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Masters Business Project

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Chhina's World Business Plan



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1.0 Introduction

This document represents a proposed business idea for *Chhina's World*¹, a Blockchain² powered interactive digital social space oriented around music, fashion, and gaming. The document will put forward a business plan, an operational plan, and Marketing plan. In addition it will also include a reflective analysis, providing further information on the thinking and approach behind the business idea. The objective of this document and exercise is to inform potential investors about the business idea and project, and to secure funding from an interested investor(s) in order to move forward and execute on the presented plan.

Before reviewing the business plan there are some terms that will be used that need to be defined or explained so that the reader can fully understand the technology surrounding *Chhina's World*. The world will be built and powered by *Solana*³. According to Investopedia (2022), launched in 2020 by Anatoly Yakovenko, Solana is a public Blockchain with Smart Contract⁴ functionality. Building the world on a Blockchain allows for integration of an ingame economy using Solana Coin, NFTs⁵ and Smart Contracts. Furthermore, user data will also be stored on a decentralised cloud file system using the RIFT Protocol⁶. According to IL Coin (2022), using the RIFT Protocol will allow the

¹ <https://chhinasworld.com>

² A blockchain is a decentralised ledger that records all transactions in a peer-to-peer network. Participants can confirm transactions without the requirement for a central clearing authority using this technology. Among the numerous potential uses are financial transfers, trade settlement, and voting (PwC 2022).

³ Solana is a high-performance blockchain supporting builders around the world creating crypto apps that scale today (Solana 2022).

⁴ Smart contracts are programs stored on a blockchain that run when predetermined conditions are met (IBM 2022).

⁵ NFTs are one of a kind digital collectibles that can be purchased, sold, or traded using Cryptocurrency on a digital marketplace (Forbes 2022)

⁶ RIFT is a multi-layered solution with a potentially unlimited network size and high security for data protection (IL Coin 2022).



project to store large amounts of user data in a secure decentralised Blockchain without having to rely on expensive and limiting cloud servers, while still using standard computing power.

Forbes (2022) says that NFTs are one of a kind digital collectibles that can be purchased, sold, or traded using Cryptocurrency on a digital marketplace. They can be artwork, audio, 3D graphics, and videos. Amazon's AWS startup blog (2021) states that when an artist "mints" an NFT (the process of creating an NFT), it is uploaded onto a Blockchain. NFT blog, *NFT NOW* (2022) says there are various Blockchains that support NFTs, however the most popular are Solana and Ethereum⁷. It is then assigned a distinct key which makes it unique, "creating digital scarcity". Finance company PwC (2022) describes a Blockchain as a decentralised public ledger that records transactions. These NFTs are often sold to the buyer directly, bypassing any middle agents and thereby resulting in more revenue going to the artist (after the platform takes their percentage). According to analytics done by Forbes Magazine (2022) NFTs are sold on various digital marketplaces and in 2021 alone, the NFT market was worth \$41billion USD. In Q1 2022 Chhina released two packs of NFTs and music online. These projects were titled *CHHINAPACK*. The marketplace used for Chhina's *CHHINAPACK* NFTs is called *Opensea.io*, however the goal of this project is to have full integration of our own marketplace rather than selling through an existing one.

The 3D and art for the game will be made with *Unreal Engine 5* (2022), the same software that was made to use top selling games like *Fortnite*, *Gears of War*, and more. There is a dedicated visual team to work on this element of the project, and will be explained further in the document. The sound team will use Audiokinetic's *Wwise* as the sound engine because according to their site (2022), it allows players to speak to each other in game via headsets. It also runs via C++, a standard coding language that is accessible to almost all coders.

⁷ Ethereum is a Blockchain platform for digital currency, worldwide payments, and applications. The community has established a prosperous digital economy (Ethereum 2022).



2.0 Business Plan

2.1 Executive summary

Chhina's World provides everyone an equal opportunity to join and participate in the online digital community that is membership based. This community connects artists and their fans directly. Chhina's World would like to grow membership to 5000 in year 1, 10,000 in year 2 and 25,000 in year 3. This growth is expected to generate \$11,000,000 USD of revenue (see section 2.7 Financial Summary) by the 3rd year based on the sale of the actual subscriptions required to attend events, the sale of in game items, the resale of in game items (royalty payments), sale of the service to artists, and sale of advertising spots in the world to sponsors.

Chhina's World LLC is a Blockchain powered interactive digital social space oriented around music, fashion, and gaming. Started by the Toronto native, London based musician named Chhina, the company has been undergoing development since the beginning of 2022.

Chhina's World creates a unique and personalised, multi-layered digital experience for musicians and fans alike, further developing a stronger connection between the two. This business idea was initially started as a marketing scheme for Chhina's music through his Master's project at the University of the West of Scotland.



2.1.1 Products and Services

Products and Services for Artists:

- ☐ Full virtual event space with bespoke design, animation, and execution
 - ☐ Including NFT Merchandise Design
 - ☐ Character Design
 - ☐ Selling Services
 - ☐ Fan Data Collection / Management
 - ☐ Marketing
- ☐ Tiered packages varying in event complexity and scale
- ☐ 1 off event or multiple event contract

Products and Services for Fans:

- ☐ Subscription services to use Chhina's World
- ☐ Tiered benefits based on player level / number of NFTs held
 - ☐ Benefits include but not limited to:
 - ☐ Discount on merchandise
 - ☐ Beta testing
 - ☐ Early release music (if artist opts in)
 - ☐ Exclusive content from artist (if artist opts in)
- ☐ NFT Merchandise Marketplace (buy / sell / trade)

Products and Services for Brands / Companies:

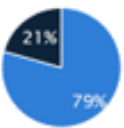
- ☐ Different levels of advertising (pricing varies on location)
- ☐ Can offer a full advertising buyout for 1 event or multiple
- ☐ Designing and integration of the advertisements
- ☐ Can design in game items / NFTs if company wishes
- ☐ Marketing

2.1.2 Financing Need

Based on overall Revenue and Expense projections, the total funding request for year 1 (2023) is \$4.75 million. The details of the financing ask can be found in section 2.7 Financial Summary. This ask includes a contingency amount of roughly 14%. (For the purposes of the paper I used a round number for the funding request).

Investors will be offered a rate of 8% interest, payable on an annual basis over a period of 5 years. Further options can be discussed in regards to equity in the company instead.

	2023	2024	2025
Revenue	\$3,900,000	\$6,100,000	\$11,398,750
Expenses	\$4,172,000	\$5,215,000	\$6,518,750
Interest on Loan	\$0	0.0	\$1,236,520
Profit/Loss	-\$272,000	\$885,000	\$3,643,480
Contingency	\$578,000		
Total Funding ask Year 1	\$4,750,000		
Assumptions:			
Profitability starting year 2 onwards			
Interest paid to investor 8% starting in year 3 and paid over 5 years (with options to pay off sooner)			
Equity can be negotiated			
Interest and principal to be paid back - using loan calculator (for illustration purposes only)			
https://www.calculator.net/loan-calculator.html			

Loan Amount	\$4750000	Results: Payment Every Year \$1,197,304.09 Total of 5 Payments \$5,986,520.44 Total Interest \$1,236,520.44 View Amortization Table
Loan Term	5 years	
	0 months	
Interest Rate	8 %	
Compound	Quarterly	
Pay Back	Every Year	
Calculate		



2.1.3 Key Teams

The Chhina's World executive team brings significant experience, drive and passion for the music industry. Led by Amar Chhina, founder and creator of Chhina's World, he has been able to attract some major players that can merge business leadership and creative ingenuity. The leadership team includes those found in section 2.8.1 Executive Leadership. They support and are supported by key divisions that include: A&R, Technology, Creatives, Sales and Marketing, Finance and Legal, as well as the Artists themselves that use the platform to build more personal connections with their fan base.

