

Business Proposal

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EXECUTIVE SUMMARY

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Vision statement:

Build a bridge between west and east music industries.

Mission statement:

"Togluul" is a Spotify like music streaming platform, mobile device app designed to implement Music streaming services in Mongolia, Asia and neighbouring countries. This app will be the first of its kind in the region and a positive step towards developing the Global Music Industry.

The Project proposal:

"Togluul" is a part project by "Elik Music Limited". "Elik Music Limited" is a record label founded by Temuulen Khorloo in London, United Kingdom, 2017. The company aims to create collaborative opportunities between the western and the eastern music industries and help develop the eastern music industry to the western music industry's operating level. The company recognises the importance of developing a proper music industry infrastructure in this part of the world.

The company is looking for investment for this project:

£500K Investment for 20% equity

Why Streaming Services:

A role streaming services would play in the development of the Asian and Mongolian Music Industry is vital.

It will bring orders to the incompetently structured eastern European and Asian Music Industry. Moreover, to promote Asian and Eastern European music in the West. The importance of developing a proper music industry infrastructure in this part of the world is essential, and a role Streaming Services would play in this development is imperative. Start administering intellectual property and copyright laws but more essentially royalty laws would be one of the very first steps

to be taken towards achieving this goal. To achieve this invention successfully a united collaborative front from the lawmakers, technology inventors and the music creators is essential. It is a relatively new invention even within the Global Music Industry in this fast-moving technological era, and Spotify is pioneering this services. There are so much to be done to advance the Music Industry in the countries like Mongolia and this part of the world to the Global Music Industry's operating level, especially in the legal and intellectual property sectors and artist royalty regulations.

What makes this company better than the rest?

Temuulen Khorloo is a Mongolian born British Educated, British Music Producer and an Entrepreneur living and studying in London, United Kingdom. She started singing since she was 12 years in Mongolia and has gained vast experience in recording, touring and performing. In this process, she learnt of Mongolian Music Industry and established herself within the industry as one of the leading artists and influential figures. She decided to move to London, United Kingdom in her tender age of 21, 1994, in search of developing her personal and professional life. Since then she has become a British Citizen and adopted and educated herself in Great Britain. She graduated with a Bachelor of Arts degree in Music Production in 2017, and now studying master's degree in Music Industry's Entrepreneurship at the Tileyard Education, London.

With her extensive experience and knowledge of the western and eastern music scenes, she aims to become a mogul figure in the development of the Music Industry in these regions.

Custom-made solution:

Mongolia is a country that praises music and culture for centuries. The country has a long-running custom of appreciating music from both international and national artists. The pop music started to develop from the 1950s and produced some great music and artists. Presently the country's most popular music consumption method is real trading, trading of physical music on CDs and Vinyl, then going through the process of downloading the tracks on to the mobile devices or computers to listen on demand. This method is extremely limited in terms of having an extensive music playlist. By implementing the Streaming Services, the company aims to provide an intelligent custom-made solution to this issue. It would mean a great deal for Mongolian Music fans to have an extensive Mongolian Music Library under one umbrella, a custom made solution, that could include the music from the 1970s to the present day. Mongolian pop music genre started developing with the birth of the band "Soyol Erdene" in the beginning of 1971. Mongolian music library would consist of thousands of tracks across all genres from pop to traditional. (Mongolin Unen 2013)

Market research:

Mongolia:

Thanks to the growing number of the discovery of mineral deposits such as copper, gold, uranium, molybdenum, coal, fluorspar, tungsten and tin - herding and agriculture-based Mongolian economy have got transformed. Exports increased up to 40% of Gross Domestic Product (GDP).

Gross Domestic Product growth nearly 9% in 2004 - 2008 mostly because of an increased price of copper and gold product globally. Moreover, the GDP further increased by 10% between 2011 and 2013.

In May 2015 Mongolia finalised \$4.4 billion finance package deal with Rio Tinto for Oyu Tolgoi mine, one of the world's largest Copper-Gold untouched deposit found. Furthermore, Mongolia secured a \$5.5 billion financial support deal from the International Monetary Fund (IMF).

(Central Intelligence Agency 2018)

- **Some important statistics of Mongolia:**

- **Total population:**

- 3,068,243
 - Ethnic groups:
 - Khalkh 81.9%, Kazak 3.8%, Dorvod 2.7%, Bayad 2.1%, Buryat-Bouriates 1.7%, Zakhchin 1.2%, Dariganga 1%, Uriankhai 1%, other 4.6% (2010 est.)
 - Language
 - Mongolian 90% (official) (Khalkha dialect is predominant), Turkic, Russian (1999)
 - Religions:
 - Buddhist 53%, Muslim 3%, Shamanist 2.9%, Christian 2.2%, other 0.4%, none 38.6% (2010 est.)
 - Age structure:
 - 0-14 years: 26.95% (male 421,675/female 405,298)
 - 15-24 years: 16.09% (male 249,805/female 243,784)
 - 25-54 years: 45.6% (male 677,679/female 721,435)
 - 55-64 years: 7.07% (male 99,099/female 117,818)
 - 65 years and over: 4.29% (male 53,364/female 78,286) (2017 est.)
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- population pyramid:
 - **Median age:**
 - total: 28.3 years
 - male: 27.5 years
 - female: 29.2 years (2017 est.)
 - country comparison to the world: 131
 - Population growth rate:
 - 1.18% (2017 est.)
 - **Urbanization:**
 - urban population: 68.4% of total population (2018)
 - rate of urbanization: 1.63% annual rate of change (2015-20 est.)
 - Major urban areas - population:
 - ULAANBAATAR (capital) 1.52 million (2018)
 - **Sex ratio:**
 - at birth: 1.04 male(s)/female
 - 0-14 years: 1.04 male(s)/female
 - 15-24 years: 1.02 male(s)/female
 - 25-54 years: 0.94 male(s)/female
 - 55-64 years: 0.85 male(s)/female
 - 65 years and over: 0.69 male(s)/female
 - total population: 0.96 male(s)/female (2017 est.)
 - **Life expectancy at birth:**
 - total population: 69.9 years
 - male: 65.7 years
 - female: 74.4 years (2017 est.)
 - **GDP (purchasing power parity):**
 - \$39.7 billion (2017 est.)
 - \$39.22 billion (2016 est.)
 - \$38.3 billion (2015 est.)
 - note: data are in 2017 dollars
 - country comparison to the world: 119
 - **GDP (official exchange rate):**
 - \$11.14 billion (2017 est.)
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- GDP - real growth rate:
 - 5.1% (2017 est.)
 - 1.2% (2016 est.)
 - 2.4% (2015 est.)
 - country comparison to the world: 47
 - **GDP - per capita (PPP):**
 - \$13,000 (2017 est.)
 - \$13,000 (2016 est.)
 - \$12,900 (2015 est.)
 - note: data are in 2017 dollars
 - country comparison to the world: 121
 - **Gross national saving:**
 - 25.2% of GDP (2017 est.)
 - 26% of GDP (2016 est.)
 - 20.7% of GDP (2015 est.)
 - country comparison to the world: 58
 - GDP - composition, by end use:
 - household consumption: 51.9%
 - government consumption: 13.7%
 - investment in fixed capital: 21.7%
 - investment in inventories: 4.1%
 - exports of goods and services: 70.8%
 - imports of goods and services: -62.1% (2017 est.)
 - **GDP - composition, by sector of origin:**
 - agriculture: 13.2%
 - industry: 36.1%
 - services: 50.7% (2017 est.)
 - Agriculture - products:
 - wheat, barley, vegetables, forage crops; sheep, goats, cattle, camels, horses
 - **Industries:**
 - construction and construction materials; mining (coal, copper, molybdenum, fluorspar, tin, tungsten, gold); oil; food and beverages; processing of animal products, cashmere and natural fibre manufacturing
 - Industrial production growth rate:
 - 6.1% (2017 est.)
 - country comparison to the world: 33
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- [Labour force:](#)
 - 1.241 million (2017 est.)
 - country comparison to the world: 138
 - Labour force - by occupation:
 - agriculture: 31.1%
 - industry: 18.5%
 - services: 50.5% (2016)
 - Unemployment rate:
 - 7.3% (2017 est.)
 - 7.9% (2016 est.)
 - [Country comparison to the world: 112](#)
 - Population below poverty line:
 - 29.6% (2016 est.)
 - Household income or consumption by percentage share:
 - lowest 10%: 13.7%
 - highest 10%: 5.7% (2017)
 - Distribution of family income - Gini index:
 - 34 (2017)
 - 36.5 (2008)
 - country comparison to the world: 105
 - [Budget:](#)
 - revenues: \$2.522 billion
 - expenditures: \$3.217 billion (2017 est.)
 - Taxes and other revenues:
 - [23.2% of GDP \(2017 est.\)](#)
 - country comparison to the world: 128
 - Budget surplus (+) or deficit (-):
 - -6.4% of GDP (2017 est.)
 - country comparison to the world: 183
 - [Public debt:](#)
 - 91.4% of GDP (2017 est.)
 - 90% of GDP (2016 est.)
 - country comparison to the world: 24
 - Fiscal year:
 - the calendar year
 - [Inflation rate \(consumer prices\):](#)
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- 4.6% (2017 est.)
 - 0.6% (2016 est.)
 - country comparison to the world: 170

