toy blast (paying small fees for the extra game lives), and Spotify (paying an annual subscription to listen to music with no add interruptions). The main factor of this model is its network effect in which is dependent on: non-premium users are attracted to the service, thus becoming paying premium users in the long run, leading to the service becoming more valuable. Charges for premium add-ons usually are as cheap as £0.99 so users don't need to set a budget and once engaged, usually they don't mind paying it. Using a freemium tactic for Road-X could serve as an initial monetization set up. Even with a well-planned marketing campaign and good advertising engagement, the initial stages of a start-up app can be risky as we can't foresee customer's interest and feedback. Allowing customers to try out Road-X for free would serve as a testing phase that could lead to payments once successful. Although according to Pauwels (2008), customers nowadays have plenty of free alternatives, which makes them accustomed to that kind of service. This makes

it challenging for them to be moved from a free user to a 'free and fee' user. Offering a paying option to customers can often be seen as frustrating and make a business less attractive to free users, because since premium content access is blocked, could potentially reduce customer's demand.

8.4 Advertising Revenue Model

Another option for Road-X would be the use of advertisers for most of its revenue. The basic premise of this model is to present information that attracts users and sell advertising space to businesses that have a message for the audience Facebook being of the main examples that successfully uses this model. It is clear that offering a free service tends to generate more traffic and interest. Road-X could potentially be a free app to use while selling advertising to companies that want to reach their customers further. Sponsors are willing to pay more to reach their chosen audience (Kokemuller 2019), and Road-X could potentially generate profit by combining forces with advertisers who offer solutions that have limited demand. But potential revenue generated from this business model is hard to predict as advertisers come and go depending on the economic and industry factors. Not to mention the opportunities that Road-X could miss by charging a reasonable fee to customers.

9. Marketing Plan

9.1 Online Advertising/ Permission Marketing

One of the main strategies to promote Road-X will be based on the circulation of adverts targeting the right audience. The main platforms shall be Facebook, YouTube and Instagram as they are all creative sources and the main ones used by bands and solo artists. The adverts will have the form of interactive videos (short and relevant) in order to get more engagement. EyeCandy (2017) states

that targeted audiences expect brief and convenient adverts as it allows them to share the content. Shared video advertisements are stimulating to consumers and provide a quick and visual entertainment which leads to engagement and more customers. Godin (2007) comments on how customers have a short attention span and a limited amount of money to spend. There's an advertisement saturation in the industry which is making more difficult to engage the audience, so it's important that Road-X's marketing stands out and offers something original to the table. Godin (2007) goes on to discuss the usefulness of permission marketing, which encourages consumers to participate in an interactive marketing campaign. Therefore, the video adverts created to promote Road-X's innovation need to be anticipating and make people want to pay attention (instead of being forced to), directly related to the consumer, offer incentive and above all, be relevant to the potential buyer.

9.2 Print Advertising

Although nowadays consumers mostly look at content online, it's important to still incorporate the use of physical newspapers and magazines and use their advertising section. Targeting popular music magazines such as Kerrang! And Rocksound is an intelligent move as both of these brands are powerful entities in the music industry and their readers range from general music fans and musicians themselves

10. Budget and Expenses

In today's industry and the fast advance in technology that app developments can be slow, complicated and frustrating. The author of this project has been made aware of the several tasks that have to be undertaken in order to make this application a reality. The numbers and budget costs that will be shown are an estimate of what a traditional application would cost to be developed and how they can be adapted to Road-X. The exact rates and figures would only come directly from a developer and it'll depend on several factors which will be

presented below. A budget sheet will be shown further into the proposal, including the marketing tools needed to promote it.

The first big step is to decide which is the best type of application to develop, whether it'll be web-based app, hybrid or native. All three options present both advantages and disadvantages including expenses and accessibility. It all comes down to the features needed on the app, its necessary speed and how fast it needs to be created. A web-based app is simply a mobile version of a website and are 'solely developed to be accessed via a web browser' (Gibvy, 2019). Out of all options, this presents as being less expensive to develop. The downside to this option is that it's slower and less intuitive than both native and hybrid apps. Kovach (2014) also adds that nowadays mobile users spend more time using apps instead of browsing mobile sites on their devices. A native app is built from an operating system and unlike a web-based app, it's downloaded from an app store. It is the most complex of apps and 'most reliable when it comes to user experience' (Gibvy, 2019). Ziflaj (2014) says that the development of a native application is far from easy and can take relatively long depending how complex the application per se is. This includes writing codes specifically for each platform that the app will have. All this amounts to several expenses and a big budget are required for it, especially if the app is intended to work on several platforms such as Android and iPhone. If this option is chosen, the update costs as well as update submissions have to be listed as expenses. The third option is a hybrid application option, which combines both web-based and native. Onto further analysis, this option seems to be the most ideal for Road-X. A hybrid app can be distributed through app stores but also include cross compatible features (like moving to a website). This allows customers to have more options and it requires less maintenance which lessens expenses.

