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Module Title: Economics, Planning and Finance

Module Number: BMTY7001

Assignment Title: Report

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AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

INDEX

1. ABSTRACT.....	3
2. INTRODUCTION.....	3
2a. A Brief History of Spitfire Audio.....	3
3. FINANCE.....	5
4. ECONOMICS.....	7
4a. The Macro & Micro-Economics.....	7
4b. The Market.....	8
4c. Products, Pricing Strategy and Customer Base.....	9
5. MARKET COMPETITION.....	12
5a. Orchestral Tools.....	12
5b. Cinesamples.....	13
5c. Vienna Symphonic Library.....	13
5d. EastWest Sounds.....	14
5e. Other Movers in the Market – Embertone and Audio Imperia.....	14
6. THE LEAN BUSINESS MODEL.....	15
6a. Theory.....	15
6b. The Negative Aspects of Lean.....	16
6c. Applying Lean Methods to Spitfire Audio.....	17
7. SUMMARY.....	19
8. BIBLIOGRAPHY.....	20

ABSTRACT

This paper analyses how Spitfire Audio has grown to become a leading force in creating orchestral string sample libraries in the music production market. The research discovers how the company engages with their customers through the utilisation of social media to promote and establish the brand among and beyond its competitors, while continually releasing new products at varied price tiers to expand their user base significantly in recent years. The introduction of non-equity assistance and company shares have allowed Spitfire Audio to make their business model scalable by significantly increasing their number of employees and investing heavily into tangible assets. Their three-step productivity loop has been integral to their success, and shares similarities with the lean start-up business method, but future sustainability has become a doubt due to the unknown impacts of the ongoing COVID-19 pandemic.

INTRODUCTION

This report will analyse the micro and macro-economic environments surrounding the British-based orchestral sound library company Spitfire Audio. The assignment will compare the company to its closest competitors, both locally and globally, reviewing its company structure and financial status. The Lean start-up model will also be discussed, highlighting how this could be applied to Spitfire Audio's operations and how their business practices could be improved or streamlined.

A Brief History of Spitfire Audio

Spitfire Audio was launched in 2007 by owners and composers Christian Henson and Paul Thompson. Due to a lack of high-quality orchestral string samples for writing or recording, the partners decided to record their own string samples before trialling them with fellow composers to use on their respective Digital Audio Workstations (DAWs) for writing purposes. By 2008, Spitfire had created a small, private community through this sharing of samples with established contacts within

AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

the compositional field. Having garnered favourable reviews and feedback from their peers, Spitfire Audio made their first library product public in 2008. Since then, the company have released over 60 sample libraries, collaborating with well-known composers and orchestras, notably Hans Zimmer (The Dark Knight, The Lion King, Gladiator soundtracks), the London Contemporary Orchestra, BBC Symphonic Orchestra and neo-classical artist Olafur Arnalds (Dredge, 2019).

The company created their own YouTube channel in 2010. This has become an integral tool to the growth of an active Spitfire-related community, alongside the marketing of their products. The visual media strategy largely consists of in-depth “walk-throughs” on new libraries, trailers, and behind the scenes content designed to enthuse viewers and drive product sales. Furthermore, Spitfire has created its own in-house online magazine titled Composer (Eyraud, 2020) featuring interviews with composers discussing their various approaches to music creation. The YouTube and magazine aspects are both supportive of Spitfire Audio’s products, with this content conveying a strong sense of personality to the brand.

Spitfire Audio (SA) was registered to Companies House as a private limited company by ordinary shares under the name Spitfire Holdings Limited between November 2015 and April 2016. This was later changed to Spitfire Audio Holdings Limited, with office locations in Bond Street and Tileyard Road (London) before opening an office in New York in 2018.

SA has established itself as a leading brand in the sound library market with its high-end samples, gradually scaling up in size since its inception and employing 53 staff, in accordance with its user base, which has grown 153% year on year (Music Week, 2019). LABS – a series of free virtual instrument samples - was released in 2018, with over 3 million units being downloaded to date by composers and artists worldwide (Khan, 2020). In 2019, the company set up its own record label called SA Recordings, which releases music by Spitfire-affiliated artists in multiple genres. The project also sees the company branching out into other revenue streams such as merchandise, live events and synchronisation opportunities.