 - [Central bank discount rate:](#)
 - 11% (25 December 2017)
 - 14% (19 December 2016)
 - country comparison to the world: 18

 - [Commercial bank prime lending rate:](#)
 - 19.9% (31 December 2017 est.)
 - 19.74% (31 December 2016 est.)
 - country comparison to the world: 18

 - [The stock of narrow money:](#)
 - \$1.109 billion (31 December 2017 est.)
 - \$839.6 million (31 December 2016 est.)
 - country comparison to the world: 155

 - [The stock of broad money:](#)
 - \$6.257 billion (31 December 2017 est.)
 - \$4.851 billion (31 December 2016 est.)
 - country comparison to the world: 123

 - [The stock of domestic credit:](#)
 - \$9.406 billion (31 December 2017 est.)
 - \$7.326 billion (31 December 2016 est.)

 - [Country comparison to the world: 112](#)
 - The market value of publicly traded shares:
 - \$632.6 million (31 December 2015 est.)
 - \$766.1 million (31 December 2014 est.)
 - \$1.095 billion (31 December 2013 est.)
 - country comparison to the world: 109

 - [Current account balance:](#)
 - -\$980 million (2017 est.)
 - -\$700 million (2016 est.)
 - country comparison to the world: 139

 - [Exports:](#)
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- \$6.201 billion (2017 est.)
 - \$4.916 billion (2016 est.)
 - country comparison to the world: 102
 - Exports - commodities:
 - copper, apparel, livestock, animal products, cashmere, wool, hides, fluorspar, other nonferrous metals, coal, crude oil
 - Exports - partners:
 - China 85%, UK 10.7% (2017)
 - [Imports:](#)
 - \$4.335 billion (2017 est.)
 - \$3.358 billion (2016 est.)
 - country comparison to the world: 131
 - Imports - commodities:
 - machinery and equipment, fuel, cars, food products, industrial consumer goods, chemicals, building materials, cigarettes and tobacco, appliances, soap and detergent
 - Imports - partners:
 - China 32.6%, Russia 28.1%, Japan 8.4%, US 4.8%, South Korea 4.6% (2017)
 - [Debt - external:](#)
 - \$27.41 billion (31 December 2017 est.)
 - \$24.63 billion (31 December 2016 est.)
 - country comparison to the world: 87
 - The stock of direct foreign investment - at home:
 - \$17.25 billion (31 December 2017 est.)
 - \$16.28 billion (31 December 2016 est.)
 - [Country comparison to the world: 82](#)
 - The stock of direct foreign investment - abroad:
 - \$477.5 million (31 December 2017 est.)
 - \$455.2 million (31 December 2016 est.)
 - country comparison to the world: 95
 - [Exchange rates:](#)
 - togrog/tugriks (MNT) per US dollar -
 - 2,378.1 (2017 est.)
 - 2,140.3 (2016 est.)
 - 2,140.3 (2015 est.)
 - 1,970.3 (2014 est.)
 - 1,817.9 (2013 est.)
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- (Central Intelligent Agency 2018)

Mongolian music industry and market:

By the statics of digital download, streaming and youtube view counts the biggest selling song of Mongolian modern music 2017 was Mongolian Girlband Kiwi's solo singer Uka's song titled "Is the music love?" from her album "Music".

According to Ikon Mongolian Online news site, Hi-fi media group is the most significant digital online distribution company that is operating in the country's music industry. However, the company's website link and the web address does not function, indicates how inconsistent and infant the country's music industry is. Moreover, the fact that the article does not include any legitimate statistics to validate the chart indications suggest the incompetency of the music industry's infrastructure.

(O.Erdene 2018)

The most significant operating online digital music distribution site is mongolduu.net which is a side page of asuult.net. As displayed below the website is not up to date, professional, the general user interface looks confusing to operate. It contains the biggest online Mongolian contemporary music library and the App charge 99p per download, however it is free to listen on the laptops and computers. There is no information could be found to validate the company's authenticity. However Mongolian pop music scene keep on producing incredible new talents.

Jonathan Bogart wrote "In Mongolian pop world, women who are making the most interesting and emotionally effective music. Hishigdalai (sometimes romanised as Khishigdalai) is one of Mongolia's most promising young pop stars, with her warm, moody vocals and internationalist sensibility. This very 2017-sounding song has both an English name and an alternate Japanese name ("Umi no Kokoro," heart of the sea), and the video was shot in Berlin with European models and haute couture. She's been kicking around the Mongolian pop scene since winning the singing competition Universe Best Songs in 2011, but she leveled up when she began collaborating with the Ocean Grey production team last year on "Mi Senti", a duet with handsome crooner Naki, and she's been on fire ever since: "1+1" and "Tiichlene" are two of 2018's best Mongolian pop songs."



Mongolian Pop Star Hishigdalai “Ghost”.

https://www.youtube.com/watch?time_continue=201&v=zR4pjJedeEc

He goes on to describe “Hip-hop has taken root in Mongolia in a way it hasn’t elsewhere in East Asia, even South Korea, and there are plenty of local amateur musicological theories explaining why, from the language’s percussive nature making it a natural fit, to a long Mongolian tradition of oral storytelling through song, to uh rap being invented by medieval Mongols who passed it through trade routes to Africa and thence to the Americas.”

(Jonathan Bogart) 2018



Mongolian Pop Artists Wolfizm, Ako and Thunder “LaLaLa” video can be accessed at:

https://www.youtube.com/watch?time_continue=52&v=wqmxBkY5Ekc

(Jonathan Bogart) 2018

User Interface:

The app and the website will contain the main streaming features:

On the main page will be displayed main artists artwork which would take the user to the artists' music and playlist

Also, users can search for a song and the artist by the name or title. It would display Album Artwork and by clicking on the Album artwork or song title would take the user to the songs of that Album or the Album of the song etc...

The user interface would be well displayed and easy to use.

One of the primary features should be an ability to save the songs and listen on demand without internet connection.

Market research:

Since the digital technology taken over the world, the fundamentals of the Global music industry and the way it used to run has changed to fit with this new era. With this advancement, music production and distribution has developed, so is the way people used to have consume their music. With this industry's shift and the gap it created, the streaming services fit perfectly, establishing a new music industry. The streaming services made the head way since the early 2000s with the arrival of Spotify. Spotify's music library holds 30M tracks, consist catalogue of artists and across all genres to choose from. What makes the streaming services better than the rest is the sheer number of tracks its library can obtain and provide to the listeners on demand. It eliminates the purchasing of tracks individually or using one's device storage space or the need to be connected to the internet to listen to the music on demand.

(Statista 2017)

It is available on Linux, Mac and Windows operating systems and also on iOS, Android and Windows phone apps.

(Jeffrey L. Wilson 2017)

Spotify and other streaming service providers keep on improving in order to stay on top of their game in this rapidly developing technological age. For example, Spotify is keep on introducing new and advanced features with their App. In 2015 Spotify introduced a new App called "Spotify run", an artificially intelligent App to encourage a healthy living and attract new health conscious subscribers. What this smart new App offers is an ability to change the music tempo to the runner's pace with the help of the smartphone's accelerometer.

(Michael Shah, 2015)

- *Other major competitors*

According to the recent statistics, other biggest competitors are Amazon and the Apple music streaming services. The biggest grossing streaming Apps sold through Apple's App store were Spotify and Pandora grossing \$4.53M in revenues in 2017. 2016 marked the revolutionary, thus far the Global Music Industry Streaming Services revenue surpassed all the other methods of music distribution methods, physical sales and digital downloads combined.

(Dan Rys 2017)

According to (Dan Rys) "The big players, Spotify and Apple Music, have turned the quest for on-demand market share into a two-horse race."

"It is difficult to have more than a couple of really big, all-things-to-all-people services," says MiDia Research founder Mark Mulligan. "Amazon is trying to open up a different customer base, but for big companies like Pandora wanting to create another global player, the dice are very much loaded against them." (Dan Rys 2017)

As for the main competitor, the Apple Music have had successful run since its launch in June 2015. However, following the Universal Music group boss Lucian Grainge's ban Label-wide in August the company suffered a misfortune that significantly decreased their most lucrative inclusive album releases.