Choosing the platform as to where the app is created is also a vital point to consider in regards to Road-X. Using an online app builder such as Appy Pie is a great and easy way to create a design even to test out as a demo. Appy pie doesn't need coding, is fast to create a layout and above all is free of charge to create. Although according to Mustafa (2019) using an online app builder means 'sticking to pre-defined templates and functionality', so it doesn't allow as much control and flexibility like having a human coder and designer. This second

option obviously presents a bigger budget as Road-X would be created by a real person and all templates would be created from scratch. Mustafa (2019) further adds that it could mount up to £10k for an app built in the UK, not counting the additional features of an app designer team. This includes:

- Wireframe Creation £1000
- 3D graphic models and animation £7500
- UX and visual design £2500

Not to mention adding third party platforms such as Facebook or Twitter, which comes to an average of £2500. It's important to also analyse the development rates of different countries. Mustafa (2019) adds that the UK's rate derives between £10k up to £30k on wards, while countries such as Brazil or Ukraine cost 1/3 of that price. ThinkMobiles (undated) further supported this claim by adding the average rates of each continent (average in dollars), which are as follows:

- North America- \$50-\$250/ hour
- Western Europe- \$50-\$200/ hour
- Latin America- \$15-\$75/ hour
- Asia- \$10.50/ hour

To be more precise, ThinkMobiles (undated) also collected the average rates depending on location and region, focusing on both rates for iPhone and Android:

Region	Platform	Hourly rate, avg.	Platform	Hourly rate, avg.
North America	iOS	\$150	Android	\$170
Australia	iOS	\$110	Android	\$110
United Kingdom, EU	iOS	\$70	Android	\$70
South America	iOS	\$50	Android	\$40
Eastern Europe	iOS	\$35	Android	\$35
India, Asia	iOS	\$20	Android	\$25

<https://thinkmobiles.com/blog/how-much-cost-oussource-app-development/>

All the features that an app has need to be updated and re-visited annually. Blair (2017) estimated a few annual expenses over these features:

- Operating systems (both for iPhone and android) - \$12,000 annually
- Updates- \$10,000 annually
- Update submissions- \$2,400
- Social & Chat- \$1200/ year
- SMS- \$500
- E-mail- \$1000
- Images- \$4,800/ year
- Data Storage- \$3,600/ year
- CDN- \$3,600/ year

As the different rates and factors have been analysed, the author of this project has set an average budget for 3 Operating system outcomes (IOS, Android or both), which in order for Road-X to perform at its best would be as follows:

<u>Feature</u>	<u>Optimum Quality ratio</u>	<u>Good price quality ratio</u>	<u>Affordable</u>
Android and/or IOS	Both £9000	Either £3600	Either £1800
Interface	Custom Interface £10,800	Simple Interface £2400	No design (app template) £0
Monetization	In-app purchase £3600	In-app purchase £2400	Paid app £150

Login system	Email + social networks £3600	Email £2500	Email £750
Website integration	Yes £3600	Yes £2400	No website integration £0
User profile	Yes £3600	Yes £2500	Yes £200
Control panel	Yes £3600	Yes £2400	Yes £1200
Multilingual	Yes £3600	Yes £2400	Yes £1200
TOTAL	£41, 400	£20,600	£5300

Due to Road-X being at its initial stages (pre-prototype stage), it was essential to create different options for expenses and costs depending on the budget presented. The expenses shown at an optimum quality ratio represent the ideal budget, allowing production with more quality. It presents a custom-made interface cost worth £10k, which on its own makes the budget more expensive. Even though costs add up, some features are necessary in order to make Road-X usable and effective, no matter the expense. Having a control panel in an app is essential in order to track data and send push notifications, which is a main shared feature in this app. The same necessity goes to the multilingual feature, as having an application that can be translated to several languages allows more customers to have access to it, therefore increasing its demand. Also giving each costumer their own user profile gives them a sense of individuality and privacy, allowing the user to keep all their information on track. The affordable ratio has no website integration and instead of a custom interface, it uses a replicated web interface, which cuts down the costs by £14k. Although integrating a website with an app proves to benefit e-commerce. Having both options makes the

experience customisable and scalable to customers depending on their experience and preference in technology.