Bios of the executive leadership team and other team heads can be made available upon request.

2.2 Company Description & Overview

Chhina's World LLC is a Blockchain powered interactive digital social space oriented around music, fashion, and gaming. Started by the Toronto native, London based musician named Chhina, the company has been undergoing development since the beginning of 2022.

Company Mission:

Chhina's World creates a unique and personalised, multi-layered digital experience for musicians and fans alike, further developing a stronger connection between the two.

Company Vision:

Chhina's World is the number one choice among musicians and fans to connect in a digital community to share and experience music, fashion and gaming.



This business idea was initially started as a marketing scheme for Chhina's music through his Master's project at the University of the West of Scotland. According to Amar Chhina, in NFTs and Web3.0 - Generating More Revenue for Independent Artists Over Spotify Royalties (2022), he states that he completely rebranded using NFTs. He started including 3D elements and references to the Metaverse in his branding (as seen on the website <https://chhinasworld.com>). Chhina specifically states (2022)

"As a creative practitioner primarily in music, this project is pushing myself to do things I have never done before. From rebranding, to releasing NFTs and a website oriented around it, this masters project has allowed me to grow and expand my audience. These releases were marketed to my existing fanbase, rap music fans, gamers, and NFT / Crypto enthusiasts. This project functions as creative practice as research because I am developing creative works not only for my audiences but also for the purpose of research".

Chhina released interactive NFTs alongside his music and these NFTs were usable as player skins within Chhina's World. By releasing these, Chhina (2022) has already established products for an in-game economy using Cryptocurrency. Once the world is developed by the teams, artists can then pay to use our services to host an in-game interactive performance. Using the stage, combined with the open world interactive elements, and multiple social interactions, artists and fans are able to take part in a virtually live experience that is one of a kind. This fulfils the needs of artists, fans, and sponsors. For artists, Chhina's World is able to allow shows to go on even beyond unforeseen circumstances. Furthermore, it can also allow artists to perform in multiple places at once, allow them to sell more tickets, and also create a multi-layered experience for their fans, all while opening up another revenue stream through Cryptocurrency. Due to the fact that we are marketing this as a video game, we looked at what fans of ESports look for. In *Fulfilling the Basic Psychological Needs of Esports Fans: A Self-Determination Theory Approach*, Qian, Wang, Zhang, and Hulland (2020)



state that fans look for competence, autonomy, and relatedness. “In particular, relatedness was identified as the most salient basic psychological need dimension, suggesting that satisfying this need is critically important for esports consumption”. For fans, Chhina’s World also allows for attending shows around the world from anywhere, especially if they cannot attend an in-person event. It also allows for fans to purchase virtual merchandise that has real world value. It can be traded or sold for a value of their choice. However, our main focus is accessibility for fans who cannot attend events due to any type of disabilities. Whether it is noise sensitivity, immobility, epilepsy, our goal is ensure that every fan has the best experience for live music. According to *The Guardian* (2021), “Performers and audiences who are clinically extremely vulnerable (CEV) are being shut out of the arts due to a lack of ongoing safety provisions...those who are clinically vulnerable, who number around 3.7m or 6.7% of the British population, are still waiting for their freedom day”. Lastly, for brands who pay venues to include sponsorship advertisements in shows, we are providing an all new platform and digital space to do that. For real life stadiums, getting sponsorship naming deals for venues allows teams to earn revenue yearly just by selling a naming right to a company. According to Football Benchmark (2020) “EPL giants Manchester City earn an annual EUR 17.1m from UAE airline Etihad for their stadium naming rights”. Since we are providing the same opportunities to brands, we expect to generate large amounts of revenue from this market.

2.3 Industry / Competitor Analysis

According to *NFTs and Web3.0 - Generating More Revenue for Independent Artists Over Spotify Royalties* by Amar Chhina (2022), major music related companies have recently been partnering with companies that are involved in NFTs. (Roblox 2022) *Roblox*, a popular online computer game that has been part of the metaverse discussion, partnered with Spotify in May 2022 to create *Spotify Island*. (Spotify 2022) Spotify’s official description on their website mentions that players can interact with other players, artists, activities, and earn exclusive rewards for their characters.



Furthermore, popular illegal music downloading site (*Limewire* 2022) has returned as a Music NFT Marketplace and struck a deal with Universal Music. Artists like SouljaBoy, Travis Barker, and Aitch are all endorsing the launch. Furthermore according to (Music Business News Worldwide 2022) Warner Music is launching an NFT collection with Bose and Pharell Williams has launched his own NFT platform as well. In July 2022 (Music Business News Worldwide 2022) Universal Music launched a Web3.0 record label with a virtual band called *Kingship*. They launched 5000 NFTs and sold out for a total profit of \$1.43M. All of this has happened just in 2022 and the year is not over yet. However these specific projects are only NFT related, there are not many that include virtual concerts on an independent platform. As of 2022, Twitter (2022) has also started to use NFT integration for user profile pictures. This shows that all areas are seeing a proliferation of NFTs.

Virtual concerts are taking place on previously built platforms like Travis Scott and Ariana Grande (2020) on *Fortnite* and The Weeknd (2022) on TikTok. All of these platforms serve another purpose and use these acts as a support for marketing rather than being fully artist driven. That being said, even when the platform is not fully artist driven, it can prove to be successful. Travis Scott's virtual concert on *Fortnite* is a good example of this. Fans were able to virtually be at the concert and physically interact with the world while Scott performed. According to Fortnite developer Epic Games (2020), over 27 million individual people attended this virtual concert at least twice - amounting to 45.8 million viewers. NME (2020) says Scott sold in-game items earning him almost \$20M. If Chhina's World was able to do this regularly along with income generated from an in-game economy that does not just include one-off sales then we would have a competitive edge. These other platforms do not support the resale or trade of in-game items. Tying droit de suite⁸ payments or creator royalties to each item allows the company and the artist to further generate perpetual revenue for every resale of an item. The next page will explain the opportunities for this particular business.