- *The Pricing strategy of the main competitors:*

In the ever-changing music business world, it is essential to apply lean business models to fit with the demand, as the business grows and the competitors up their games. Many streaming service's companies are taking new steps to ensure their survival in the business. For example companies like Tidal and Soundcloud have been in the rumours of acquisition, and other giant streaming companies such as Pandora and iHeart negotiated deals with the record labels to offer radio services that consists offline listening for \$4.99. Amazon's Prime subscribers are enjoying included streaming services for \$7.99 monthly subscription and only for \$3.99 for highly successful voice activated Echo gadget owner customers.

(Anna Nicolaou 2017)

For Spotify, the most challenge faced to date is the music licensing deals with the major record labels to obtain the rights to hold mega artists' music in their library. Ever since Spotify launched

the company yet to make profit since the company's royalty payouts are higher compared to the expenditure and income balance.

The company finally completed a long-term contract with Warner music group in order to keep their 30M song music library. This long-term contract offers a better deal for the streaming pioneer, new payout deal reached for every 1 dollar streamed negotiated \$0,52 instead of \$0,55 the previous short-term deals proposed.

“It is taken a while to get here, but it has been worth it, as we have arrived at a balanced set of future-focused deal terms,” said Ole Obermann, the chief digital officer of Warner Music. (Anna Nicolaou 2017)

This contract marked a new beginning for the company and new trusted investment opportunities. In 2017 Spotify doubled in revenue, 50% increase compared to the previous year's revenue reaching €2.9b and surpassed Apple and Amazon by paying customers and reached 60M subscribers.

Steve Cooper, the chief executive of Warner Music group, stated: “We only agree to terms that are net-positive for our recording artists and songwriters.” (Anna Nicolaou 2017)

For instance, Hedge funds helped Soundcloud to stay in business this month, and Pandora got a \$480m investment from SiriusXM to keep the streaming company in operation. (Anna Nicolaou 2017)

On the positive side the streaming services is expected to grow. In the United States alone the streaming services revenue grew two years in a row by the beginning of 2016 calculation. The result by the financial review shown the streaming revenue was the only most significant revenue generated in the recorded music industry, reaching wapping \$1.61 billion to the country's economy. The major labels Sony, Warner and Universal have doubled in streaming revenue. It forecasted that by the year 2019 the Global streaming revenue would rocket to \$5.4 billion, the US Department of Commerce reported and IHS Markit study predicted the streaming on demand will triple by the year 2020 in the United States alone. (Dan Rys 2018)

Global Music Market:

- Global Revenue Up by
 - +5.9%
-

-
- Growth In Streaming Revenue
 - 60.4%
 - Digital Share of Global Revenue
 - 50%
 - Physical Revenue -7.6%
 - Digital Revenue Growth +17.7%
 - Download Revenue -20.5%

Global Music Report 2017 (IFPI, 2017)

Global Market Overview.

The Global recorded music market keep on growing, according to the reports, the recorded music market grew by 5.9% in 2016 alone since 1997, the most significant growth recorded by the IFPI. It is a reflection of two-year continuous growth in this sector and the revenue increase in all sectors as a result. The global recorded music sector revenue has been declining for 15 years previously before streaming services was introduced, it reported 40% depreciation in the sector previously. However since the streaming services introduced, Global music industry revenue growth demonstrated a promising future for streaming services sector in the future of the global music industry. 100M paying streaming subscriber globally is a significant milestone and success for this new technology. The music industry as a whole benefited 50% revenue from streaming services and growing. Indie and Major Record labels contributed major role in this advancement. (IFPI, 2017)

Elik music limited is working on making more bespoke lean business plans to implement this intelligent new technology in Mongolia with the vision of expanding to the neighbouring regions and to the eastern part of Russia and Inner Mongolia where over 250M people reside.

2016 Global Recorded Music Industry Figures by Format

PHYSICAL FORMAT:

- Revenue reduced by 7.6% even further

Decreased compared to the year before from 3.9%.

Although, the physical format is nevertheless a vital player in the global music market, reaching 34%, particularly in nations alike Japan and Germany.

DIGITAL REVENUES:

The most notable increase 17.7% weighed with the previous year stretching to \$7.8 billion, 60.4% growth, the most notable increase in eight years.

The streaming sector had expanded notably by seizing 59% of entire digital revenue but on the flip side, the download format has decreased by 20.5%. The digitalised music revenue has never before been such a prominent change.

BESPOKE PACKAGE DEALS TO LOCAL ARTISTS:

At this stage, we would like to offer a package deal to artists who sign up to the streaming services. The deal would include unlimited music release to the artists for free to all the major digital music stores, thanks to the unlimited release deal with Ditto music.

Facebook promotion through the page and feature through our Youtube Channel. The duration of the contract would be 5 years.

Unique selling point: Spotify is more fit to service western music industry lacking eastern artist repertoire in their music library. All the laws and regulations within Spotify followed by the western music scene and therefore artists from Asia, Eastern Europe is not adequately represented. By implementing the streaming services in Mongolia and Asia, it would be a positive step towards providing bespoke streaming services to this region music fans and artists. Presently there is no streaming laws and regulations in Mongolia and the company aims to make individual contracts with the individual artists hold their music rights.

In the Mongolian music industry, there are no thoroughly engaging streaming services App or Platform apart from Spotify.

Customers:

- **DATA:**
 - 3,068,243
 - Ethnic groups:
 - Khalkh 81.9%, Kazak 3.8%, Dorvod 2.7%, Bayad 2.1%, Buryat-Bouriates 1.7%, Zakhchin 1.2%, Dariganga 1%, Uriankhai 1%, other 4.6% (2010 est.)
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 - total: 28.3 years
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 - Population growth rate:
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 - **Urbanization:**
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 - Major urban areas - population:
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 - 15-24 years: 1.02 male(s)/female
 - 25-54 years: 0.94 male(s)/female
 - 55-64 years: 0.85 male(s)/female
 - 65 years and over: 0.69 male(s)/female
 - total population: 0.96 male(s)/female (2017 est.)

Customer demography: Female and male music fans between the ages 11 to 50;
From this statistics the potential considerable customer number is almost 90% of the country's entire population.

Elik Music Limited and the Vision:

The company's vision is to implement a custom-made music streaming services for Mongolian music lovers. A long-term vision is to provide music streaming service to Mongol regions such are Inner Mongolia, Kazakhstan, Buryatia and expand to the nearby regions and Asia.

Aims and objectives:

Short-term goals what to achieve within 12 months:

50K Subscribers

Mid-term goals: Year 2

100K Subscribers

Year 3:

500K Subscribers

Year 5:

1M Subscribers

Short-term, the company, is aiming to start marketing and implementing the streaming services in mainland Mongolia, primarily the capital city Ulaanbaatar where 1.51M people reside, 90% of which could be potential customers.

Moreover, the long-term mission, the company is aiming to implement the streaming services to the neighbouring Mongol regions, the eastern part of Russia and Inner Mongolia where over 150M people reside.

Development strategy?

The company aims to develop "Togluul" to be used in three different ways.

- Firstly by visiting the service's website and accessing the site player
 - Secondly by downloading the computer App to use it in stand-alone mode
 - Thirdly by downloading the mobile device App to use it on the go without internet connection.
-

Why will this business succeed?

Because the streaming services will provide an opportunity to have extensive regional music library under one umbrella for the local music fans. It would be available on demand without having to use their device storage or internet connection.

- *Unique selling points:*

Spotify, Amazon and iTunes music streaming services are advanced and well developed. However it is designed to cater western music industry and therefore lacks eastern music library and royalty percentage beneficial for eastern artists and musicians as the artist stream amount from this region does not mount more than few thousands per year.

Legal:

Some relevant Mongolian intellectual property laws and translations:

1 дүгээр зүйл. Хуулийн зорилт

1.1. Энэ хуулийн зорилт нь зохиогчийн эрх болон түүнд хамаарах эрхээр хамгаалагдах бүтээлийг эзэмших, ашиглах, захиран зарцуулах, хамгаалахтай холбогдсон харилцааг зохицуулахад оршино.

2 дугаар зүйл. Зохиогчийн эрхийн тухай хууль тогтоомж

2.1. Зохиогчийн эрх болон түүнд хамаарах эрхийн тухай хууль тогтоомж нь Үндсэн хууль, Иргэний хууль, энэ хууль болон тэдгээртэй нийцүүлэн гаргасан хууль тогтоомжийн бусад актаас бүрдэнэ.