11. Project Analysis

In this section, an analysis is going to be undertaken in regards to the research done in order to create Road-X as well as the project idea per se. This is an essential step for this business proposal as analytics assist help people in making decisions and detect malfunctions throughout the process. Thus, in response it leads to finding the best methods to avoid any occurrence of loss. This analysis will look at the methodology used from qualitative data to quantitative data and point out the advantages and disadvantages of its use, along with a focus on the functionality and potential of Road-X. There will also be a reflective analysis on the project's author's learning style and entrepreneurship skills that lead to several of the decisions made for this project.

Kalling et al. (2012) comments that 'if information about the associated of an unexploited opportunity are knowable', then an individual will go ahead and collect it, and this can be achieved by asking potential customers. It should be noted that surveys are suitable methods to obtaining information from a large population sample. But there are risks of making generalizations and can only provide estimates in place of accurate measurements. The consequence of biased responses can occur due to lack of responses and the assessment difficulty of respondent's own behaviour and actions (Bell, S. 1996). There will be people who will not be willing to respond to questions and having a higher response rate will make it easier to draw conclusions. Hillmer (2019) also refers to a type of bias called demand characteristics, where respondent's answers can change simply due to the fact that they are part of a survey therefore behave accordingly and their answers may not be the same as their own points of views. In this particular survey, there were 28 responses with a 100% average completion rate, which although it gives a general idea of the present situation of indie artists, it should not be counted as an accurate measurement. Kananen

(2010) commented that qualitative data should be utilised in situations when the researched topic needs further investigation and new hypotheses are created. In the music industry, it's important to have in mind that there are no black and white answers, and everyone has their own methods. It's important to gather information from several perspectives so a biased hypothesis can be prevented. Same thing goes to quantitative research as mentioned in the chapter above. This method is usually chosen due to the ability to collect information in a short period of time in comparison to the time-consuming method of interviews. But we have to keep in mind the different variables and comparisons of the numerical results presented, as well as keeping questions clear and ambiguous. This project is different from an academic thesis, as there's no initial hypothesis and the results from the data collected don't have the goal of proving it, but are meant to serve as a constant support as to why this business proposal is taking place. In order to make this research more viable and accurate, it was important to explore as many options as possible as touring has a vast list of variables to tackle on including different locations. Another survey was created in order to analyze the differences between the challenges in expenses and revenue in the UK as well as abroad (such as Europe and the US.). The results show that 75% of artists say that Europe is a better region to tour and with a better welcome and reception towards touring musicians, while the UK scored a 25%. Even though 37.5% of respondents said that the average expenses to tour in European countries are between £1000-£2500 with <£5000 scoring at 25%, it's important to note that respondents also scored 67.5% to Europe as the region whom bands make more revenue. Dewar (2019) commented that touring in mainland Europe is always better for artists, as towns seem to have a more dedicated fan base due to lack of shows. This can lead to more revenue especially for merchandise. It was also mentioned that hospitality towards artists has a better standard in comparison to the UK, which in this case can be quite minimal. Skin (2019) further supports this argument by commenting on her band Skunk Anansie overall prefers playing abroad as fans are more loyal in other countries, mentioning how 'England is spoilt, they are used to getting the cream of the crop.'

In regards to the diagram showing the merchandising selling process for an artist, it is important to note that this structure can be biased, as several up and coming artists do not have managers in which a fee is paid for. Which leads to the subject of Thy Art is Murder's separation due to finances, where Brewer (2016) states that 'it is typical and expected for a reputable manager to get a 15%-20% commission' but this should only happen once the artists themselves start making money. But Watts (2019) shows disagreement towards this argument as he believes that merchandising is one of the only revenue sources that artists have full control of and should be kept that way, thus if a manager already has an established artists roster, a steady and robust income should already be expected for them besides merch. Therefore, no deductions should have to be made from the artist's merch. Even if the bigger venues and Festivals are able to charge artists for a percentage of the income made from band t-shirt sales and other products (usually 10%), the route undertaken by up and coming bands usually revolves around underground and grassroots venues with a capacity between 100-200. In this case, 100% of merch revenue belongs to artists, meanwhile the venues depend on ticket and door sales as well as bar sales to make their usual income. But this still remains as a valid example to support the hidden expenses that bands suffer in order to create revenue on tour.