⁸ Payment that can be collected for the resale of art based on authorship



2.4 Business Opportunity

Live music has always been a major part of the industry. In the paper *The Economy of Live Music in the Digital Age* (2010), Holt says “live music has become a major domain and structuring force in the economy of music”. It is also what keeps the wheels turning at any indie or major label. According to Business Insider (2021), Spotify pays around \$0.003 per stream, thus independent artists’ rely on live music to drive revenue. The live music industry has seen a huge boom since 2014, growing almost \$1B per year and reaching a total yearly revenue of almost \$29B in 2019 (Statista, 2021). After the pandemic, the idea of live stream performances became more popular as artists were struggling to generate income. However due to the plethora of video content available online, fans only have so much attention, so attention becomes valuable. This puts us in an attention economy. According to Michael Goldhaber from Berkeley Economics (2020), an attention economy is based on the fact that attention is scarce because information is not. So with visual media apps like YouTube, Instagram, and Twitch, where people can view any artists’ performance that is available online, which one will they choose? During the Pandemic, many artists attempted to host live streamed concerts, but they realised that other than their die hard fans, no one wanted to watch them. Popular music blog *StereoGum* (2020) writes “what has been really, truly dispiriting is the ceaseless sequence of sanitised at-home performances thrust upon us by the world’s celebrities and major media outlets”. Virtual concerts simply do not give viewers the same experience of being in a crowd. These live streams are missing full social features, in-experience interactions, and depth to keep attention going. By creating interactive digital content driven by attention that allows each fan to have a unique experience, we aim to solve that issue. Attention is a valuable thing, so with a resurgence of live music along with an ease of access on social media, artists will be fighting for attention to get sales. With social media and digital platforms being the biggest tool of all, independent artists will be able to use it to capitalise and monetize their careers. From self made ad campaigns to online distributors, the entire landscape is changing, but live music will always outshine the value of recorded music.



Understanding the basis of live music, along with the new trend of virtual concerts will allow this business to flourish by introducing Blockchain, Economics, and a dynamic ecosystem of artist driven content that is unique to each fan. Our business's biggest opportunity comes from building custom experiences based on the artist who is using the platform. Furthermore, we have the opportunity to create a new famous venue in the world of Web3.0⁹. Similar to how certain stadiums are made famous because of a specific sports team or artist's performance, Chhina's World is trying to build that appeal for *The Citizen's Stadium*.

2.5 SWOT Analysis

In this section of the document, the strengths, weaknesses, opportunities, and threats of the business will be outlined. Everything from the fans' perspective, the artists' perspective, sponsors' perspectives, and the business itself.

2.5.1 Strengths

Selling Merchandise as NFTs allows us to create in game commodities which in turn generate revenue. However for each show, the merchandise will have limited runs meaning that once that event is over, you can no longer purchase the item directly from Chhina's World, it would have to be traded or re-sold. O'Dair (2018 p.48) states that "blockchain technology introduces digital scarcity: 'contrary to the infinitely copyable world of plenty we associate with digital media, the blockchain makes finitude and singularity possible". By creating unique NFTs artists are able to create a digitally scarce product that fans can purchase and engage with on multiple levels. Furthermore, uniqueness allows for stronger opportunities when trying to sell digital products. O'Dair (2018 p.48) says "the non-fungible aspect is key, and marks a key distinction from cryptocurrencies: while currencies have to be fungible, or mutually interchangeable,

⁹ The third iteration of the World Wide Web (Harvard Business Review 2022)



every collectible must be different". Since each one is unique, demand can increase and NFTs excel when there is demand but supply is low. This is digital scarcity. According to Vox writer Nguyen (2021) he states

"The free aspect of the internet and social media, I think, possibly depletes the stock or value of the content out there. Anything you make — even something that took you a lot of time — as soon as you put it on the internet, the price of that is basically zero because the marginal cost of reproducing it is zero. That implicitly means that nobody should pay you anything for what you created, no matter how much work it took. With this current system in mind, more scarcity could be helpful".

Revenue generated from selling NFTs alone would be extremely high if the artist is of a high calibre. As a whole, (Fortune 2022) the NFT market value exceeded \$17B in 2021. Furthermore, (Fortune 2022) also states that in 2021 "NFT traders earned over \$5.4 billion in total profit through buying and selling NFTs". By creating a world with NFTs that have utility as wearable or usable in-game items, would result in higher incentives to purchase these. Especially since players can resell or trade for specific items. Furthermore, these payments are paid out directly to the artist instantly. Compared to streaming revenue, which can take between 6-8 months to appear in an artist's account. Furthermore, Spotify's (2022) royalty rate is \$0.0033 to \$0.0054 USD per stream. That means it takes around 250 streams to generate \$1USD.

Apart from revenue via NFTs for the artist. Artists would also be making additional revenue from ticket sales as players can attend from around the world. This opens up many new opportunities for artists which will be looked at below. Our teams of developers and graphic artists will be able to create any look for the artist as well as shape the experience to what they want. This will also provide one of a kind experiences for the fans as well. Using the Wwise sound engine, fans will be able to socialise with other fans in real time just like an in-person show. Unlike physical performances, in Chhina's World, floor seats are for everyone. One of the main selling



points of Chhina's World is that each show is fully accessible to any disabilities, or other personal reasons one would not attend a live show. Using on screen settings or assists each player is able to customise their own experience to meet their needs. From colour blind settings, audio settings, custom controller mapping, descriptive audio, Chhina's World can support everyone. Players can also choose to opt in or out of voice chat and text chat for various privacy reasons.

In regards to privacy, in recent years data storage and user privacy has become more important to people as almost all of our lives are stored on some sort of device or server. *The Guardian* (2020) published an article detailing that "Mark Zuckerberg's Meta is being sued for £2.3bn in a class action lawsuit that claims 44 million Facebook users in the UK had their data exploited after signing up to the social network". Chhina's World will have transparent data policies and will be using Blockchain and RIFT Protocol to store and recall user data instead of a standard cloud database. According to Meenal Sharma from Analytics India (2020), he states that

"databases are threatened from many angles— by human error like password sharing, weak passwords, or uninformed user behaviours. The most severe threat to data security is malware. Malware can enter databases through infiltrators via phishing and therefore gain access to a credible database. It can cause severe damage to the database".

In contrast to Blockchain, Sharma (2020) states that

"data is stored in blocks in a blockchain, and all blocks are connected. Therefore, it is impossible to tamper with any block without leaving a mark. All blocks are secured cryptographically. Any user willing to access a block needs to use the key assigned to them to access it, leaving behind a digital signature. Any alteration to the block will make the signature invalid, and the blockchain will immediately know of the hack. As



blockchains are decentralised, it is impossible to make a change from a single computer”

He continues to mention that this does not mean that it can not still be hacked. It would either require a supercomputer or majority ownership of more than 51% of the blocks in a chain, which would only be a large investor. However, apart from cyber security, using the RIFT Protocol will allow us to store large amounts of data that would not be possible with a standard server.

The RIFT Protocol by IL Coin (2022) will allow us to store up to 5GB per block, compared to Bitcoins storage limit of 1MB per block. According to the RIFT Protocol public release blueprint document (2022), this does not take any more computing power than a standard blockchain. Their technology is what allows us to do this. Having a large and secure storage will allow our developers and graphics teams to store assets for individual artists in case an artist wants to repeat a show with us in the future. Furthermore, we will be able to accommodate millions of branding assets for companies, as well as store millions of user’s data in one secure location. By using this company, Chhina’s World will automatically become a stakeholder of IL Coin, diversifying our assets and also allowing us to gain a competitive advantage / increase profitability through a stake.