2.2. Монгол Улсын олон улсын гэрээнд энэ хуульд зааснаас өөрөөр заасан бол олон улсын гэрээний заалтыг дагаж мөрдөнө.

Article 1. Purpose of the law

1.1. The purpose of this law shall be to regulate relations concerning the possession, use, disposal and protection of works protected by copyright and related rights.

Article 2. Copyright legislation

The legislation on copyright and related rights shall consist of the Constitution, the Civil Code, this law and other acts of legislation enacted in conformity therewith.

If an international treaty to which Mongolia is a party is inconsistent with this Law, then the provisions of the international treaty shall prevail.

3 дугаар зүйл. Хуулийн нэр томъёоны тодорхойлолт

3.1. Энэ хуульд хэрэглэсэн дараахь нэр томъёог дор дурдсан утгаар ойлгоно:

3.1.1. зохиогч" гэж өөрийн оюуны бүтээлч үйл ажиллагаагаар бүтээл туурвисан хувь хүнийг;

3.1.2. эрх эзэмшигч" гэж утга зохиол, урлагийн бүтээлтэй холбоотойгоор үүсэх зохиогчийн бүтээл ашиглах онцгой эрхийг эдлэх хувь хүн, хуулийн этгээдийг;

3.1.3. уран бүтээлч" гэж утга зохиол, урлагийн болон ардын урлагийн бүтээлийг цирк, тайз, дэлгэц, урлагийн тоглолтод зориулан дуулах, хөгжимдөх, жүжиглэх, бүжиглэх, унших зэргээр гүйцэтгэн тоглодог хувь хүнийг;

Article 3. Definition of law terms

The following terms used in this law shall have the following meanings: 3.1.1. The author "means a copy of the author's own intellectual activity.
person;

3.1.2. "Owner" means an individual or a legal person to enjoy the exclusive rights to exploit the creation of a copyright in relation to literary and artistic works;

3.1.3 "creative" means an individual who performs, plays, plays, dances and plays for literary, artistic and folklore performances for circus, stage, screen and art performances;

3.1.4. ардын урлагийн бүтээл" гэж ард түмний дунд аливаа хэлбэрээр уламжлагдан дамжиж ирсэн, зохиогч нь тодорхойгүй уламжлалт утга зохиол, урлагийн бүтээлийг;
Улаанбаатар хот

3.1.5. фонограмм гэж кино урлагийн, эсхүл дуу авиан дүрст бүтээлд оруулснаас өөр аливаа тоглолтын болон бусад дуу авиа, түүний илэрхийллийн бичлэгийг;

3.1.6. бүтээлийг хуулбарлах" гэж бүтээл, бүтээлийн хэсэг, зохиогчийн эрхэд хамаарах эрхийн объектыг нэг буюу түүнээс дээш тоогоор шууд буюу шууд бусаар, аливаа арга, хэлбэрээр олшруулахыг;

3.1.4. "Literary works" means traditional literary and artistic works which have been transmitted through any form within the country and are not authors of the author;
Ulaanbaatar city

3.1.5. A phonogram means any record of any kind of play or other sounds or expressions of any kind other than a cinema or soundtrack;

3.1.6. Reproduction of works "means to multiply objects or creations of one or more of the rights of copyrighted works or copyrights to any method or form;

3.1.7. "нийтлэх" гэж бүтээл, зохиогчийн эрхэд хамаарах эрхийн объектыг эрх эзэмшигчийн зөвшөөрлөөр, олон нийтийн хэрэгцээг хангахуйц хэмжээгээр олшруулж, нийтийн хүртээл болгохыг;

3.1.8. "нийтэд түгээх" гэж бүтээл, зохиогчийн эрхэд хамаарах эрхийн объектыг хэрэглэгч өөрийн сонгосон цаг, газраас хүртэх боломжтой байдлаар утсан болон утасгүй холбоогоор нийтэд тараахыг;

3.1.9. "үүсмэл бүтээл" гэж өмнө бүтээгдсэн бүтээлд тулгуурлаж түүнийг оюуны бүтээлч хөдөлмөрөөр засварлах, найруулах, орчуулах, хөрвүүлэх, хураангуйлах, эмхтгэх болон бусад хэлбэрээр өөрчилж, шинээр бий болгосон бүтээлийг;

3.1.7. "documentation" means the right to be created for the creation of copyright and the rights of the copyright holder to the public's needs and to make it available to the public;

"Disseminate to the public" means the right of the user to distribute objects subject to copyright and the right to distribute the time and place of their choice to the public through wire and wireless communication;

3.1.9. "Invention" means a work created by editing, adapting, translating, compiling, summarizing, compiling or otherwise by intellectual creativity based on the previously created work;

3.1.10. "хавсарга урлагийн бүтээл" гэж гар урлал болон үйлдвэрлэлийн аргаар бүтээгдсэн ахуйн хэрэглээний урлагийн бүтээлийг;

3.1.11. "зохиогчийн эрхэд хамаарах эрхээр хамгаалагдах бүтээл" гэж бүтээлийг шууд тоглосон тоглолт, дуу авиа, дүрс бичлэг, дуу авиа бүхий дүрст бүтээлийн анхны бичлэг болон радио, телевизийн байгууллагын нэвтрүүлгийг;

3.1.12. "фонограмм бүтээгч" гэж тоглолтын буюу бусад дуу авианы, эсхүл тэдгээрийн илэрхийллийн анхны бичлэгийг санаачлан хийсэн, бичлэгийн тухайд хариуцлага хүлээх хувь хүн, хуулийн этгээдийг;

3.1.10. "Artistic work" means a work of art used by craftsmen and manufacturing methods;

3.1.11. "Artistic rights protected by copyright" shall mean the first recording of the work, the sound, the video, the sound and the live record of the creation and the broadcast of the radio and television organization;

"Creator of a kindergarten" means an individual or a legal person who initiated the recording of the performance of the game or other sounds or their expressions;

3.1.13.дуу авиа бүхий дүрст бүтээл" гэж ямар материаллаг хэлбэрт оруулснаас үл шалтгаалан, техник хэрэгсэл ашиглан бүтээсэн дүрсийг дуу авианы хамт үзүүлэх боломжтой бүтээлийг;

3.1.14.эрх эзэмшигчийн таних тэмдэг гэж бүтээл, зохиогч, эрх эзэмшигч, тухайн бүтээлийг ашиглах нөхцөлийн талаар бүтээлд агуулагдсан, эсхүл бүтээлийг нийтэд түгээхтэй холбогдуулан тэмдэглэгдсэн мэдээлэл, эдгээр мэдээллийн тоон болон кодон илэрхийллийг.

3.1.13 In-crew-shaped works ", the works of any kind capable of displaying the image made with the means of sound with the sound, regardless of the material type;

3.1.14. The marker of the owner of the master is information recorded on the creation of the author, author, right holder, and the use of the work, the quantities and / or information contained in the information contained in this work, or the publication of the work.

ХОЁРДУГААР БҮЛЭГ

Зохиогч, зохиогчийн эрхээр хамгаалах бүтээл

4 дүгээр зүйл. Зохиогчийн эрх эдлэх этгээд

4.1.Зохиогчийн эрхийг энэ хуулийн дагуу дараахь этгээд эдэлнэ:

4.1.1.бүтээл нь нийтлэгдсэн эсэхээс үл хамаарч бүтээл туурвисан Монгол Улсын иргэн, тус улсын нутаг дэвсгэрт байнга оршин суугаа гадаадын иргэн, харьяалалгүй хүн;

4.1.2.Монгол Улсад бүтээлээ анх удаа нийтэлсэн гадаадын иргэн;

4.1.3.уран баримал, уран барилга, архитектур, хот байгуулалтын бүтээл болон барилга байгууламжийн бүрэлдэхүүн хэсэг болох дүрслэх урлагийн бүтээлээ тус улсын нутаг дэвсгэрт байнга байршуулсан зохиогч;

CHAPTER TWO.

Copyright and copyright protection

Article 4. Copyright holder

The following rights shall be granted in accordance with this law:

A foreign citizen, stateless person who has created a work, irrespective of whether he or she has been published, a citizen of Mongolia, a foreign resident;

A foreign citizen who first published his work in Mongolia;

Creator of a painting of a sculpture, architecture, architecture and urban construction and construction of a painting which is a permanent author in the territory of the country;

4.1.4.зохиогчийн эрхийн тухай хууль тогтоомжийн дагуу зохиогчийн эрх эдлэх хуулийн этгээд;

4.1.5.Монгол Улсын олон улсын гэрээнд нэгдэн орсон бусад улсын иргэн, хуулийн этгээд.