As previously referred, a SWOT analysis was conducted in order to look at the strengths and weaknesses that Road-X presents, as well as its opportunities and weaknesses. The first advantage of Road -X is the fact that it's a novelty product and brand new to the market. Not to mention the practicality that surrounds the idea. The novelty factor means that Road-X doesn't face the risk of dealing with a vast range of competitors and the pressure that it involves in becoming the most popular product in a certain market. Although the novelty factor can come down with a few disadvantages. Consumers like to be familiar with the products presented to them and know their technological purpose. Introducing something very new to the market may be welcomed or it could feel overwhelming and unknown to consumers, demotivating them to use the app. So even though the project's creator needs to take the risk, the outcome is unknown. Another weakness exposed it's the fact that app per se is very broad. As a booking agent,

it's not ideal to rely on an app to calculate a suitable app for a band. Burgin (2019) commented that 'an app won't be intelligent enough' to know how many people a band can pull to a show and analyse their fanbase. Therefore, it's important to keep in mind that automated intelligence wouldn't deliver a realistic package and this amount of information is too complicated for a simple gadget. Mallaby (2019) brings up an interesting point in regards to potential transport companies or drivers joining the app, as there's the risk of competitors being able to have access to their prices. He further adds that touring companies with a bad reputation could have access to more artists who could run the risk of being ripped off. Hence a verifying system should be included as part of the app, where both artists and people from other music industry areas are safe and are provided a legit service. Burgin (2019) further adds that 'tour packages are built through human common sense and general knowledge'. This is a potential disadvantage for the progress of this application due to the amount of ambition depending on technology, an issue similar to Blockchain and the creation of smart contracts. The complex use of technology can discourage artists to use the app and carry on with the manual option to organise their tours. And even though Road-X seems necessary for the music industry, there are no guarantees that artists will use it. And if they do, what are the guaranteed that touring packages will be popular options? And will they be cheaper than the usual touring organisation process? These are questions that should be raised in regards to Road-X in order to tackle the issues and make this app the best it can be. Indie bands nowadays have a grounded experience in touring, making their own merch and even owning their own transportation. Scott (2019) mentions his band on Hollow Ground's merchandising scheme and how it keeps costs low. The band keeps their designs simple with single colours and their logo, which they screen print themselves into the t-shirts, which allows them to print as many units desirable, and still save up on merchandising costs and delivery. These are important details to be taken into consideration while configuring Road-X, as these could risk the business into a loss. Although complexity issues are valid points to raise, it's not an issue that should bring this project to a halt. Just like Blockchain, it's an appealing idea for industry professionals due to the creation of simplicity. It's yet possible for an application to calculate a package fee to help cover costs such as a van that costs £150/ day plus

fuel and accommodation. There are possible outcomes in regards to this app, but these are unable to predict without risk, so 'entrepreneurs must use other criteria besides information' (Kalling et al. 2012)