Chhina’s World has a dedicated finance team, however, because the company is a LLC the owners are personally protected. Furthermore, it allows us to receive funding for an exchange of shares in the company. Being an innovator on the side of entertainment, music, and gaming, Chhina’s World seems like an attractive asset to many investors in that field. According to the *Global Economic Forum* (2022), “the gaming industry is tipped to maintain its recent rapid growth, and could be worth \$321 billion by 2026”. Since Chhina’s World is a UK Based, Canadian tech startup, it is eligible for funding from both governments, allowing us to increase our capital. In the UK our main target grant would be the Cultural Development Fund through Arts Council



England (2022). This grant would give us up to £700,000 to support resource development within our total budget. This year the UK Government (2022) also launched a competition awarding £12 Million in funding to the winning tech startup in 2023. In Canada, according to Sharp Sheets (2022), Chhina's World would be eligible for the *Industrial Research Assistance Program*. This grant would provide us with \$50-500,000 depending on the makeup of our budget. We would also be eligible for numerous Arts grants as well.

2.5.2 Weaknesses

Due to the fact that the in-game economy and NFT merchandise sales will be running off the exchange of Cryptocurrency, purchase volume per event may depend on the current market value for a specific coin. The amount of revenue generated is relative to the currency's value at the time it is sold. The amount received in Crypto will always be the same, however its market value will constantly fluctuate. According to *NFTs and Web3.0 - Generating More Revenue for Independent Artists Over Spotify Royalties* by Chhina (2022) Cryptocurrency website Covesting discusses how (2018) the crypto market is affected by multiple forces. This means an artist's NFT can skyrocket in value or plummet. Writer for *Forbes Advisor*, Jain (2022), speaks about how the market has just faced a heavy crash and that will also influence the profit that I am to make from the NFTs. According to Crypto website AMB Crypto (2022), "in a weekly update by IntoTheBlock's Head of research, Lucas Outumuro, briefed on the recent downfall of the NFT marketplace. He pointed out in the study that the 'furthest assets in the risk segment are getting crushed'. Despite starting the year on a high, the NFT transaction volume has dropped spectacularly". On Cryptosite *CoinDesk*, Braun writes that (2022) during the current time where there are talks of a market wide recession, NFTs may be the missing key that could be thrown away for indie musicians.



In order for this service to be extremely useful and profitable for both the artist and the company, Chhina's World must make sure that the artist to work on has a large fanbase that is willing to attend a fully virtual show. At launch it might be difficult to bring in the right artists to work with if we do not have any sponsors. Majority of the revenue for Chhina's World will come from sponsorships, making the company reliant on one aspect. We will aim to mitigate this weakness by booking really large scale artists and sponsors for our first 5 events.

There are also weaknesses stemming from the lack of knowledge around NFTs and the Metaverse. It is a relatively new topic that the masses have not yet adopted. However, by creating this company, it is a display of one of Tschmuck's (2014 p.213) signs of creative thinking; "thinking and acting that is frequently identified is the willingness to break established norms (non-conformity)". Although when breaking norms - it often takes time for people to catch on and see the true potential of the technology.

2.5.3 Opportunities

Due to the novelty of this technology in music, Chhina's World can open up many opportunities for artists, sponsors, the industry, and the business itself. For artists, Chhina's World opens up new possibilities to establish multi-layered live music experiences for their fans, strengthening the connection between the two. With diversified content created by the Chhina's World team, along with multiple social interactions, artists are able to choose how each artist to fan interaction is during the experience. Furthermore, this virtual venue allows artists to have more attendees at shows. We would be able to synchronise virtual performances with in person tours / performances if that is what an artist wishes to do. They can work in conjunction with each other allowing in person guests to see the virtual guests on screens in a venue. This creates a feeling of transcendence by which real life is merging with virtual life. There is also an opportunity for fan inclusivity in shows as fans can now attend an



interactive show if they are not able to in real life. Whether it is due to location, disability, immobility, mental health, or things like social anxiety, Chhina's World aims to support these audiences to the fullest. If it is due to location, artists can sell tickets worldwide for. It allows the artist to perform in multiple cities simultaneously, generating multiple revenue streams. Furthermore, all money made from a virtual performance is paid out instantly, so they do not have to wait for paperwork or cheques.

For sponsors, this virtual venue offers huge opportunities for advertising and new revenue streams in regards to brand awareness and product promotion. Just like an actual area, our *Citizen Stadium* will have specific advertising placement spots that companies can purchase. Players will see this throughout the world depending on the placement and companies can also pay to add specific interactions. Furthermore, if a company wishes to partner with us for x amount of shows, we can create unique NFTs and sell them in game as a collaboration. Similar to Fortnite and Jordan Brand. Not only does this open up new opportunities for a company to engage with a whole new audience, it also opens up revenue opportunities for Chhina's World. Gaining sponsorships will be extremely vital for our financing, so we want to provide as many options and benefits for companies to partner with us and use our platform. Companies can even choose to sponsor entire events and buy out all the advertising spots for any given event. In turn making it their branded show. We will however, have to make sure the artist is willing to get involved in this partnership with the brand. Also by partnering with a company, they will advertise Chhina's World on their end, giving us opportunities to expand our user base. With a constantly expanding user base, our revenue will keep growing, allowing us to integrate more advanced technology.

Chhina's World will also provide many employment opportunities to those looking to break into the industry of gaming, music, technology, or crypto. We have numerous teams that will be expanding in the first few years. We will also be providing many internship opportunities to students or new grads looking to get their foot in the door.



2.5.4 Threats

As mentioned earlier, major music companies like *Roblox* and Spotify are now getting into NFTs and are trying to expand into the Metaverse. This can begin to open up competition. However artists are also starting to see success by doing NFTs on their own. Toronto artist (Tory Lanez 2021) released 1,000,000 NFTs and sold out in 57 seconds at a price of \$1 each. Although the revenue from NFT music sales are not the highest compared to CryptoArt, Chhina's World must find a way to cut through and provide an undeniably unique platform for artists.

2.6 Implementation Timeline

While a first version of Chhina's World is already live, further funding would allow for continued growth with investments in key areas such as Development, Marketing & Sales and A&R.