4.2. Гадаадын иргэн бүтээлээ өөр улсад нийтэлсэн өдрөөс хойш 30 хоногийн дотор Монгол Улсад нийтэлсэн бол Монгол Улсад анх удаа бүтээлээ нийтэлсэнтэй адилтгаж үзнэ.

4.3. Зохиомол нэрээр болон нэргүйгээр хэвлэгдсэн бүтээлийн хувьд зохиогчийн эрхийг хуульд заасан этгээд эдэлнэ.

4.1.4. Legal entity to enjoy copyright under the law on copyright;

4.1.5. Citizens and legal persons other than the State party to the international treaties to which Mongolia is a party person.

4.2. The publication of the work for the first time in Mongolia is published in Mongolia within 30 days of the publication of the work of another foreigner in another country.

4.3. For a work published in the title or anonymity, the copyright specified in law shall be exercised.

5 дугаар зүйл. Хамтарсан зохиогч

5.1. Нэг зорилготойгоор хамтын бүтээлч хөдөлмөрийн үр дүнд нэгдмэл бүтээл туурвисан хоёр буюу түүнээс дээш этгээдийг хамтарсан зохиогчид гэнэ.

5.2. Хамтарсан зохиогч бүхий бүтээлийн хувьд зохиогчийн эрхийг гэрээнд өөрөөр заагаагүй бол зохиогчид хамтран эдэлнэ.

6 дугаар зүйл. Зохиогчийн эрхийн бүтээл /объект/

6.1. Зохиогчийн эрхийн бүтээлд агуулга, зориулалт, үнэ цэнэ, ач холбогдол, илэрхийллийн аргаасаа үл шалтгаалан зохиогчийн оюуны бүтээлч үйл ажиллагааны үр дүнд бий болсон шинжлэх ухаан, утга зохиол, урлагийн бүтээлийг тооцно.

Article 5. Joint author

In the result of collective creative work for one purpose two or more joint creations shall be the joint authors.

5.2 In the case of a work with a joint author, the author shall cooperate with the author unless otherwise specified in the contract.

Article 6. Copyright work / object /

6.1. Chinese rights shall be regarded as scientific, literary, and artistic works resulting from intellectual creative activities, irrespective of their content, purpose, value, significance or expression.

6.2. Зохиогчийн эрхийн бүтээлийг нийтлэгдсэн эсэхээс үл шалтгаалан бичмэл, аман, зурмал болон бусад биет хэлбэрээр бүтээсэн байна.

7 дугаар зүйл. Зохиогчийн эрхээр хамгаалах бүтээл

7.1. Дараахь бүтээлийг зохиогчийн эрхээр хамгаална:

7.1.1. шинжлэх ухаан, утга зохиолын бичмэл буюу аман бүх төрлийн бүтээл, түүнчлэн компьютерийн программ;

7.1.2. хөгжмийн урлагийн үгтэй болон үггүй бүх төрлийн бүтээл; 7.1.3. дүрслэх урлагийн бүх төрлийн бүтээл;

6.2. Citizens' rights are created in the form of written, oral, illustrated and other forms of physical activity regardless of their publication.

Article 7. Copyright protection

The following works shall be protected by copyright:

7.1.1. All kinds of scientific or literary or literary works, as well as computer programs;

7.1.2. all kinds of musical art and no words; 7.1.3. all kinds of art works

7.1.4. чимэглэх болон хавсарга урлаг, тайз чимэглэлийн бүтээл; 7.1.5. архитектурын бүтээл, уран баримал, уран барилга;

7.1.6 бүжгийн урлагийн бүх төрлийн бүтээл, уран нугаралт, пантомим; 7.1.7. жүжиг, хөгжимт жүжиг, тайзны урлагийн бүх төрлийн бүтээл;

7.1.8. гэрэл зургийн болон түүнтэй төсөөтэй аргаар туурвисан бүх төрлийн бүтээл; 7.1.9. дуу авиа бүхий дүрст бүтээл;

7.1.4. decorating and exterior decoration; 7.1.5. architectural work, sculpture, architecture;

7.1.6 All forms of artistic work, contortionists and patents; 7.1.7. all kinds of stage performances, plays, music dramas, stage performances;

All types of works made by drawing and similar methods; 7.1.9. visual artwork;

7.1.10. үүсмэл бүтээл;

7.1.11. материалыг нь сонгон түүвэрлэх, байршуулах зэргээр бүтээлч хөдөлмөрийн үр дүнд бий болсон, өөрийн бүтэц агуулгаараа оюуны бүтээлд тооцогдох тайлбар толь, лавлах, зохиолын цоморлиг, өгөгдөхүүн-мэдээллийн сангийн бусад эмхтгэлүүд;

7.1.12. ардын урлагийн бүтээлд тулгуурлан туурвисан үүсмэл бүтээл.

7.1.10. Invention;

7.1.11. Compilations, references, literary albums, data and other database compositions of intellectual property created as a result of creative work, such as selecting and placing their materials;

7.1.12. Derivative works based on the works of the alphabet.

8 дугаар зүйл. Зохиогчийн эрхээр үл хамгаалах бүтээл

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- 8.1. Дараахь бүтээлийг зохиогчийн эрхээр хамгаалахгүй:
- 8.1.1. хууль тогтоомж, эрх зүйн бусад акт;
 - 8.1.2. захиргааны шийдвэр болон хуулийн этгээд, байгууллагын албан баримт бичиг;
 - 8.1.3. шүүхийн шийдвэр, тогтоол, шүүгчийн захирамж болон бусад баримт бичиг, шүүх хуралдаан дээр хэлсэн үг;

Article 8. Non-copyrighted works

- 8.1. The following works shall not be protected by copyright:
- 8.1.1. to the legislation and other legal acts;
 - 8.1.2. Administrative decision and official documents of legal entity and organization;
 - 8.1.3. the court decision, resolution, judge's order and other documents and court hearings;
- 8.1.4. энэ хуулийн 8.1.1-8.1.3-т заасан баримт бичгийн орчуулга;
- 8.1.5. төрийн бэлгэ тэмдэг, туг, далбаа, шагнал, одон, тэмдэг;
- 8.1.6. болсон үйл явдал, түүний үр дагавар болон тоо баримт бүхий сонордуулгын шинжтэй аливаа мэдээ, мэдээлэл;
- 8.1.7. ардын урлагийн бүтээл, үндэсний зан заншил;
- 8.1.8. аливаа санаа, үйл ажиллагааны арга, үйл ажиллагаа, шинжлэх ухааны нээлт, математикийн үзэл баримтлал.
- 8.1.4. Translation of the documents specified in 8.1.1-8.1.3 of this law;
- The emblem, the flag, the flag, the prize, the order, the mark;
- 8.1.6. Information and information of the event, its consequences, and data that has information;
- 8.1.7. Literary works, national customs;
- 8.1.8. Ideas, activities, activities, scientific discoveries and mathematical concepts.
- 9.5. Зохиогч хүсвэл өөрийн бүтээл, түүнтэй холбоотой бүтээл ашиглах онцгой эрхийг бусдад шилжүүлэх гэрээ, хэлцлийг оюуны өмчийн асуудал эрхэлсэн төрийн захиргааны байгууллагад сайн дурын үндсэн дээр бүртгүүлж болно.
 - 9.5. The author may, on the voluntary basis, submit to the state administrative authority in charge of intellectual property matters the agreements and arrangements for transferring the exclusive rights of his creation to his creations and related works.
 - 12 дугаар зүйл. Бүтээл ашиглах онцгой эрх
 - Article 12. Privilege to use creation
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- 12.1.Зохиогч нь өөрийн бүтээлийг бүхий л арга, хэлбэрээр ашиглах онцгой эрх эдэлнэ.
 - 12.1. The author shall have the exclusive right to use his work in every way and form.
 - 12.2.Зохиогчийн бүтээл ашиглах онцгой эрхэд зохиогч дараахь үйл ажиллагааг зөвшөөрөх болон хориглох онцгой эрхийг хамааруулна:
 - 12.2. In the exclusive rights of inventors to use inventions, the author shall have the exclusive right to authorise and prohibit the following activities:
 - 12.2.1.бүтээлийг хуулбарлах; 12.2.2.бүтээлийг нийтлэх; 12.2.3.бүтээлийг нийтэд түгээх; 12.2.4.үүсмэл бүтээл болгон өөрчлөх; 12.2.5.түрээсээр ашиглуулах.
 - 12.2.1. Copying the work; 12.2.2. Publishing of works 12.2.3. Disseminate the work to the public; 12.2.4. To change to artificial creation; 12.2.5.
 - 12.3.Энэ хуулийн 12.1 дэх хэсэгт заасан эрхийг зөвхөн зохиогчийн зөвшөөрлөөр, гэрээний үндсэн дээр бусад этгээдэд шилжүүлнэ.
 - 12.3. The rights specified in Article 12.1 of this Law shall be transferred to the other person upon the author's permission and on the basis of a contract.