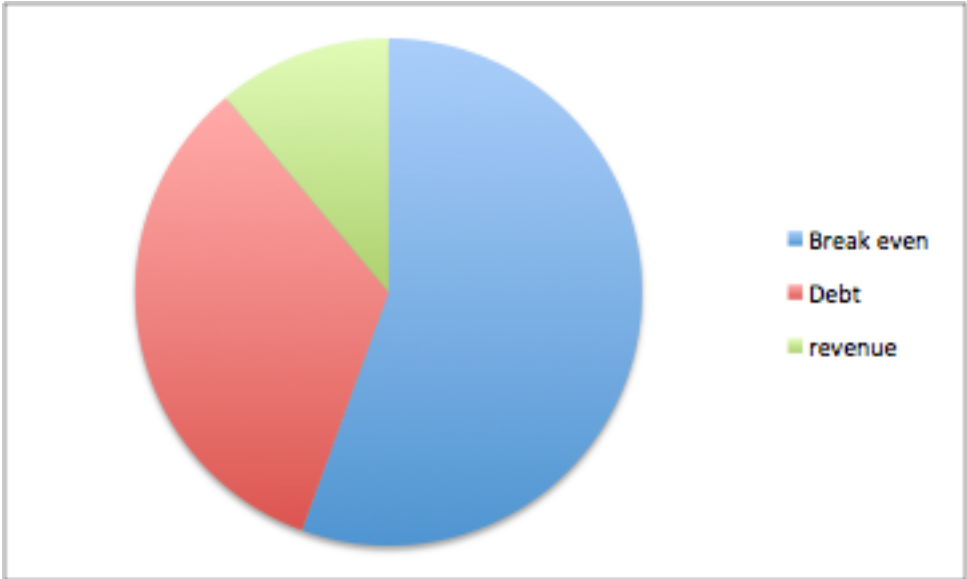
A Myers Briggs personality test was undertaken throughout the development of this business proposal in order to create more options for the development plan of Road-X and analyse the pros and cons of the author's entrepreneurial skills. Franz (2013) supports this claim by stating that taking this assessment allows individuals to discover under-utilized aspects about themselves and also further develop their unique strengths. Not only at a professional level, but also at a personal level, where individuals as this test can enable self-understanding. The results from this test were INFJ-T, mostly known as 'The Advocate'. The strengths listed for this result include the use of creativity to resolve human challenges, which was an important asset in order to develop the idea surrounding Road-X, as well as the determined and passionate traits which led to the high ambition of this project. Kalling et al. (2012) supports this by stating that an opportunity exists whenever competitive imperfections in an industry exist, which leads to activities to uncover that issue, thus creating a new product or service. This also makes part of the 'Discovery theory', where things such as technological changes can disrupt what it's described as 'competitive equilibrium', which leads to a demand ready to be exploited. It was important for the project's author to gather this information in order to become aware of opportunities not yet available in the industry, especially in regards to touring. The INFJ personality is also known as 'The Empathetic Entrepreneur'. Even though Road-X is an idea that has as one of the objectives to create revenue and become a successful business venture, is not just about the money. Storm (2018) believes that advocates urge to create something that not only will benefit people but needs to be something that they themselves believe in. As an entrepreneur, it's important to connect with customers and consumers and create an empathetic bond with them, as this leads to a deeper understanding on what the general public needs in the market, especially the music industry. But there should also be objectivity critical thinking throughout decision making, which in many occasions, tough actions have to be taken. Since INFJ takes on an

emotional stand, there is a chance that discouragement could be felt throughout the process of creating Road-X, so it is vital that the author separates criticism from oneself.

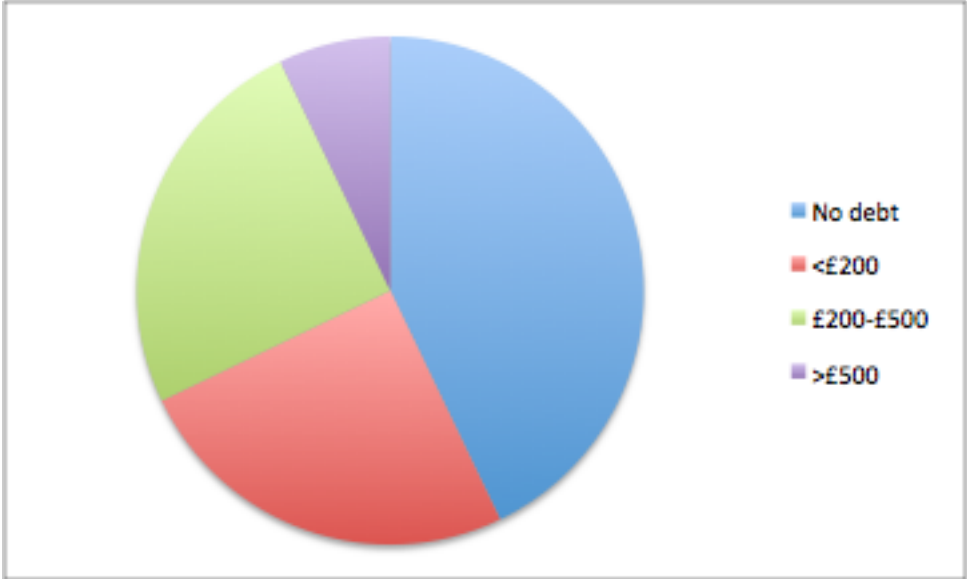
It was important for the author of this project to take the time to create a business plan and look at the different perspectives of each consumer group, in order to create an idea that is viable for all touring musicians. Storm (2018) further states that entrepreneurs with INFJ traits are good at anticipating trends as well as forecasting potential pain points, which led to the initial stage of Road-X as it was seen as a creative solution for the challenging obstacles of touring. But it's also necessary for the author to not only look at the bigger picture, but also not to forget small facts and details, which can progress Road-X even further.