Although Spitfire started out as just Henson and Thompson as Company Directors and shareholders, the company is now run by five directors including both

AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

Henson and Thompson. The other directors are Paul Kempe (2016-present), William Evans (2018-present) and Michael Warriner (2018-present).

FINANCE

As of February 2020, the company's statement of capital shows 11,671,000 shares at the value of £9,421,024. There are three separate share types. 1000 ordinary shares at £1 each, then preference shares A (8.17 million) and B (3.5 million) at £0.8072 per share. Preference shares are a lower risk than ordinary, as these shareholders are not given voting rights, and their shares can be bought back by the business at any time. However, they are given precedence over ordinary shareholders were the business to close. Ordinary shares, meanwhile, have no limit on their potential return. Although shareholders can only reap the rewards after all expenses paid, the company can still avoid paying dividends (Attrill & McLaney, 2012, p.393-394). An alternate method of financing would be through borrowings, but these will incur regular repayments with interest, and allows the lender to have company assets pledged as a form of security. However, if the company sees a higher degree of success than anticipated, this has no impact on amounts repayable and interest accrued.

Music Week reported a revenue growth of 400% for the company since 2014 (Music Week, 2019). Coinciding with the article, Spitfire Audio's most recent company balance sheet shows Net Assets (less liabilities and taxation) of £14,136,438 as of 31 March 2019. This is a decrease of 4.03% on 2018 figures (14,730,693). However, asset depreciation could be taken into consideration, alongside the expansion of employment during this period. Investors increased from three to five, while management decreased from seven to five, but the increase in operational staff (20 to 43) show a 76% increase in the overall company employment from 30 to 53 employees (Companies House, 2020). SA have applied the straight-line method to their asset depreciations. Although this method does not necessarily represent each asset's true market value, the assets value depreciates by the same amount each year during its life cycle, making calculations straightforward (Attrill & McLaney, 2012, p.84, 85). Similarly, the company's tangible assets have been growing exponentially during this period.

AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

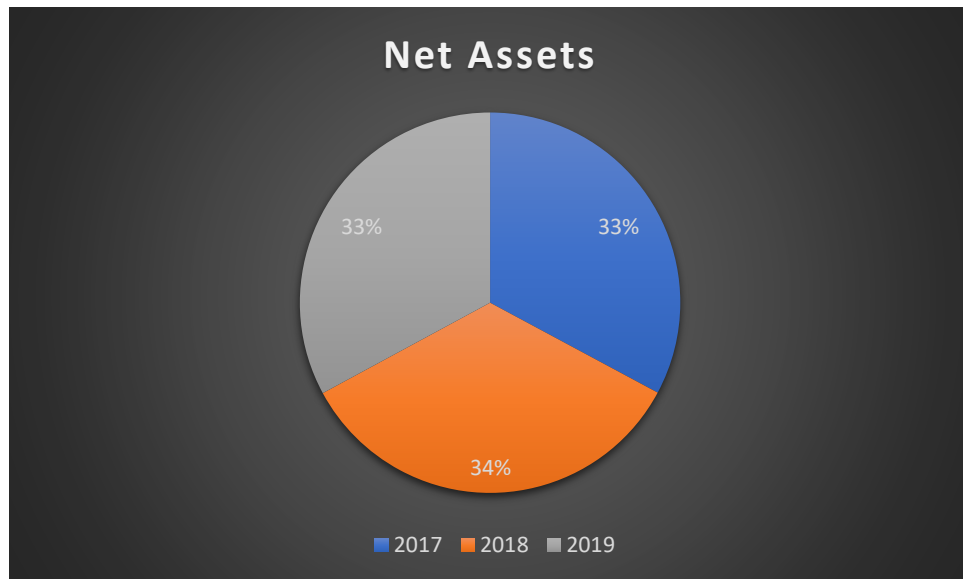


Fig.1 (Companies House, 2020)