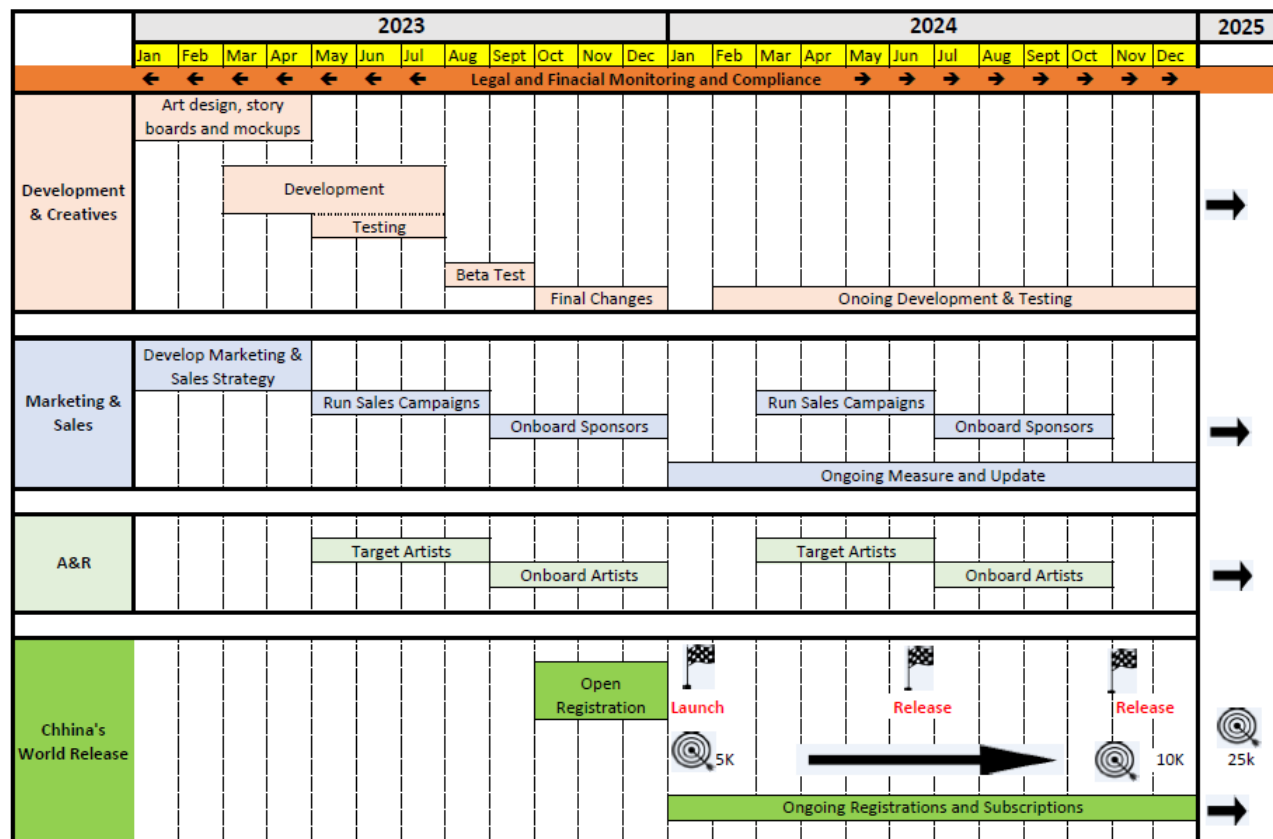
Below (figure 1) represents a proposed timeline of the major areas of consideration over the next two years (2023 - 2024). These will be expanded and repeated into the 3rd year (2025).

Expansions of the key operational teams will help position the company to achieve the following subscription targets through aggressive and targeted Marketing and Sales campaigns to attract sponsors, while the development team enhances the Chhina's World Metaverse and our A&R team pursues Artists to join the metaverse:

- 2023 - 5000 subscriptions
- 2024 - 10,000 subscriptions
- 2025 - 25,000 subscriptions



Figure 1 - Proposed Target Timeline



2.6.1 Development Deliverables

Additional designers and developers will allow for expansion of Chhina's World metaverse and platform itself with substantially more content, game play and NFT exposure. This allows for a more robust release of the platform in year 1. Thereafter, there would be a continuous development team that would be able to release enhancements on a more frequent basis (eg. monthly or quarterly) with major upgrades happening more infrequently or as needed. The development cycle will include an ongoing process of build, testing and potentially beta releases that would help drive not only end user feedback, but anticipation of upcoming enhancements, improvements and potential incentives for subscribers and artists alike.



2.6.2 Marketing & Sales Deliverables

The Marketing & Sales teams will build targeted campaigns focused on attracting sponsors to advertise and provide incentives to further draw in subscribers, as well as increase their own market presence and penetration. These campaigns would be clustered to run prior to major platform releases. Marketing and Sales teams will establish targets and measures to ensure both efficiency and effectiveness of the campaigns. These measures may include (but not limited to), for example :

- Number of sponsors
- Value of sponsorship (in dollars)
- Number of subscribers
- Value of subscribers (in dollars)
- Number of artists
- Number of subscribers associated per artist
- Ongoing monitoring of the changes to these metrics
- Costs of associated campaigns vs the benefits of a particular campaign

2.6.3 A&R Deliverables

During the same time, the A&R team will leverage the Marketing and Sales campaigns to attract and sign artists to the platform, with the intention of those Artists attracting their own existing fan base and new fans to subscribe to the platform.



2.7 Financial Summary

This section outlines some of the details of anticipated costs and revenue streams. For the purposes of this paper, dollars was used as the currency denomination.

Forecasted Expenses	2023	2024	2025	Forecasted Revenues	2023	2024	2025
Technical Assets				Subscriptions			
Hardware Costs	\$ 207,000	\$ 258,750	\$ 323,438	Subscriptions Target	5000	10000	25000
Software Costs	\$ 60,000	\$ 75,000	\$ 93,750	Subscriptions Revenue	\$ 1,200,000	\$ 2,400,000	\$ 6,000,000
Sub-Total	\$ 267,000	\$ 333,750	\$ 417,188	Sponsorship & Advertising			
Labour Costs				Sponsorship Revenue	\$ 2,000,000	\$ 2,600,000	\$ 3,380,000
Operational Teams	\$ 1,385,000	\$ 1,731,250	\$ 2,164,063	In Platform Revenue			
Executive Team	\$ 800,000	\$ 800,000	\$ 800,000	Merchandise	\$ 300,000	\$ 375,000	\$ 468,750
Sub-Total	\$ 2,185,000	\$ 2,731,250	\$ 3,414,063	Artist NFTs (15%)	\$ 150,000	\$ 225,000	\$ 300,000
Other Costs				In-Game purchases	\$ 250,000	\$ 500,000	\$ 1,250,000
Agency Costs (promotions/comms) @ \$1M/year	\$ 1,000,000	\$ 1,250,000	\$ 1,562,500	Total Revenue Projection	\$ 3,900,000	\$ 6,100,000	\$ 11,398,750
Travel & Miscellaneous	\$ 240,000	\$ 300,000	\$ 375,000				
Office Space Rental	\$ 480,000	\$ 600,000	\$ 750,000				
Sub-Total	\$ 1,720,000	\$ 2,150,000	\$ 2,687,500	Assumptions:			
Total Expenses	\$ 4,172,000	\$ 5,215,000	\$ 6,518,750	1. Subscription fees are \$20/month(\$240/yr) and will not change for first 3 years			
Assumptions				2. Sponsorship revenue is driven by the ability to attract major influencers and artists			
1. All expenses will grow by 25% year over year (to support growth targets in the subscriptions)				3. Sponsorship revenue is expected to grow 30% per year in first 3 years			
2. Exec staff salaries will not change for first three years				4. Merchandise will be in high demand based on artist and influencers			
				5. NFTs sold on the platform by artists will result in a 15% share for Chhina's World			
				6. Game purchases are estimated at \$50 year per subscriber for the first 3 years			



2.71 - Detailed Expenses

For the purposes of this paper, the range of salaries in Canada is based upon Randstad (2023) Salary Guide