12. Appendix 1- Data Graphs

Revenue vs. Debt

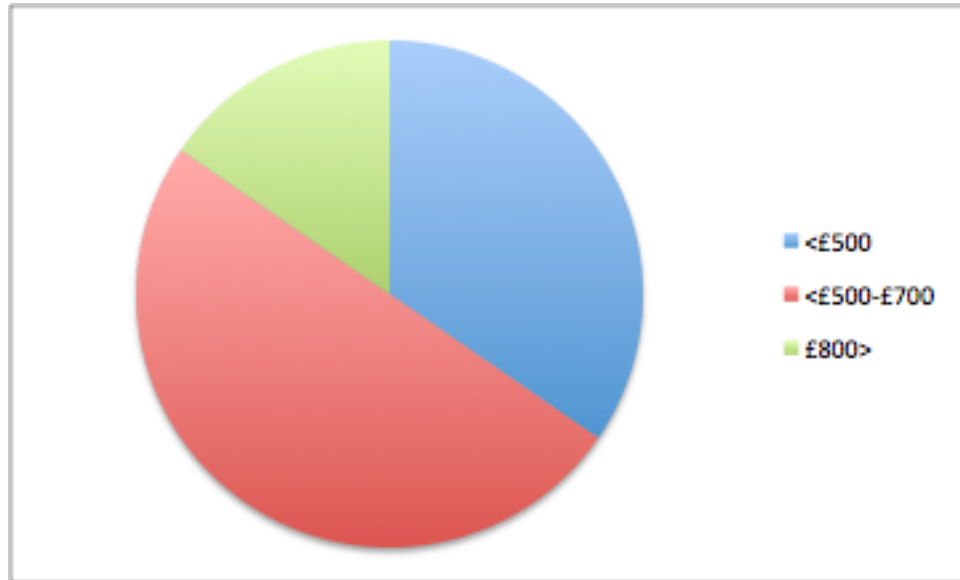


Break Even: 55.56%
Debt: 33.33%
Revenue: 11.11%



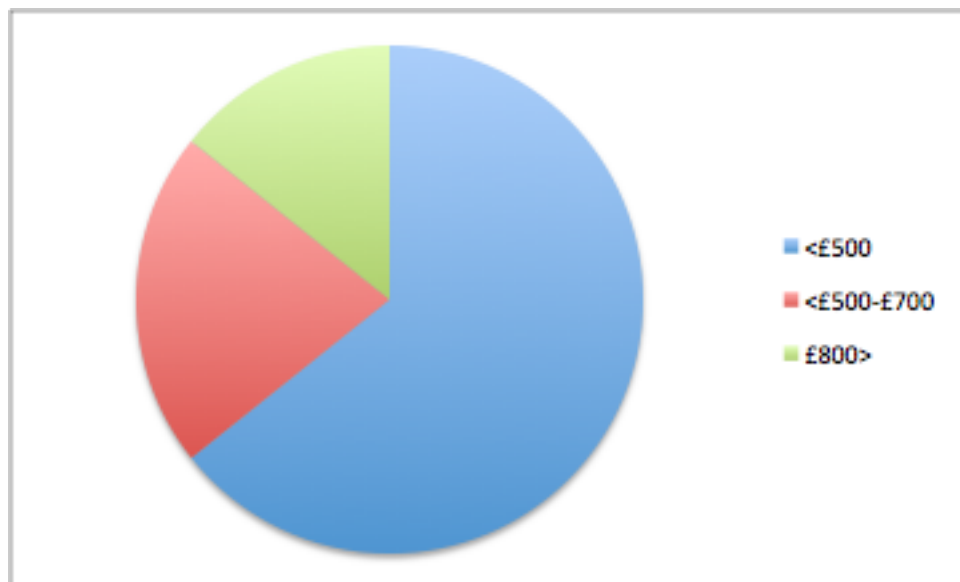
No Debt: 42.86%
<£200: 25%
£200-£500: 25%
>£500: 7.14%

Transport Expenses



<£500: 34.62%
£500-£700: 50%
£800+: 15.38%

Merchandise Expenses



<£500: 64.29%
£500-£700: 21.43%
£800+: 14.29%

13. Appendix 2- Interview

1. What is your opinion on the state of today's industry? Do you think it's environment is more friendly to artists than before when it comes to revenue?