- [13 дугаар зүйл. Зохиогчийн эрхийн хугацаа](#)
- [Article 13. Copyright term](#)

- 13.1.Тодорхой бүтээлийн хувьд эдлэх зохиогчийн эрхийг хамгаалах хугацааг уг бүтээлийг туурвисан өдрөөс эхлэн тооцно.
 - 13.1. The period of protection for copyrighted work shall be calculated from the date of creation of the work.
 - 13.2.Зохиогчийн бүтээл ашиглах онцгой эрх нь зохиогчийн насан туршид болон нас барснаас хойш 50 жилийн хугацаанд хүчин төгөлдөр байна.
 - 13.2.The exclusive author's right is valid for a lifetime of the creator and 50 years after passing
 - 13.4.Зохиогч бүтээлээ зохиомол, нууц нэрээр буюу нэргүйгээр нийтэлсэн тохиолдолд уг зохиогчийн бүтээл ашиглах онцгой эрх нь бүтээлийг анх нийтэлсний дараа жилийн 1 дүгээр сарын 1- нээс эхлэн 75 жилийн хугацаанд хүчин төгөлдөр байна.
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- 13.4. In the case of author publish their creation unnamed, the exclusive author's right shall be valid for 75 years from 1 January of the year following the publication of the work.
 - 19.1. Зохиогчийн эрхэд хамаарах эрхийг энэ хуулийн дагуу дараахь этгээд эдэлнэ:
 - 19.1. The following mentioned shall be entitled to the author's rights exercised in accordance with this law:
 - 19.1.1. Монгол Улсын нутаг дэвсгэрт тоглолтоо хийсэн, нэвтрүүлсэн, тоглолтын анхны бичлэгээ хийсэн уран бүтээлч;
 - 19.1.1. The artist who made his or her own concert, broadcasted, and an artist who made the original copy of the recording in the territory of Mongolia;
 - 19.1.2. Монгол Улсын нутаг дэвсгэрт анх бичлэг хийсэн, нийтэлсэн фонограммын хувьд түүнийг бүтээгч;
 - 19.1.2. The creator who originally recorded and published the backing tracks / phonograph in the territory of Mongolia;
 - 19.1.3. Монгол Улсын нутаг дэвсгэрт байрладаг дамжуулагчаас дамжуулсан нэвтрүүлгийн хувьд тус улсын нутаг дэвсгэрт байрладаг радио, телевизийн төв байгууллага;
 - 19.1.3. Radio and television broadcasting organisation that originally broadcasted in the territory of Mongolia and their head office;
 - 19.1.4. Монгол Улсын олон улсын гэрээнд нэгдэн орсон бусад улсын иргэн, хуулийн этгээд.
 - 19.1.4. Citizens and law of other States party to the international treaties to which Mongolia is a part of.
 - 19.2. Зохиогчийн эрхэд хамаарах эрх эзэмшигч энэ бүлэгт заасан эрхийг эх бүтээлийн зохиогчийн эрхийг хөндөхгүйгээр эдэлнэ.
 - 19.2. The owner of the right to a copyright shall enjoy the rights provided by this Chapter without prejudice to the copyright of the original work.
 - [*20 дугаар зүйл. Уран бүтээлчийн эрх*](#)
 - [*Article 20. Right of artist*](#)
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- 20.1. Уран бүтээлч нь өөрийн тоглолт, уран бүтээлийн хувьд дараахь үйл ажиллагааг зөвшөөрөх болон хориглох онцгой эрхтэй:
 - 20.1. An artist shall have the exclusive right to authorise or prohibit the following activities in his or her performances and creation of his or her work:
 - 20.1.1. тоглолт нь өмнө нэвтрүүлснээс бусад өөрийн бичлэгт ороогүй тоглолтыг нийтэд үзүүлэх нэвтрүүлэх, дамжуулах;
 - 20.1.1. the introduction and transmission of the performances not included in the record other than before;
 - 20.1.2. Тоглолтонд бичлэг хийлгэх;
 - 20.1.2. Record his or her performance and concert
 - 20.1.3. тоглолтын дуу, дүрс бичлэгийг хуулбарлах;
 - 20.1.3. copying the sound and video of his or her performance;
 - 20.1.4. фонограммд буулгасан тоглолтын эх хувь болон хуулбарыг худалдах, эрх шилжүүлэх замаар нийтэд түгээх;
 - 20.1.4. To distribute or sell copies of the original recording of the performance without the consent of the artist to the public;
 - 20.1.5. тоглолтын бичлэгийг түрээслүүлэх;
 - 20.1.5. lease the recording of the performance;
 - 20.1.6. онцгой эрхээ бусдад гэрээгээр шилжүүлэх.
 - 20.1.6. Transfer exclusive rights to others by contract.
 - 20.2. Уран бүтээлч нь тоглолтын хувьд тоглолтын гүйцэтгэгч гэж нэрлүүлэхийг шаардах, нэр хүндэд нь хохирол учруулахуйцаар өөрчлөх, гажуудуулахыг хориглох эдийн баялгийн эрх эдэлнэ.
 - 20.2. The artist shall have the right to demand to be named as an executive of the performance to properly suite for the performance and to have the right to non-discretionary right to prohibit to change or distort the performance that could affect performer's reputation.
 - 20.3. Уран бүтээлчийн тоглолтын эрхийг хамгаалах хугацаа нь тоглолт болсон болон бичлэг хийгдсэн хугацаанаас хойш 50 жилийн хугацаанд хүчин төгөлдөр байна.
 - 20.3. The period of protection of the rights of the Artist shall be valid for 50 years from the date of the recording and the performance.
 - (МОНГОЛ УЛСЫН ХУУЛЬ 2006)
 - (LAW OF MONGOLIA 2006)
-

Profit and Loss Statement “Togluul”

PROFIT	YEAR ONE	YEAR TWO	YEAR THREE
Subscribers	10K	100K	500K
Price of subscription	₮1000	₮1000	₮1650
SALES	₮120M	₮100M	₮825M
CONVERSION IN BRP	£36,363.64	£363,636.36	£3M

BUSINESS EXPENDITURE	YEAR ONE	YEAR TWO	YEAR THREE	TOTAL
App Platform development	£150K	£50K	£50K	£250K
Office hire	£9,5K	£9,5K	£9,5K	£28.5K
Office Equipments and stationary	£3K			£3K
Staff salary (admin in Mongolia)	£5,040	£5,540	£6,040	£16,62K
Marketing Media Marketing	£48K	£48K	£48K	£144K
Social Networking Marketing	£10K	£10K	£10K	£30K
Total expenditure	£225.54K	£123.04K	£123.54K	£472.12K

	YEAR ONE	YEAR TWO	YEAR THREE	TOTAL EBIT
earnings before interest and taxes	£36,364	£363,636	£3M	£3.4M
TAX 10%	£3,636	£36,363	£300K	£340K
Earning after tax	£32,728	£327,273	£2.7M	£3.06M

CASH FLOW	Q1
INVESTORS FUNDING	£500K
CASH FLOW YEAR ONE	£32,728
OPERATIONAL	£225.54K
CASH END OF YEAR ONE	£307.188K

- *How to attract artists to sign with the service and why it will work?*

- As there are no Streaming Services laws and regulations in Mongolia, the best way to attract artists, composers and music producers to sign up for the services is to offer bespoke promotional package deals that could be beneficial for local artists' needs. Mongolian artists spend tens and thousands of tugriks to promote their music and one of the ways to offer an attractive deal is to promote their music through the company's social networking sites marketing campaign and youtube channel.
- Elik Music limited is aiming to help these artists to reach more fans than ever and offer to distribute their music to different western digital music platforms for free.
- Mongolian artists, producers and musicians make their music mostly from live, tour performances. Pop concert tickets cost between ₮20K to ₮160K MGT equivalent of £5.95 to £47.64 depending on the popularity of the artist. The most famous concert venue is "Mongolian Central Palace". It is one of Ulaanbaatar's leading concert venues, and hosts range of folk, rock, pop concerts all year around since 1987. The maximum capacity is 1325, all seated and a potential average earning from a show is £39,750 which would be divided between artists and musicians participated.
- (Guide 2018)

Team structure

Team leader: Temuulen Khorloo

Admin and Reception staff: Mongolian speaking admin assistant to answer enquiries and deal with the local artists.