Once budget is approved, this does not change. Forecast changes are made in columns V-AG)															
2023 Budget Spend Forecast														2023 Budget Year Total	Comments
Cost Category	Item Details	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec		
Hardware	Servers (owned)	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 180,000.00	
	Network Connectivity/cabling	\$ 15,000												\$ 15,000.00	
	Back-up power	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000.00	
														\$ -	
	Hardware Total	\$ 31,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 207,000	
Software (For dev & creatives & office)	Software Licenses	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 60,000.00	
														\$ -	
	Software Total	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 60,000	
	Asset Total	\$ 36,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 267,000	
Staff	Developers x 3 @\$125K/year	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 375,000.00	
	Testers x 2 @ 80K/year	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 160,000.00	
	Creatives x 2 \$100k/year	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 200,000.00	
	Marketing x2 @ 100k/year	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 200,000.00	
	Sales x 3 @ 90K/year	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 270,000.00	
	Finance analyst @ 90K/year	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 90,000.00	
	Legal analyst @90K/year	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 90,000.00	
	Operational Team Total	\$ 115,417	\$ 115,417	\$ 115,417	\$ 115,417	\$ 115,417	\$ 115,417	\$ 115,417	\$ 115,417	\$ 115,417	\$ 115,417	\$ 115,417	\$ 115,417	\$ 1,385,000	
	CEO (Amar) - \$200K/year	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 200,000.00	
	Chief Operations Officer - 200k/year	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 200,000.00	
	Chief Legal & Finace - \$200K/year	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 200,000.00	
	Chief A&R - \$200K/year	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 200,000.00	
	Exec Staff Total	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667	\$ 800,000	
	Staff Total	\$ 182,083	\$ 182,083	\$ 182,083	\$ 182,083	\$ 182,083	\$ 182,083	\$ 182,083	\$ 182,083	\$ 182,083	\$ 182,083	\$ 182,083	\$ 182,083	\$ 2,185,000	
Other	Agency Costs (promotions/comms) @\$1M/year	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 1,000,000.00	
	Travel & Miscellaneous	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 240,000.00	
	Office Space Rental	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 480,000.00	
														\$ -	
	Other Total	\$ 143,333	\$ 143,333	\$ 143,333	\$ 143,333	\$ 143,333	\$ 143,333	\$ 143,333	\$ 143,333	\$ 143,333	\$ 143,333	\$ 143,333	\$ 143,333	\$ 1,720,000	
Total		\$ 361,417	\$ 346,417	\$ 346,417	\$ 346,417	\$ 346,417	\$ 346,417	\$ 346,417	\$ 346,417	\$ 346,417	\$ 346,417	\$ 346,417	\$ 346,417	\$ 4,172,000	



2.8 Team + Facilities

This section of the document highlights the team structure, beginning with the executive team that leads all executive business strategy, overall vision and direction. The intention of the section is to provide investors with insights into the qualifications of the executive that will lead the business idea to profitability and success. Additionally, this section also outlines all of the operational teams within the business that are responsible for the tactical delivery of the business mission. Each team will have a senior member, a junior member, along with the rest of the associates and assistants / internships if need be.

All teams will either work from home or the office. Our office is located in Kings Cross, London, UK. The office is 1 large floor with an open design, however each team will have its own section. Team members are free to come in and choose where they want to sit on a daily basis as all data will be stored on the Blockchain. Our team will have access to a full range of Apple products including iMac Pros, iPhone 14 Pro Maxes, and iPad Pros. Each employee will be assigned a work phone and iPad as well.

2.8.1 Executive Leadership

Key Executive Team	Roles/Responsibility	Experience
Amar Chhina	Founder and Chief Executive Officer	Artist & Visionary
Name B	Chief Marketing & Operations Advisor Leading all day to day operations and marketing	10+ years Creative industry experience
Name C	Chief Finance Advisor	10+ years finance experience



2.8.2 Artists

The artist is what each event we hold will be focused on, and the artist will also determine how many users we will be pulling for any given event so we need to make sure they are a fitting choice for Chhina's World. Our A&R team will be in touch with them if we are interested. The artist will have majority control of how the show will look and the branding surrounding it. However we will have full control of the logistics.

2.8.3 A&R

Just like an A&R at a record label, the A&R team at Chhina's World is crucial for finding and contacting artists that we can offer our platform to. As this is the first point of contact that the artist receives from Chhina's World, professionalism is key. We will have to be selective with each artist we choose to ensure that they are able to sell tickets and we are able to get as many active users online for the show as possible. We would also like to see a steady growth of user sign ups after each event. In order to ensure that we are successful, the A&R team is in charge of liaising communication between each of our other teams and the artist. If an artist wants specific changes or wants the art / development team to make something specifically for the event, an A&R associate will be able to facilitate that conversation. The A&R team will also work with the Marketing team to figure out what type of show the artist wants to carry out in terms of branding.

Key Team Members	Role/Responsibility	Experience
Name A	Head of A&R	+10 years in the Music industry leading A&R Teams for company X
Name B Name C	A&R	Experience B Experience C



2.8.4 Technology and Development Team

Tech and Development will also include IT and our Support Team. Our development team is in charge of building the actual game and ensuring it runs smoothly using Unreal Engine 5. Without the development team, there would be no game to play. Everything from the scripts, the game engine, the coding, interactions, and Blockchain integration is all managed by the developers. They are the backbone of the program. The development team will work together with the art and sound team to ensure that things work and look okay. They will also carry out regular private beta tests and bug checks, and roll out regular updates to the games firmware. The development team will also be in charge of integrating smart contracts for the use of NFTs. Each asset that a player can earn and keep in game will come in the form of an NFT so that it has real world value. In doing this, the team will have to set up a direct link to any other NFT marketplace that we choose to partner with. Players will be able to connect their digital wallets to the game to make transactions without being redirected to an external site. The development team will also have to ensure that everything can be encrypted and each piece of data is being successfully stored or recalled from the RIFT Protocol Blockchain. If this workflow does not work at launch, then we will not be able to load the game on any platform. The development team will have to ensure that each version of the game is optimised for its specific platform. We plan to support MAC, PC, XBox, PlayStation, Mobile, and VR.

IT will be making sure that all of our databases are working, up to date, and secure. They will also be working with the development team to run tests and look out for bugs in the transferring of data between the platform and the blockchain. The IT team will set up our User Management System using basic Customer Relationship Management tools and databases. Here we will be able to view and manage all of our players' activities and ensure that no one is cheating. Some of the user's information like email and address will be available to the marketing team so that they can send out mailers or specific communications with certain players. However the rest of the



information about users will be managed based on local laws and will be stored securely on the RIFT Protocol Blockchain.

Support will be incharge of dealing with user feedback, issues, and inquiries that we receive on a daily basis. They will use a ticket system alongside online chat to contact users in regards to their concerns. Furthermore, Support will also deal with any players that need to be banned or warned for cheating or breaking in game rules. Support will also have to be wary of any reports containing consistent problems or repeat complaints so that the development team can flag any bugs post launch.

Key Team Members	Role/Responsibility	Experience
Name A	Head of Development	+10 years in leading game development for companies
Name B Name C	Development	Experience B Experience C
Name D	Head of Technology	
Name E Name F	Technology	Experience D Experience E

2.8.5 Digital Creative Art

Our art team is the biggest and second most important team as they are incharge of everything that a player sees when they load up the game. The title screen, the graphics, the branding, the art style of the game, the assets, and in-game effects are just some of the things that the art team will have to create from scratch for Chhina's World. Also using Unreal Engine 5, the art team will have to work alongside the development team to ensure that their projects are able to work with each other. They will be in constant communication with the development team to ensure a streamlined workflow.