The industry is constantly changing so it's important to always trying to keep in know of what's going on. I think sometimes people that have nostalgia for the way things used to be don't realize, that in order to keep up you have to play the game. Can't beat 'em? join 'em. When you say "more friendly to artists than before", I'm assuming you're talking about the digitization of music. I was signed to a record label, Capitol Records, when I was 15. I was at the label during the time Napster was starting to be downloaded on everyone's PC. I remember an intern trying to interrupt meetings to try and talk about how MP3s were going to change things, but he was brushed aside. Execs would talk about teaching the public to have respect for intellectual property and they put copy protect on all CD's for a year or two so you couldn't copy them on to your computer. Problem is they should've been pioneering new ways to profit from digitization, but since they fought it, companies come in like Apple with iTunes, and later Spotify. Labels were left catching up and my pop career was a casualty of a major restructuring & layoffs.

To get back to your question, I don't think the industry is more friendly or unfriendly than before, but I do think if you are willing to work hard, it's easier to make money as an independent artist now than before. Thanks to technology, you can produce music cheaper & faster, distribute it easily and market it thanks to social media. The upfront costs are way more affordable. Now we're essentially running with the pack of bands that are willing to keep running the marathon. It's about the right ingredients in your soup to make a successful career. To keep up as an independent you need to do 10X the number of things that an artist with a label behind them needs to do to stay afloat.

When I was a major label artist, I was paid well but the costs to the label were massive and my solo career couldn't survive the mass amount of debt that was racked up on my account. In short, when we parted ways, I was without support, didn't own my masters and the label was out of pocket for taking a gamble on me. Luckily, it's recoupable costs out of sales so I'm not on the hook for that money. BUT now in 2019 we're essentially running our label with Sumo Cyco, with no one owning our masters or telling us what to do. The income is steady as long as we keep working hard.

Is the environment more friendly to artists? maybe not, but it can be a place to thrive for artists that are also entrepreneurs.

2. Which area do you think is more profitable for artists in nowadays industry? What's the case with Sumo Cyco?

Although live shows and merch are the big ones, the trick to making money in the industry is to gather from as many sources as possible. Streaming and digital sales should not be discounted, especially if you're doing all the right things to get lots of spins on major playlists etc. Song writing revenue, Sync Licensing, Performance royalties, Ad revenue on your YouTube channel. It all adds up. One source of revenue that has been great for us is pre-sale campaigns aka crowd funding. We are also very lucky in Canada to be able to apply for government grants. When all these things are combined, a smaller band like us can make a real go of it. The important thing to remember, is like any start up entrepreneurship we have to keep investing in our band. There are no paydays, just survival, at least at this point.

3. Between merch and ticket sales, which of these income sources have more positive impact on a band's revenue?

At this point in our career merchandise is number one. As we're a growing band, we source out a lot of tours as the support band, where pay is a lot lower. It's the choice we make to be exposed to larger crowds and larger crowds in turn can mean more merch sales. So, there's a trade-off there. We can also sell merch when we're not on the road through our online store. I would definitely

recommend to bands that can handle the extra time to run their own store vs sourcing it out to a merch warehouse. A) It gives you valuable insight to what sells fast, what people like and that can help you buy the right items in the future. B) By getting notified the moment you make a sale you can see how promoting on social media, making sales, and seasonal promotions can directly affect your bottom line. C) As it's the largest source of income for our band, I think it's extremely important to understand what the profit margins are, how to predict your sales in order to correctly determine how much inventory you need etc. Ordering too much or too little can really affect how much you can make in a given time period.

As far as headline shows go, we've been able to create VIP experiences before the show which help tremendously in terms of revenue.

4. If you could have the perfect technological gadget that would make touring easier for you, what would it be and why?

This is an interesting question. I've seen a couple bands pull this off but it takes a lot of man power. I think it'd be awesome to streamline it in an app. We set up cameras & sound equipment at the venue that would be recording the show, quickly edited down so that fans could buy the live recording/video before they leave on usb. Or maybe it would make more sense to send it digitally shortly after the show.

OR

One of the main troubles of touring is merch counts before and after the show. If there was a large enough portable scale, it would be easy to put piles of each size on the scale before and after the show and the scale would sync with your phone, calculate by weight how many were sold and how much money should've been collected for those shirts.