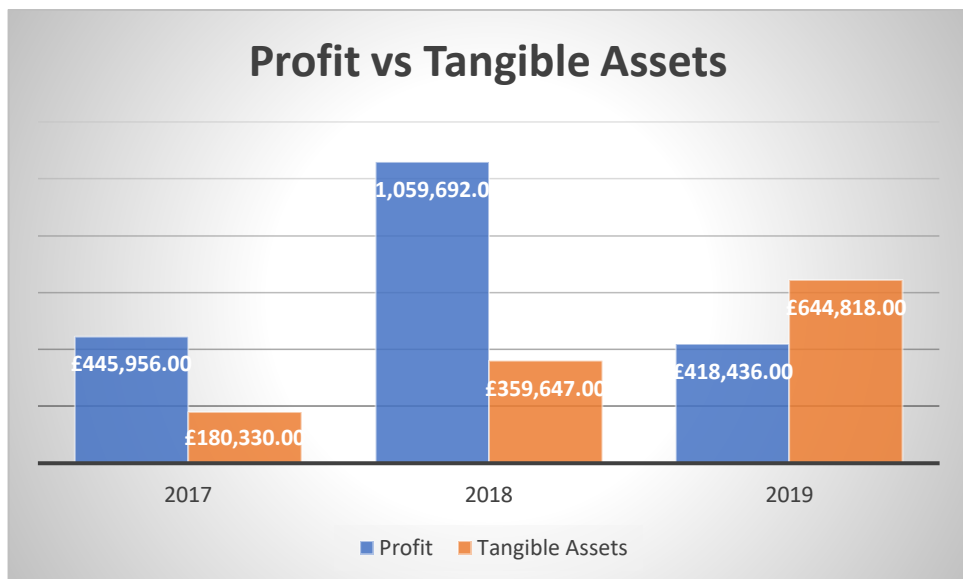


Fig.2 (Companies House, 2020)

As of 2017, ten years after the company began, Spitfire Audio raised a non-disclosed amount in non-equity assistance, funded by tech-based accelerator programme Future Fifty (Crunchbase, 2020).

Despite being unable to obtain financial records on how SA were financed prior to their registration with Companies House and the external allotment of shares in 2016, as well as the non-equity assistance in 2017, it can be likely deduced that the company were internally sourced through retained earnings from 2007-2016. This is due to the nature of the company being relatively small and growing in size.

AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

The retained earnings method is a reinvestment of funds into new assets or products instead of distributing them between shareholders (Attrill & McLaney, 2012, p. 388, 389).

ECONOMICS

The Macro & Micro-Economics

As the global economies are still grappling with the impact of the ongoing COVID-19 pandemic, there is little in the way of statistics to see how the Orchestral Library Music sector has been affected, if at all. While the increase in free time during lockdowns will have undoubtedly allowed more time for musical creativity, it will be interesting to witness, on reflection, how this recreational expansion balances with the impacts of a global recession and the subsequent rise in unemployment. More definitively, a question remains as to whether these macro-economic conditions have affected or will affect consumer behaviour with regards to purchasing high-end sample libraries.

MusicRadar published an article stating how there has been a surge in musical instrument purchases and musical software downloads during the first lockdown period in the Spring of 2020. Most promising is the statistic of 13 million GarageBand library downloads within the aforementioned three-month window, alongside a notable increase in home studio equipment such as audio interfaces and microphones used for recording (Rogerson, 2020). However, the orchestral sample library market is a niche sector of the home recording and sample-based economy, so whether this overall sales increase has translated to the likes of Spitfire Audio and its closest competitors will likely remain unknown until financial statements for 2020 are publicly disclosed.

Similarly, any recent digital audio market figures are only accessible through paywalls. Therefore, the most recently available is from the 2015 NAMM report which states the market of computer-based music products at a worth of \$359.9 million (£269m) (Wonder, 2017). Although the paper by Wonder claims the sector was larger a decade earlier (2005), the market has remained relatively stable throughout that period. Furthermore, their findings also portray a 78% increase in

AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

yield for plug-in software and loops for that same 10-year period. Thus, even though the overall market has not shown a great deal of variation, there have been major shifts in which aspects are driving the sales within its micro-economic sectors, as loops and samples have grown in significant popularity during that time.