Marketing:

Overall Marketing plan:

Three years / Marketing Campaign to implement streaming services in Mongolia:

Allocated budget £30000 marketing campaign for Social Networking sites:
Mongolian Music Industry Gap and The Solution:

The marketing forefront strategy would be to encourage the artists and fans to support in implementing this new App in Mongolian Music Industry.

What other main competitors streaming services and Apps lacking in Mongolia:

Although iTunes, Spotify, Amazon streaming giants are very successful globally when it comes to Mongolia it lacks lean business model implementation. Mongolian music fans are looking to stream Mongolian music which unfortunately lack in these streaming giants' music libraries. Moreover, there is no bespoke deals for the local artists as the streaming royalties will not mount much as the most of the artists streamed few hundreds to thousands times per year on these streaming platforms.

What demography can the App appeal?

Can reach a wide range of fans from 11-year-olds to people in their 50-s.
The company is aiming to reach wide range of people by designing bespoke packages and introducing different pricing strategies such are:

- Student discount,
- Family discount
- Sport's enthusiasts etc...

Marketing Campaign:

One of the most advanced and effective proven marketing method is programmatic marketing.

(Lori Fisher) 2017

Following are the traditional marketing models used before the digital marketing:

4C's marketing model:

Content

Conduit

Consumption

Convergence:

marketing model is shown to be more efficient compared with

Typical 4P's marketing model:

Product

Place

Promotion

Price
marketing model.
The entertainment marketing revolution

(Anastasia) 2015

What is Programmatic Marketing:

"The intelligent algorithmic software system learns the market development, its gaps and competitors over time, the digital database guided marketing decisions made more and more from ongoing ad inventories."

As the traditional promotional and marketing ways changing alongside technological advancement, the company is going to strategise their marketing plan based on programmatic marketing. What makes programmatic marketing most effective compared to the other traditional and new ways of marketing is as the artificial intelligent software learns most effective demographics, location and the marketing models, it narrows down to more niche marketing. It can target age, gender, musical taste and the users' habits based on their likes and dislikes plus which marketing method was the most effective regarding to the clicks and active users. This marketing method has reportedly increased by 26% in the United Kingdom alone in 2017.

(Colm Hebblethwaite) 2017

According to Marketing Tech:

“By the end of the year, advertisers will have spent an estimated £3.39 billion on programmatic trading. This is a 23.5% rise from the year before. Programmatic spend now equates to 79% of all UK digital ad spend.

eMarketer predicts that this proportion will continue rising to 84% by 2019.

Mobile is still the main force driving the growth of programmatic in the UK, currently making up 78% of the total 2017 programmatic display ad spending. This growth, however, is balanced by the continuing decline for the desktop. 22% of programmatic spend went to desktop in 2017 (around £743 million), with a predicted fall to 13.5%, or £609 million, in 2019.”

(Colm Hebblethwaite) 2017

Visually appealing banner-ads:

According to (Alla Bogdan) 2016 the most clicked and viewed ads on Facebook was visually appealing banner ads. Based on this statistics the company is planning to create visual banner ads and short video ads to promote the App. This kind of video ads can penetrate to the viewer's short-term memory threshold, hold the viewers attention for more than 30 seconds to convert these viewers to subscribers.

And on Instagram statistically, multi-picture layered ads are proven to be most effective. Users would click through the pics as they read the storylines.
(Alla Bogdan) 2016

Facebook Advertising Principle:

Here the Facebook ads model explained in depth. How the abbreviations stand and what the model designs do?

- "CPC (cost-per-click):
30 to 146 clicks per £5-00
- CPM (cost-per-mille)/ Cost Per Impression is to pay to reach for 1000 users
- CPA (cost-per-action): It is a tool to track how much a marketer spend to convert a user to an interactive user. (especially suitable to track artist and fan interaction)
- CPL (cost-per-like): Is to measure how much a marketer spend to convert a clicker to become a page subscriber on Facebook

More powerful analytics to take into count are:

One of the most premiere analytics is the Cost Per Customer:

It is the cost of converting a subscriber into a Super-active subscriber that buys concert tickets, downloadable digital albums and singles and merchandised items from the App. That also can be used to measure the amount to convert one into a Super-fan.

It is important to track the CPA calculation at all times after running the marketing campaign. It tracks the user's actions, if a user bought an album or track it convert these users calculations into Cost Per Customer from Cost Per Action. A marketer can adjust their variation equations as to what actions could be calculated as a Customer such are buying merchandise, downloading albums, streaming etc...

-
- $CPA \times (\text{Number of Leads resulting in Buys} / \text{Total Number of Leads})$

To work out how much the ad campaign is generating the company need to work out an average value for turning a CPC into CPA, turning clicker into a subscriber.

- Average Value Per Customer (AVC):

Once the subscription has taken place a company is going to calculate a value of a subscriber by dividing the total revenue to the number of subscribers.

Wishpond (2018)

The Marketing Campaign will run on the following social networking websites:

Facebook
Youtube
Twitter
Instagram
Google +
LinkedIn
Vimeo

Mostly targeting Facebook and Youtube:

The Marketing campaign will be focusing on Facebook and Youtube as the most music lovers are discovering new music from these sites no matter the country or the location. Those two sites have gained global popularity where users around the globe surfing and discovering music every day. (Nick Douglas 2018)

On Facebook, thanks to its "Pixel" tool in the Ad's Manager, a marketer can target fans by choosing similar genres the user's liked. Moreover, can run "Groups" marketing targeting people in a specific type of groups or "Perception marketing" to target people on their views and opinions.

Another essential tool to use in the marketing campaigns is the "Pixel" tool as it reveals demographical information to target a specific age, gender and more. (Facebook 2018)

Market Analysis:

Some Facebook Demographics:

"A few things to note about Facebook:

- 1.65 billion monthly users (as of March 2016)
- More than 1.09 billion people use Facebook daily (as of March 2016)
- 989 million mobile daily active users (as of March 2016)
- 1.51 billion mobile monthly active users (as of March 2016)
- 84.2% of daily active users are outside the US and Canada (as of March 2016)
- 71 per cent of American adults with access to the internet use Facebook."

(Dara Fontein) 2016

Marketing Campaign Aims:

Generate:

8000 reaching international fans.

3 million new likes on the Facebook page

1 million subscribers for "Togluul"

5 million subscribers on the Youtube channel

The overall marketing budget for Multimedia marketing:

Expenditure:

£5 ad campaign X 360 days = £1825 x 3 years = £5475

A video Ad making in Mongolia long and short version = £4995

Running weekly 30-second video ad on Facebook = £100 = £400 monthly = £4800 yearly = £14400

The total cost of social networking site marketing campaign = £24870

Facebook marketing conversion rate explained in detail.

Only paid Ad campaign will target Facebook.

The tool company chosen to use to market is CPM marketing model. It promises to reach 1000 people per campaign, and the price will depend on the location and some other factors like the size of the campaign. By using daily £5 ad campaign could potentially reach 22M people. CPA will vary depending on the country and some other circumstances.

By only calculating 1 per cent of those, the ad campaign could attract potential 22K ad viewers from the Facebook ad daily and 1 per cent of that to convert to subscribers could be 22 new subscribers daily. So potentially this could be very successful. This calculation only based on the banner ads and the lowest percentage of conversion rate. However, the result can be a lot better. The company is promising to reach 100K subscribers the first year and 500K the second and 1M by the third year from all the marketing campaigns.

Another known most successful promotional method in Mongolia is the Television advertisement. Especially to attract potential subscribers from the different parts of the country, it is essential to use TV Ads. Mongolians still use Television as the primary source of daily entertainment.

Marketing timeline:

"Adoption Cycle"

To gain 100K subscribers / Year One.

Month 1 to 3:

Daily banner ads are targeting potential subscribers in Mongolia.

The ad will be designed with "Togluul" logo and then click to take the users to the "Togluul" website where users to choose from "Artist" and "Subscriber" options.

The ad will run with the permissions marketing model; the first-month subscription will be offered to the subscribers for free. Also, a link to download the App to their mobile devices.

- Build a Facebook page for the App in Korean, Chinese, Russian and Mongolian languages to target fans from East and Eastern Europe.
 - Start operating Youtube channel.
 - Create and broadcast video Ad through the channel.
 - Start to upload video clips of Mongolian Artists linked to the channel to attract potential subscribers.
 - Under every video posted attach the link for the App and the Streaming website.
 - Post other Asian artists' videos to gain more western and eastern subscribers to the channel. Especially K-pop videos.
-

Month 3 to 6:

- On top of continuing previous month's marketing:
- Daily banner Ad and a weekly video ad on Facebook.
- A short video ad of a subscriber using the App. The plot goes as the user is searching a song on the App and immediately streaming it on their phone tick the save button and listening to it as they walk on. Being able to use the App's save and listen function on the go without using subscriber's internet usage would be the primary function that would attract the user to the App. Also, run the same video Ad on Youtube and encourage users to subscribe to the Youtube channel.
- Run this same Ad campaign on Primetime Television during the weekend.