OR

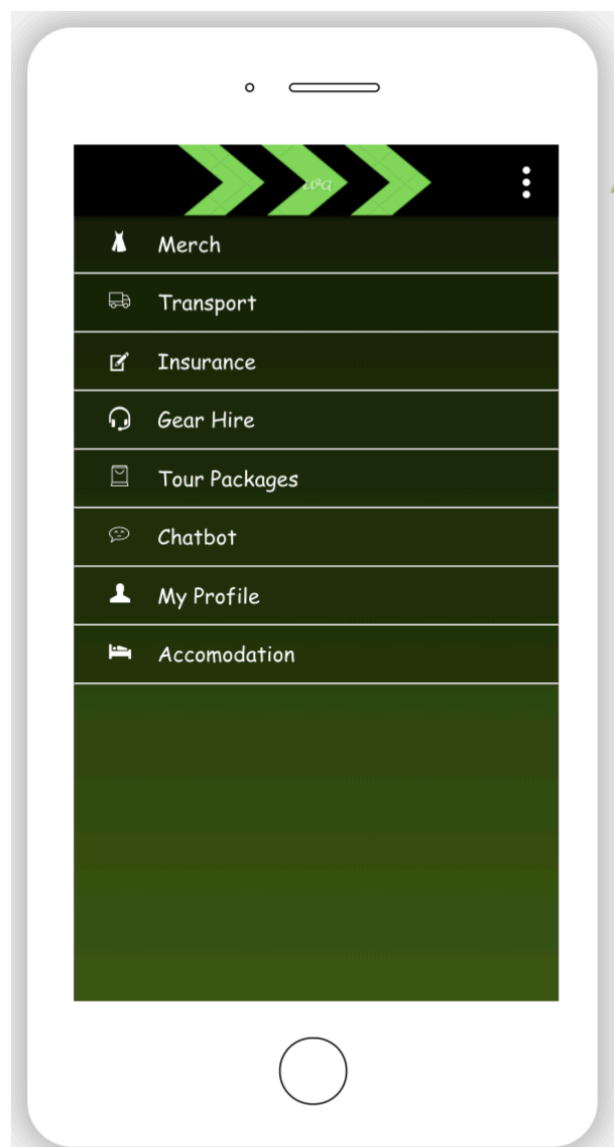
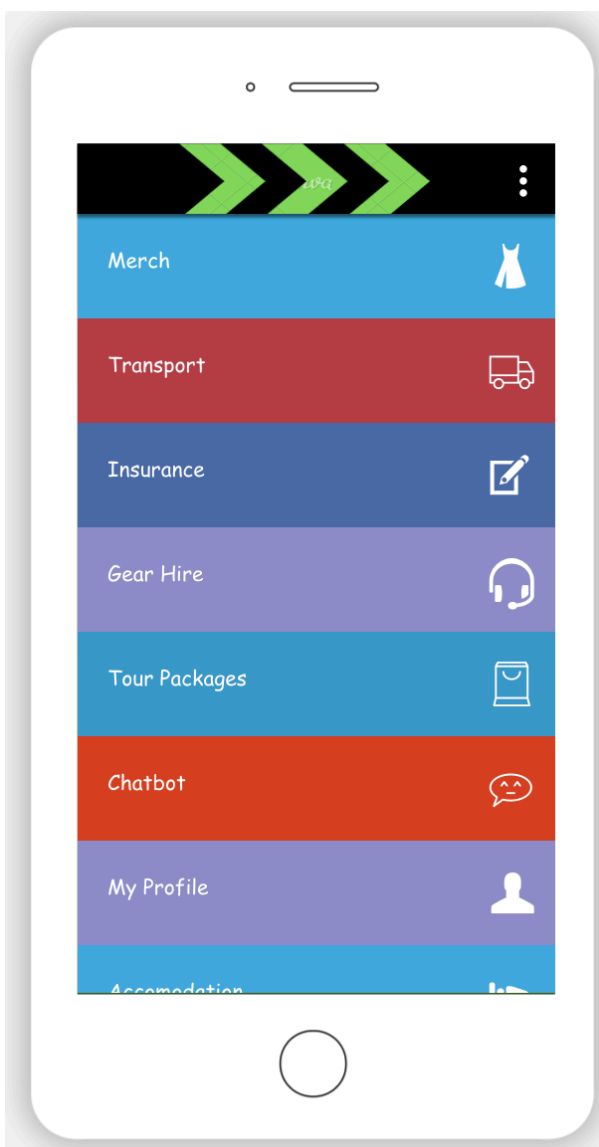
If we're really in future world, we need a self-driving tour van so all band members can get sleep!

14. Appendix 3- Mood Boards/ Wire Frames

Fig.1. Logo/ branding



Fig. 2. Wire Frame Demo Options



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