The Market

Sample sounds are essentially a digital recording triggered by a MIDI (Music Instrument Digital Interface) instrument when played. This was an invention in the 1980's, and primarily functions through a keyboard or synthesizer being connected to a computer via USB cable. The keyboard does not make an audible sound like a piano or regular synthesizer per se, rather, it communicates with the computer to produce the sampled sound. Most MIDI instruments can measure the pressure (velocity) and length with which notes are hit/held and can be easily edited afterwards on MIDI-specific grids within the Digital Audio Workstation (DAW). Its development has become so rapid that MIDI has quickly become part of everyday music creation globally, as well as an industry standard for producers of any experience (Jiang, 2019).

With the advancements of MIDI instruments, more and more music producers are moving towards production software over physical acoustic instruments due to its immediate accessibility, regardless of location. As DAW's have become more functionally developed and reliable, the demand for samples and plugins is expected to continually grow (My Tech Decisions, 2020) as producers are continually looking to uncover new sounds and inspirations in order to improve the quality of their content (Jiang, 2019). Orchestral libraries started entering the sample market in the mid-2000s, as computer hardware (such as hard drive storage, random access memory (RAM)) was becoming increasingly more affordable (Terren, 2019). Over the past decade, other music production plug-in software companies like Slate Digital and Plug-in Alliance have been increasingly moving towards a subscription/cloud-based model, where users have access to entire libraries, but do not own or store the software on their respective hard-drives. The orchestral sample libraries currently remain outliers to this trend though.

AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

Spitfire can be seen as one of the first movers in the orchestral sample library market. When they launched in 2007, there were only a handful of companies creating high-quality orchestral sample sounds for composers to utilise in writing and recording musical ideas. This market has rapidly grown (White, 2011) as composers can now submit scores for TV, adverts and film much faster while being able to make any necessary edits and amendments at the request of an editor or director (d'Escriván, 2012). To the untrained ear, these orchestral samples could easily be mistaken for an authentic performance recorded by a real orchestra (Terren, 2019). With these technological advances, and the increase in sample library companies, the market has become a much more vibrant and competitive industry, and as SA has developed, they have cemented themselves at the contemporary end of orchestral library market (Truss, 2020).

Products, Pricing Strategy and Customer Base

Spitfire's pricing strategy can be broken down into four categories.

The first category is 'LABS', a free instrument patch series which has been developing since 2018. This could be viewed as entry level software for budding writers and producers, as these come with a specifically designed Spitfire Audio plug-in which utilises a relatively simple interface, simply offering two timbral slides and a reverb scroll.

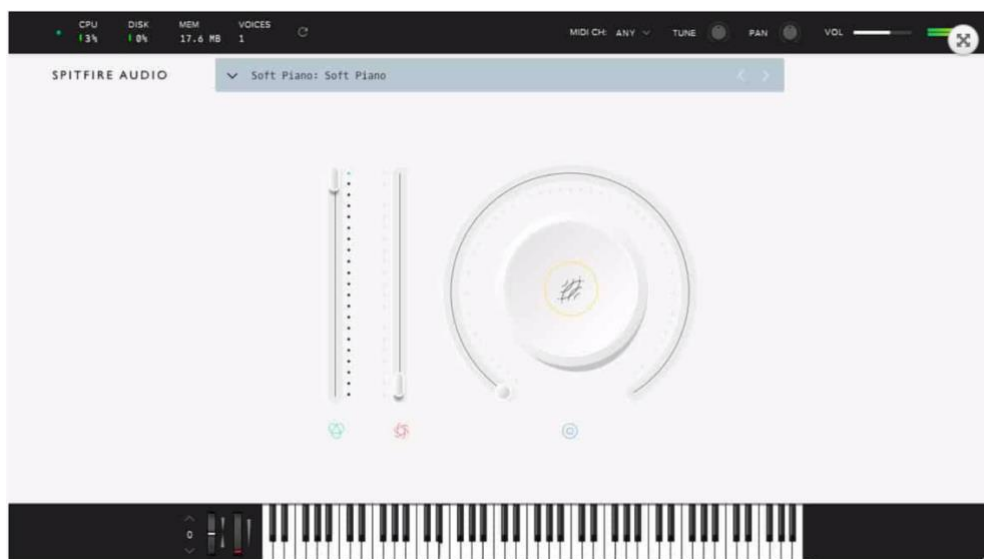


Fig.3 (Zlatic, 2019)

AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

The second pricing tier is the 'Originals' series, SA's most recent endeavour introduced in 2020, which currently has only six products so far. This acts as a natural successor to the LABS series of instruments. Originals are squarely priced at £29/\$29/€29 – an interesting concept, as the international exchange rates within the macro economics are shifting on a daily, sometimes hourly basis. Originals bridges the gap between the LABS free downloads and Spitfire's standard libraries, by giving more editing tools to the composer. Originals still offers a similarly clear, and simple-to-navigate interface, much like LABS does, but allows users a wider sonic range and freedom when sculpting and affecting the output sound. The customer base here is largely targeted at LABS users who are becoming more familiar with Spitfire's products, and music production as a whole. These products are still considerably cheaper than the majority of Spitfire's libraries, so they will also be enticing to professional producers and long-time Spitfire Audio users who may be looking for a particular piano or string sound to add to their canon.



Fig.4 (RecordingMag, 2020)

SA's third tier is by far their most populated and diverse range of products, varying between the £169-£699 price points, and averaging between £249-349. These are much more dense files with incredible versatility and volume of samples to choose from. Most of these will be on a particular instrument or fitting a specific

AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

aesthetic. For example, Alternative Solo Strings focusses solely on the articulation of an individual string instrument (cello, double bass, violin and viola), while *Woodwind Evolutions* is designed to create easily manipulated textures from a group of woodwind sounds. This allows the composer to further refine the details and allows for more control over how each sound or register is utilised. These products are likely to be quite alienating to beginners, so the customer base demographic for this series would be relatively experienced part-time and full-time producers or composers, who are starting or have already established a catalogue of commercial releases, scores and/or projects.



Fig.5 (Midi Film Scoring, 2016)

The fourth price range, 'Professional', is Spitfire Audio at their most high end, with a series of fully extensive orchestral libraries. The limited number of products here are BBC Symphony Orchestra Professional, Spitfire Chamber Strings Professional, Spitfire Studio Orchestra Professional all priced accordingly at £899 RRP, Spitfire Scoring Professional at £999, and Spitfire Symphonic Percussion Professional at a slightly more inviting £499. While this may be deemed as vast amounts of money to the lay person for a 'fake' orchestra and no physical product, these investments far outweigh the costs of hiring an orchestra and the recording fees to capture their performance in a large, acoustically treated recording studio, inevitably running into £1000's for each session, which the majority of home producers simply cannot afford on regular basis.

For the avid collector of sounds with exposable income, there are a range of bundles available too, all of which are marketed at a lower overall cost than if the

AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

individual products were purchased separately. This can see savings from £300 to £1000's for the highest priced bundles – The Spitfire Audio Everything bundle costs £13,469 compared to £20,277 if all 70+ products were bought and installed as individual packages. The customer base for the fourth price and bundle range will be full-time music producers and composers, who may already be creating music for orchestras, TV, film, video games, adverts or library music. Although these are very expensive products, the customer base will identify them as investment pieces, which allow them complete control over their creations, with these costs being remunerated over time through future projects and commissions.

Separate to these price points, Spitfire Audio offers a five-day Black Friday discount each year on most products with some exceptions. 2019 saw a 25% reduction in price, while any new products released within the previous six months would return to their introductory price (essentially an early bird discount for when new products are launched, in order to generate sales) (Spitfire Audio, 2020a).

The company has also started branching out from purely traditional orchestral instruments. Electric guitar samples and Sound Dust (a set of experimental rhythms and sounds) show SA's desire to become sample providers in a multi-genre capacity.

MARKET COMPETITION

Orchestral Tools (OT)

This German-based company offers many similarities to SA, primarily orchestral bundles, composer collaboration (for instance Jeff Russo), introductory price offers and an active online magazine with interviews and video content. Orchestral Tools' price points are similar too, ranging from €49 up to €840 (approximately £44-750), exclusive of VAT. Their operations are marginally smaller, with 28 employees, and revenues of approximately \$6.1 million (£4.57m) (RocketReach, 2020).