The art team will also be in charge of creating whatever the marketing team needs for a specific show or in terms of branding. Logos, iconography, typography, in-game NFTs, interactive elements, to how the artist looks will all be done in this team¹⁰. Art will also have to be in conversation with the artists' teams to ensure that their branding is consistent in the game to their branding in real life. They will also have to make sure that the artist looks realistic and is easily recognizable in the game. Although Chhina's World will have a stylized environment, the artist should still be recognizable through certain properties. Using Kapferer's Brand Identity Pyramid (1996) our art team will be able to recreate the artist's personality and environment by looking at the 6 categories. According to Awais Pirvani and the European Institute for Brand Management (2009), the 6 categories are

“(1) physique, (2) personality, (3) culture, (4) relationship, (5) reflection and (6) self-image. These six aspects are divided over two dimensions:

- a. The constructed source vs. the constructed receiver: a well-presented brand has to be able to be seen as a person (constructed source: physique and personality) and also as the stereotypical user (constructed receiver: reflection and self-image).
- b. Externalisation vs. internalisation: a brand has social aspects that define its external expression (externalisation: physique, relationship and reflection)”

The art team will take this into consideration while creating the artists' character. The art team will also create universal character assets that will be used in the character creator screen as well. When players sign up to become a “citizen of Chhina's World” they will be tasked with creating a character for the game. We want to make it as inclusive and as personal as possible, so the art team will have to create enough assets to have over 1,000,000 combination possibilities for each character. Ensuring like in real life, no two people look the same.

¹⁰

https://drive.google.com/drive/folders/1vbW2XvDgD5nwP-L_ocnDTXrYwjeE3CWI?usp=sharing.



Key Team Members	Role/Responsibility	Experience
Name A	Head of Digital Creative Art	+10 years in the gaming industry leading teams / creating art and assets
Name B Name C	Digital Creators	Experience B Experience C

2.8.6 Sound

Our sound team will start to work as Chhina's World nears the final stages of development. They will be incharge of creating sounds for the art team's visual elements. Furthermore, they will be coding and programming the sounds into the backend so that if players trigger any interactions, a sound will be played specific to that in-game event. The team will be using an audio engine called Wwise which will allow them to integrate the sound coding directly into Unreal Engine 5, as both programs are owned by Sony Entertainment.

The biggest challenge for the sound team will be integrating voice chat for an entire event. Due to the number of people in one server, they will have to integrate chat filters. For example, users will be able to set if they want to speak to everyone, no one, or only their friends. Chhina's World is meant to simulate a true live experience, so we also will develop and include something called *Distance Audio* which can be toggled in the settings. *Distance Audio* allows players to get simulated voice input depending on their distance from each other. So if one player is too far from another, they will not be able to hear them through voice chat. Wwise (2022) also supports Dolby Atmos on all platforms which means a player can either convert their audio into 7.1 or 2.0 stereo based on their set up. Our goal is to make sure that the audio in Chhina's World is at its pinnacle, because this is a music platform.



Key Team Members	Role/Responsibility	Experience
Name A	Head of Sound	+10 years in the Music industry leading Sound teams
Name B Name C	Sound	Experience B Experience C

2.8.7 Finance and Legal Compliance

Our financial team will be in charge of everything that has to do with the flow of money coming in or going out. They will also be in charge of delivering quarterly financial reports to the stakeholders of the company that break down costs, profits, and losses. This team will also be in charge of securing funding and grants as we enter development. They will be looking at Canadian and UK government art and technology grants as well as Angel funding. We will also be taking on any investors that are willing to exchange capital for a stake in the company.

There will also be legal compliances that have to be followed in regards to the management and sales of NFTs. The legal team will also have to be compliant with personal data protection laws and General Data Protection Rights. Given that this platform will be accessible globally, we have to make sure we are following the correct laws in every country that our platform can be accessed from.

Key Team Members	Role/Responsibility	Experience
Name A	Head of Finance	+10 years in the Creative industry leading Finance teams
Name B Name C	Finance	Experience B Experience C
Name D	Head of Legal Compliance	+10 years in the Entertainment Law Industry



		managing Legal teams
Name E Name F	Lawyers	Experience E Experience F

2.8.8 Marketing

The marketing team will be the most important team when gearing up to launch. We need to ensure that we launch with a certain number of first day users and in order to do that, this team will develop strategies to facilitate success. They will have their own sub team of content creation who will be working alongside the art team to create any necessary assets for online and street advertising. The marketing team will also be working to generate leads and conversions to steadily increase our number of regular players. Just like the financial team, they will also be delivering quarterly reports as to how successful each campaign has been. This will allow us to be analytical and to pivot if need be.

The marketing team will also work alongside any brand sponsors that the sales team acquires for us. They will be assisting the brand in incorporating them into Chhina's World and vice versa. It is crucial that any brand that sponsors us, is also sponsored by us, especially in the first few years of going public.

Once the A&R team has signed an artist, marketing will also be working with the artist and their team. Everything from how we market the artist in game, before the event, and how the sponsors market the artist will be carefully created by the team with the artists' input. No decisions will go forward without the artist's approval as we want to ensure that we are building long lasting relationships.

Key Team Members	Role/Responsibility	Experience
Name A	Head of Marketing	+10 years in the Creative industry leading Marketing



		teams and campaigns
Name B Name C	Marketing	Experience B Experience C

2.8.9 Sales

The sales team will be in charge of securing sponsorships and brand partnerships for Chhina's World. Depending on the company's climate after 5 years, they may also look at selling our technology to potential buyers. In the early years, the sales team will attend music tech conferences like NAAM¹¹ and try to secure partners, investors, and artists. The more diverse our partners are, the more secure our stakeholders.

Our website will feature a section for investors and stakeholders as well as who to contact for potential partnerships. Since the sales team will be the first point of contact between businesses, it is this team's responsibility to ensure that the process is streamlined and professional.

Key Team Members	Role/Responsibility	Experience
Name A	Head of Sales	+10 years in the Digital Advertising / Media industry leading Sales teams
Name B Name C	Sales Representatives	Experience B Experience C

¹¹ The NAMM Show is an annual event in the United States that is organised by the National Association of Music Merchants, who describe it as "the industry's largest stage, uniting the global music, sound and entertainment technology communities" (2022).



2.9 Target Market

Our 4 main target markets will consist of Artists, Music Fans, Stakeholders, and Brands, each with their own respective sub groups

2.9.1 Artists Who:

- Have at least 15,000 ORGANIC monthly listeners on Spotify
- Preferably have some sort of prior experience in the Metaverse or with NFTs
- Willing to break into the Metaverse or start selling NFTs regularly
- Can attract a fanbase into our space
- Can potentially grow our user base after their show

2.9.2 Fans Who:

- Have access to internet and gaming hardware
- Preferably have some sort of prior experience in the Metaverse or with NFTs
- Cannot attend a live show due to numerous factors such as:
 - Disabilities
 - Health Reasons
 - Location
 - Cost
 - Age
- Willing to purchase a membership and constantly engage in shows
- Willing to socialise with other players and get friends to sign up

2.9.3 Stakeholders Who:

- Are willing to invest a large sum in exchange for company shares
- Preferably have some sort of prior experience in the Metaverse or with NFTs
- Willing to provide advice and vote on decisions
- Passionate about the project
- Have connections to Brands that are willing to advertise through us

2.9.4 Brands Who:

- Preferably have some sort of prior experience in the Metaverse or with NFTs
- Looking to break into the NFT space
- Align with our artist / fan market



3.0 Reflective Analysis

3.1 Introduction

This section of the paper will include a reflection on the business plan above, specifically on the planning and creation of it. It will also make reference to my previous project *NFTs and Web3.0 - Generating More Revenue for Independent Artists Over Spotify Royalties* (2022).