Month 6 to 12:

On top of continuing with the previous month's campaigns:

- Contact some bloggers to encourage them to write an article, reviews about the App and the Channel
- Contact local newspapers, journals and online journals and news sites to write an article or a review of the App and the Channel.

Year 2 and 3:

Continue above marketing campaigns and make adjustments and improvements to produce better results.

Critical evaluation:

From the above marketing campaign plan, it noted that the best and most effective marketing campaign could be one that learns and uses both old and new marketing methods combined. In this technologically booming era, programmable marketing is the forefront runner for this marketing front. In this day and age marketing spectrum, the most winning marketing campaign is the one that executed the most pinpointed marketing campaign but not the one who spends the most money. Accurate targeting, the comprehensive and pinpointed programmable marketing campaign is essential and is the one that would bring victory in one's business venture.

Conclusion and critical evaluation:

“What makes streaming services better than the rest of the music distribution services is the sheer number of tracks the library can offer to the listeners on demand without having to purchase the tracks individually and without using their device’s storage spaces and the ability to listen music on demand without the internet connection.”

Through writing this proposal and in the process of the research it demonstrated the market gap within Mongolian music industry in comparison to the western music industry and also revealed similarities with some Asian and Eastern European music industry. And what steps could be taken to improve infrastructure of these country’s music industry, to bring it up to the western music industry's operating level.

Why Streaming Services would be a positive step for this process, a way to move forward and what it would contribute to the Mongolian and some of the other Asian and eastern European countries music scenes. From the research conducted and highlighted throughout indicated that Spotify's Streaming Service became the main music consuming platform in the western music industry, a natural evolving process for the global music industry to move forward in this digital technological era. By having thousands of music tracks under one's fingertips without having to download it, or have it physically collected, made it much simpler to fans to listen and stream and enjoy their favourite music extensively from old and to the new music instantly on demand. It provided opportunities like never before to both artists and fans. Fans could enjoy all their favourite music from their forgotten favourite songs to the latest hits by merely searching it and stream it within seconds and as for the artists, reach their fans with their new music creations instantly. Social networking platforms have provided an opportunity for artists to communicate and reach their fans in a more intimate level, from sharing and blogging their everyday life to their professional endeavours. This process enabled instant and close connections between fans and artists. Besides, it gave more artistic control to artists, gave them a chance to work more individually.

Furthermore, it generated more revenue to the declining and depreciated music industry. It brought a new wave of hope, a future pathway that is fitting and more suitable with this technologically advancing music industry. With the compact home music studios, producers, artists, composers are creating more music than ever before without having to hire expensive studios and instrumentals and equipments. Streaming services allow artists to release their music, reach their fans without having to sign away their music rights and creative control to the record labels or spend big capitals for expansive promotional videos, posters and broadcasting advertisements.

The vast difference between the music industries of west and east, the traditional ways it runs in the countries like Mongolia and some other parts of Asia and Eastern European countries' music industries does not run like a western industry where everything is controlled by the Major record labels that gave our company more opportunity to implement lean streaming services. Typically, in the west artists sign up with the record labels to start working on their albums, creating their music and signing away their music copyrights to the Major Record Labels. In Mongolia, artists

compose and produce their albums entirely self-sufficiently and therefore own all the royalty rights of their music and that is why implementing streaming services to this part of the world will be less challenging in some ways but complicated in another. The significant artists usually are leading the way and own the most streamed music rights. Considering these unique ways of the Mongolian music industry the company is planning to attract artists by introducing bespoke package deals that are suitable for the artist of these countries. The artists of the east always wanted to have an opportunity to get recognition in the western music scene for both creative collaborations and gain more fans to be able to create performance opportunities. The company is aiming to create a custom designed a programmatic marketing strategy to promote Mongolian and eastern artists to the west. As most of the artists are not represented by management, the company is looking ways to provide some management services such as promoting their music online, offering them digital distribution to the most popular western digital distribution platforms, connecting with the fans and organising live performance opportunities in the future.

Strategically planning to run programmatic marketing that is specially designed to reach western fans who like eastern music, gain more music fans through marketing social networking sites cost-effectively and through promoting music videos on Youtube and Vimeo.

Programmatic marketing is proven to be one of the most effective marketing models to reach and target fans who are most likely to be interested in eastern pop and folk music based on their likes on the Facebook interaction history. Artificial intelligent algorithmic programmatic marketing software tools studies and finds the most effective ways to reach genre-specific fans globally and produce better results as the marketer expand their promotion specifics. With the rise of the K-Pop, the Asian music fanbase expansion in the recent years been unforeseen and as a result, the western music fans are interested to discover more Eastern pop music. Mongolia is one of the countries that hold long-running rich musical traditions for centuries that is well written in the history books and mentioned in the foreign scripts. Therefore people are traditionally love singing and listening to music. There is a sizeable amount of recorded music in Mongolian Music fund both traditional and modern music genres, and the company is working towards to making it available to the fans through the App. Having this music available within the App on their mobile devices mean a great deal to both music lovers and the artists in the country. There are no immediate ways artists to reach their fans, and the only way is through broadcasting media, Radio and Television stations which are scheduled programs. Music broadcasting is not going to be adequate for modern music fans as the fans will not be able to listen to their music on demand. It is only available during the broadcast and is not saved to listen later. In Mongolia only way the artists to reach their fans is through these media channels and is extremely limited. The artists wish to reach the fans in all parts of the world and within the country with their music, and this platform will help to provide this opportunity. Also, that is why the artists and the fans will subscribe and support to implement this new technology.

Some Mongolian, Asian and Eastern European artists, are signed up with Spotify, but the number of fans reached is questionable due to the lack of popularity, size of the music library and bespoke fitting model for the region's music industry and artist's demands. In addition, Spotify's

subscription prices are too pricey for an average consumer in Mongolia and in the many parts of these regions.

Major record labels mostly own the music created by the artists in the west and through music licensing organisations royalties are paid, and laws and regulations enforced. Even in the western music industry PRS, PPL music licensing societies still got lot to do to get the music royalties divided correctly and fairly. According to the PRS and PPL royalty distribution system, the most highly paid artists royalty percentage calculated by the rate of which artist most played on BBC One radio station. It shows even in the west the royalty society could be improved and there is a lot yet to be done in this sector of the Global Music Industry.

Since streaming services not widely spread in Mongolia and some Asian and Eastern European countries, there are no laws and regulations regarding "stream per song" royalty percentage and digital platforms introduce their set rates.

Another company's strength is the CEO Temuulen Khorloo. She is a Mongolian born and raised British singer, producer and entrepreneur. She was born in Ulaanbaatar, Mongolia. She started singing since she was 12 years old in the 90s popular pop band Uргу as a solo singer. Her career now extends over 30 years, and she gained extensive knowledge about the music industry in the west and east. She has been living in London, the United Kingdom since 1994 and during this time she closely followed Mongolian music industry and learned a great deal about British Music Industry. She has two Bachelors' degrees graduated both Mongolia and Britain. She graduated with bachelor's degree in Mongolia majoring in Music Teaching in 1992 when she was only 20 years old and recently got her second bachelor's degree in Music Production in London, the United Kingdom in 2017. Currently, she is studying to get her master's degree in Music Industry Entrepreneurship majoring in music business.

The company's long-term vision for "Togluul" is to expand the App to the neighbouring countries and Asian music scene. Mongol race expands to Russia and China, in Russia most eastern part of Russia regions such are Buryatia, Kazakhstan, Tuva, Kalmykia and in China Inner Mongolia. In these parts, people still, speak in Mongolian and listen to Mongolian music, and the company foresees that the App will naturally expand to these parts. In the eastern part of Russia 110 million people live and in Inner Mongolia, 24.7 million people live. It is a huge market to expand. Many famous Mongolian singers have gained popularity in these parts, and it would be a driving force to get users from these parts. Elik Music limited is going to target bespoke marketing plans to these parts of the world.

Elik Music Ltd founded in London, United Kingdom in 2017. The company's main aim is to promote Asian music to the West and West to the East. Which is why Elik Music Limited has chosen to develop this project which tailors to the company's central vision.

Research:

Because of the lack of information about the Mongolian music industry mostly primary research is being conducted by contacting people directly and asking. In the file included copy of some emails exchanged and an original copy of Mongolian Intelligent Property copyrights law.

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