Two components set them apart from their competitors though. First, where SA leans towards contemporary classical libraries, OT has found its niche by

AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

specialising in World Music orchestral samples. Examples include 'Dagu', Chinese Theatre drums at €79 (£70), 'Arbos' which is described as "natural forest percussion" at €49 (£44), and 'Phoenix Orchestra', an orchestral library compiled of authentic Chinese instruments for €499 (£447). Second to their USP, is 'Scoring Berlin', which allows customers to book musicians from the Berlin Orchestras and Choirs to record an original piece within the Teldex Studio Berlin, giving budding composers the opportunity to work with real-life musicians and orchestras. There is likely a target demographic crossover here, as many consumers utilising the modern sample sounds of SA will also be prone to novel and exciting sounds from other cultures to potentially spark inspiration or add extra dimension to their works.

Cinesamples

US-based Cinesamples has a similar history to SA, also being founded in 2007, thus making it an ideal competitor to compare with regarding company growth and financial performance. With 42 employees, this is of similar structure to SA (Owler, 2020) while financial reports show a lesser revenue estimated between \$2m-5.8m (£1.5m-4.35m) (Apollo, 2020a). Stylistically, the company also focusses on orchestral libraries, as well as products for Sound Design. With this contemporary edge, Cinesamples appears to be in direct competition with SA regarding its customer base. It runs a similar discount model in November, except rather than covering the Black Friday weekend, Cinesamples offer these price reductions for the entire month, often up to 50% off the usual listed price. There are a similar number of products available from their website, but at a much lower cost. Their products are typically between \$99 (£74) and \$399 (£299), although Cinesamples also offer an all-in-one complete bundle for \$3,299 (£2,472).

Vienna Symphonic Library (VSL)

VSL is the longest-running company of the sector, launching in 2000, claiming to have the largest database in the world, with over 6 million samples. The company has 30 permanent members of staff and hires over 100 musicians for sample recording sessions. The company has a much more traditional approach, with simply two series – VI and Synchron. These focus on specific elements of traditionally Western orchestral instruments, and the acoustic treatments of concert halls for

AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

added 'authenticity'. Dun & Bradstreet reports of \$3.5m (£2.62m) revenue for 2019, significantly lower than SA's revenue for the same period, although only claims the company has 14 employees, so these figures may not be truly accurate (Dun & Bradstreet, 2020).

Similar to Spitfire, VSL also offer starter packs for entry level composers, but these are priced around the €175 (£157) mark – considerably higher than SA and other competitors. Standard libraries list just below €600 (£537) and Full libraries command over €1,000 (£896), but VSL do offer discounts of up to 25% during selected periods. These products have been endorsed by celebrated film composers Danny Elfman (Batman, Edward Scissorhands, Good Will Hunting soundtracks) and Alexandre Desplat (Harry Potter, Twilight, The Danish Girl soundtracks), although their products are often likely to be too expensive for some, but not all, of Spitfire Audio's clientele. There is also a sense of community, but this is very much kept located to VSL's website, with a designated forum to encourage discussion about VSL products, whereas SA utilise social media for this customer interaction.

EastWest Sounds

While EastWest offers up similar orchestral products (brass, winds, strings, pianos and percussion), their products are targeted at more mainstream styles of music. Within their product line are guitar, bass, drums, loops, vocal and world samples. It is interesting to note that EastWest also offers a subscription-based model called 'Composer Cloud', launched in 2015 as an alternative to purchasing specific products and libraries (Apollo, 2020b). For \$199 (£149) annually, users can access over 40,000 virtual instrument sounds. Their content is far broader in scope than its other competitors and are likely to appeal to big-budget TV and Film composers to cover almost any genre, as well as more traditional studio producers working with singers and bands. Individual libraries appear to be of similar pricing structures to SA's professional and standard ranges but do offer large discounts – up to 60% in November 2020. Again, this company appears smaller in structure, with approximately 12 employees.

Other Movers in the Market – Embertone and Audio Imperia (AI)

AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

Set up by composer Alex Davis and Jonathan Churchill in 2012 (Sound On Sound, 2016), Embertone's aim has been to build on the progress already made by more established sound library companies, while offering their products at a very low price. The company specialises in solo orchestral instruments, covering wind, string, keyboard and percussion elements individually, and has expanded to a team of four. Their prices range from free downloads, similar to LABS, up to \$199 (£149), with the vast majority sitting in the \$15-\$40 (£11-30) area, generating sales revenue of \$330,000 (£247,250).