3.2 Reflection

The idea to create Chhina's World was already in progress because of another Masters project I was completing. The purpose was to create a multi-layered experience that can allow artists to further engage with their fans and develop a more unique connection. Using NFTs in conjunction with "live" music is one of these unique ways to build a connection. O'Dair (2018 p.48) states that "blockchain technology introduces digital scarcity: 'contrary to the infinitely copyable world of plenty we associate with digital media, the blockchain makes finitude and singularity possible'. By creating unique NFTs artists are able to create a digitally scarce product that fans can purchase and engage with on multiple levels. If we can offer this to a market where physical products are becoming obsolete, we can have a strong place in the industry. According to *SpinDitty* (2022), "if music means something to you, or if you think art and culture with substance and value should matter, this is really bad news. To me, an album by a band I love is something I want to hold in my hands and cherish. If my hundreds of CDs were stored on my computer instead of sitting on my shelf it wouldn't be the same". NFTs are still stored on the computer, but the fact of the matter is that one person owns them rather than rents them. It becomes personal. That being said, I think that artists need to be at a certain point in their career and their fanbase needs to understand what NFTs are. Artists need to have enough listenership to test the waters and examine how fans would react and engage with the NFTs. For the last project I released music along with



NFTs that were purchasable and to be usable in game at launch. In completing the NFT project there were certain weaknesses that were found which needed to be addressed in this business plan. For example, it was unforeseen that the crypto market was to crash, which The Guardian (2022) says resulted in overall market-wide sales of NFTs to decrease. According to the same article by The Guardian (2022), “sales of non-fungible tokens totalled just over \$1bn in June 2022, compared with a peak of \$12.6bn in January 2022”. These types of factors would affect our in game economy and in turn affect in game product value. However, NFTs still seem to be like a lucrative business for long term investing. Apart from music alone, NFT sales have been made up of still images, digital animation, in-game assets, and audio/video. “Quantum” - is what Kevin McCoy called his NFT that he minted in 2014, which was the first NFT to be created. However, McCoy did not see profit from it until 2021. According to Ludel (2022), “it sold for \$1.47M in June 2021 during Sotheby’s ‘Natively Digital’ auction”. Furthermore, Portion.io (2021) says

“between 2018 and 2021 NFTs slowly move into public awareness before exploding into mainstream adoption in early 2021. This transition reached an inflection point on Valentine’s day 2018 when artist Kevin Abosch partnered with GFTO for a charitable auction. The partnership led to a \$1M transaction of a beautiful piece of CryptoArt called “The Forever Rose”.

These are just some instances of large transactions, but as a whole, according to Fortune (2022) the NFT market value exceeded \$17B in 2021. Furthermore, Fortune (2022) also states that in 2021 “NFT traders earned over \$5.4 billion in total profit through buying and selling NFTs”.

Visualizing Research: A Guide to the Research Process in Art and Design by Gray, Carole, and Malins (2007) has points that support the methodology of the project. For example, Gray, Carole, and Malins (2007 p.12) discuss the types of research processes and the roles that one can take as a researcher. “the significance and value



of your research contribution, not only to your practice but to the wider research context” is why this project was carried out. NFTs and the Metaverse are a relatively new topic in the world of creativity, and carrying out research and sharing the results will only add to the many people currently researching Metaverses and NFTs.

The business plan format was derived from doing research of other companies business plans, more specifically tech startups. Robbie Richards from *MassChallenge* (2022) broke down exactly what parts should be included in the business plan, as well as the content in each section. I also decided to include more sections that would be in a traditional business plan that were not listed in that article. For example the SWOT analysis, Business Opportunity, as well as Target Market. As Chhina’s World is a new business entering the music industry with the goal of revolutionising live shows, it was imperative to include as much detail as possible. According to a research method described by Gray, Carole, and Malins (2007 p.21) I am the “generator of the research material – art/design works, and participant in the creative process”. However, because there are not many companies that have gone public offering the same features that we are offering to our artists, most of these were educated guesses as to what we need as a company from investors. We tried to highlight as many unique features as possible.

One of the biggest unique selling points in this business plan is that we will have our own marketplace. All marketplaces and platforms related to NFTs, and Cryptocurrency (such as Bitcoin) live in the world of “Web3.0”. According to (Coinzilla 2022), a popular Cryptocurrency trading network, Web3.0 is made up of 5 main characteristics; “Semantic Web, Artificial Intelligence, 3D Graphics, Connectivity, and Ubiquity”. Chhina’s World contains all 5 characteristics. Smart content that includes audio, video, and 3D graphics are involved which makes it Semantic. I am incorporating Artificial Intelligence into the world I am building by allowing players in the game to interact with non-player characters. Additionally, the entire world involves 3D assets that are fully interactive. The entire project is based around the connection between the artist and their fans. Finally, this all runs off a cloud Blockchain network called RIFT, giving it Ubiquity. By creating digitally scarce Crypto Collectibles, artists can reintroduce



value to their products. (O'Dair 2018) writes in *Distributed Creativity: How Blockchain Technology Will Transform the Creative Economy* discusses the potentials of Blockchain and everything associated with the technology (including NFTs), and how creatives (including musicians) can use it to their benefit. We are also offering opportunities for growth to brands and sponsors as well. Other music platforms like *Spotify* are partnering with specific games like *Roblox* due to the necessity to use their platform for their projects. By having our own platform, marketplace, and customers, we would be able to offer a broader range of services to different types of customers.

The overall value of having a specific Metaverse for artists comes from the ability to tap into multiple markets simultaneously without the artist having to be physically present. By 2025, the company will earn about \$500,000 per month from subscriptions alone (25,000 unique users paying a \$20 / month subscription). Adding on top merchandise sales and resales in perpetuity, along with brand sponsorship per show. Not only that, artists will be able to include their fans across the world and not have to worry about leaving out specific locations on tour. This advantage for artists combined with others for brands and sponsors leaves huge room for profits across all parties involved.

3.3 Conclusion

Chhina's World can potentially be one of the biggest players in the music Metaverse if developed and marketed correctly. Over time, with enough users, I believe the platform would be able to be acquired for over \$750 Million USD. The amount of data that our platform would be able to store and collect due to the use of the RIFT Protocol Blockchain would be huge. Our platform would have enough data to build complete profiles of artists and their core audiences. If brands and labels had access to this data, they would be able to precisely target a correct market without spending or losing extra money on new campaigns. I think by creating this business plan, I have gained a clearer idea of what this platform can actually do. The reason it is titled



Chhina's World is because it was initially going to only be for my own music, however by leasing it out as a serviceable platform rather than my own platform, it also offers a larger opportunity for my own growth as well. It allows me to leverage other artists' shows and fanbases for my own music. The company also may end up changing the name to something more generic and accessible before launch if necessary. I believe that this company can change, or spark in change in the way that we look at live music. Combined with the gaming industry, I believe that music can flourish, and Chhina's World is here to facilitate that shift.



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