Although their customer base will likely be well-versed in the other manufacturer's products, as a reasonably new, and small company, formed in 2012, focussing in on a very particular niche, it seems unlikely that Embertone will be scaling up and competing at the levels of the previously mentioned companies. But it should be noted that the popularity of products like the Joshua Bell Solo Violin show a lot of potential from this company.

Another US-based company Audio Imperia is the latest addition to the market, founded in 2016, with 13 employees (ZoomInfo, 2020). Similar to Cinesamples, they primarily specialise in orchestral and sound design samples, but also have vocal and guitar libraries available in their product line. They offer two "freebie" products 'Deconstruct' and 'Epic Trailer Sounds', but otherwise offer products ranging from \$35 (£26) up to \$599 (£449). Based on their price points and more extensive and varied library choices, Audio Imperia looks far more likely to cause a dent in the market share than Embertone, even though AI is still in its infancy. ZoomInfo states a revenue of \$2 million (£1.5m), which is certainly plausible given the price points and extensive range (ZoomInfo, 2020).

THE LEAN BUSINESS MODEL

Theory

The Lean Start-up model was invented by author Eric Ries, who published The Lean Start-up book in 2011, having previously coined the term three years earlier on his personal blog (Kullmar & Lallerstedt, 2017). The primary goal of the Lean method is to increase the chances of building and sustaining a successful business by continually testing hypotheses during the creation of a new product or

AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

service (Korhonen, 2020). It claims to speed up product development time and quickly establishes whether a business is viable or not (Salamon, n.d.). This is done by the inventor/company testing a 'Minimum Viable Product' (MVP) on prospective customers/consumers, while adopting a 'build-measure-learn' continuous loop. The 'build' aspect refers to the MVP, the customer feedback is then 'measured', and these findings will inform the inventor on what can be 'learned' from this experiment - whether to adapt, pivot or persevere, before restarting the three-step loop.

In his Harvard Business Review in 2013, Scott Blank argues:

[Lean Start-Up] favours experimentation over elaborate planning, customer feedback over intuition, and iterative design over traditional 'big design up front' development.... New ventures of all kinds are attempting to improve their chances of success by following its principles of failing fast and continually learning (Blank, 2013).

Blank also highlights five constraints that start-ups usually face when employing traditional business strategies. However, he argues by initiating the Lean method from the onset, three of these constraints can be immediately eradicated. These are, firstly, the costs before taking the product to market and the costs of manufacturing the wrong product. Secondly, lengthy development cycles, and finally the inherently high risks of starting or working for a new start-up making the prospect unappealing or overwhelming to even begin. Lean encourages the quick launch of products, saving costs on potentially never-ending refinement, raising awareness and finding out whether there is a demand for the product, and thus making the business less risky, and reducing costs (Blank, 2013).

With the book's popularity, this methodology quickly became adopted by fledgling companies as well as the education curriculum of many business schools (Blank, 2013), and despite its association with start-ups, Ries states this method can be utilised by any business of any size (Korhonen, 2020).

The Negative Aspects of Lean

One of the defining elements of the Lean Start-Up model is the importance of customer feedback, but its importance is weighted so heavily that entrepreneurs may fall into the trap of trusting consumer feedback over their own intuition, or even leading to demotivation if negative feedback is received. In Kullmar and Lallerstedt's

AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

research, one interviewee depicted music streaming service Spotify as a prime example of a successful company that may not have necessarily continued with the same strategy if they had reacted to the negative data received towards their model for their first few establishing years. Similarly, the continuous learning and adapting has the potential for the company to lose sight of the product's original concept (Kullmar & Lallerstedt, 2017, p.70).

Where Lean emphasises the need to 'pivot' when an experiment fails, Tripathi argues in her *Entrepreneur* article that every product will face challenges along the way, and long-term success is usually a result of surviving setbacks or down periods (Tripathi, 2018). Further to this, the continual strive for validation, experimentation and innovation will lead to burnout and team demotivation, while having a constantly incomplete product is difficult to grow emotionally invested or attached to (Kh, 2016).

Applying Lean Methods to Spitfire Audio

Maxime Eyraud claims in her in-depth research of Spitfire Audio, that the company has established its own three-phase continuous loop, which she calls a 'content flywheel' similar to that of Lean's build-measure-learn. These elements are Products – feeding Content – generating Sales, which in turn fund the next product (Eyraud, 2020). However, the key aspect missing here is the 'learn' aspect of lean. If the company could identify customer feedback beyond simply sales numbers and revenue, it could potentially inform future products, or software upgrades to existing products. If Eyraud's content flywheel theory is accurate, SA might only learn after a new product launch fails and does not reach anticipated sales. Thus far, very few products have been adapted or upgraded: 'Soft Piano' the first LABS product being the only notable exception. Instead, the company has tended to release follow-up editions such as the popular Albion I, Albion II and Albion III libraries.

While Spitfire's more traditional orchestral libraries are likely more predictable in projecting sales and demand, their more experimental or non-traditional samples packages, such as the synthesized orchestral sounds from the 'Edna Earth', would likely benefit from offering limited-time prototype (or MVP) trials to existing members. Users could become familiar with the new sounds and features, before sending back notes of the aspects that worked well, and improvements they would like to be made. Spitfire could then make necessary changes before making it fully public, and even

AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

offer a discount price to those who provided feedback. This would also generate conversation between the community and raise awareness of the forthcoming product to those who did not partake in the trial run.

The closest SA came to this approach was with the BBC Symphony Orchestra product, which is broken into three categories. 'Discovery' is the most basic version at £49, but also has a free download option if consumers fill out an in-depth questionnaire, prompting feedback about what products they would want to see in future. Then there is 'Core' at £399, and 'Professional' at £899. Whether this becomes a regular feature remains to be seen, but it definitely taps into the notions of Lean start-up and the importance of customer response, and adaptation.

	DISCOVER	CORE	PROFESSIONAL
NO. OF INSTRUMENTS	33	42	56
NO. OF TECHNIQUES ¹	47	305	435
ROUND ROBINS ²	1	UP TO 8	UP TO 8
SIGNALS ³	1	1	20
DYNAMIC LAYERS ⁴	1	UP TO 3	UP TO 3
LEGATOS ⁵	✗	✓	✓
SOLOS/LEADERS	✗	✗	✓

Fig.6 (Spitfire Audio, 2019)

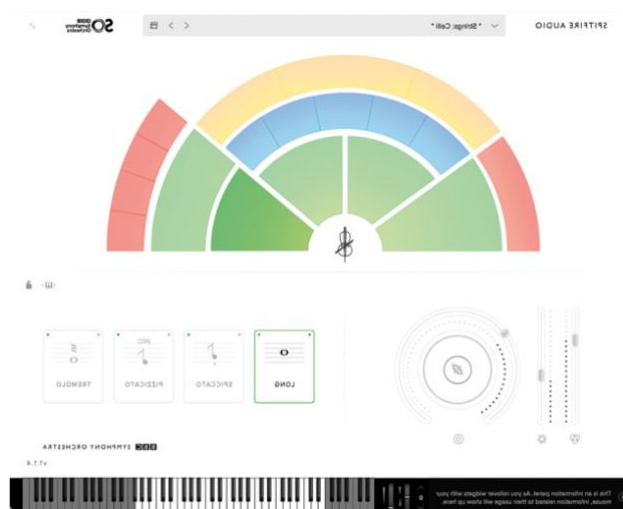


Fig.7 (Spitfire Audio, 2020b)

AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

SUMMARY

In conclusion, I believe Spitfire Audio have been a model example of a start-up company that has grown into a successful and financially sustainable business, in part due to their continual commitment towards innovation and inspiration within the orchestral sample library market. They have built an active and engaged community through an easy-to-navigate website, and regular video content via their YouTube and social media channels.

There is certainly opportunity for Spitfire Audio to follow East West's trajectory towards a subscription-based model if revenues are drastically affected by the macro-economic recessions. However, having already introduced a new wave of customers to the brand via their free LABS samples over the last couple of years, along with a rise in home-based music production due to COVID-19 lockdowns throughout 2020, this could prove to be a fruitful period of continued financial and user growth. I believe by involving their members within the SA product development process by utilising the Lean three-step loop, particularly on niche, non-traditional product releases, Spitfire Audio could increase their conversion rate of turning these free download users into repeated paying customers.

Word count: 4,902

AN ANALYSIS OF SPITFIRE AUDIO: BUSINESS OVERVIEW

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