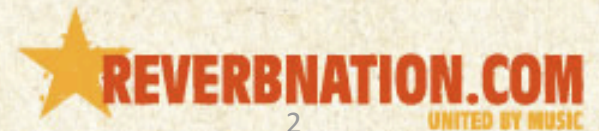
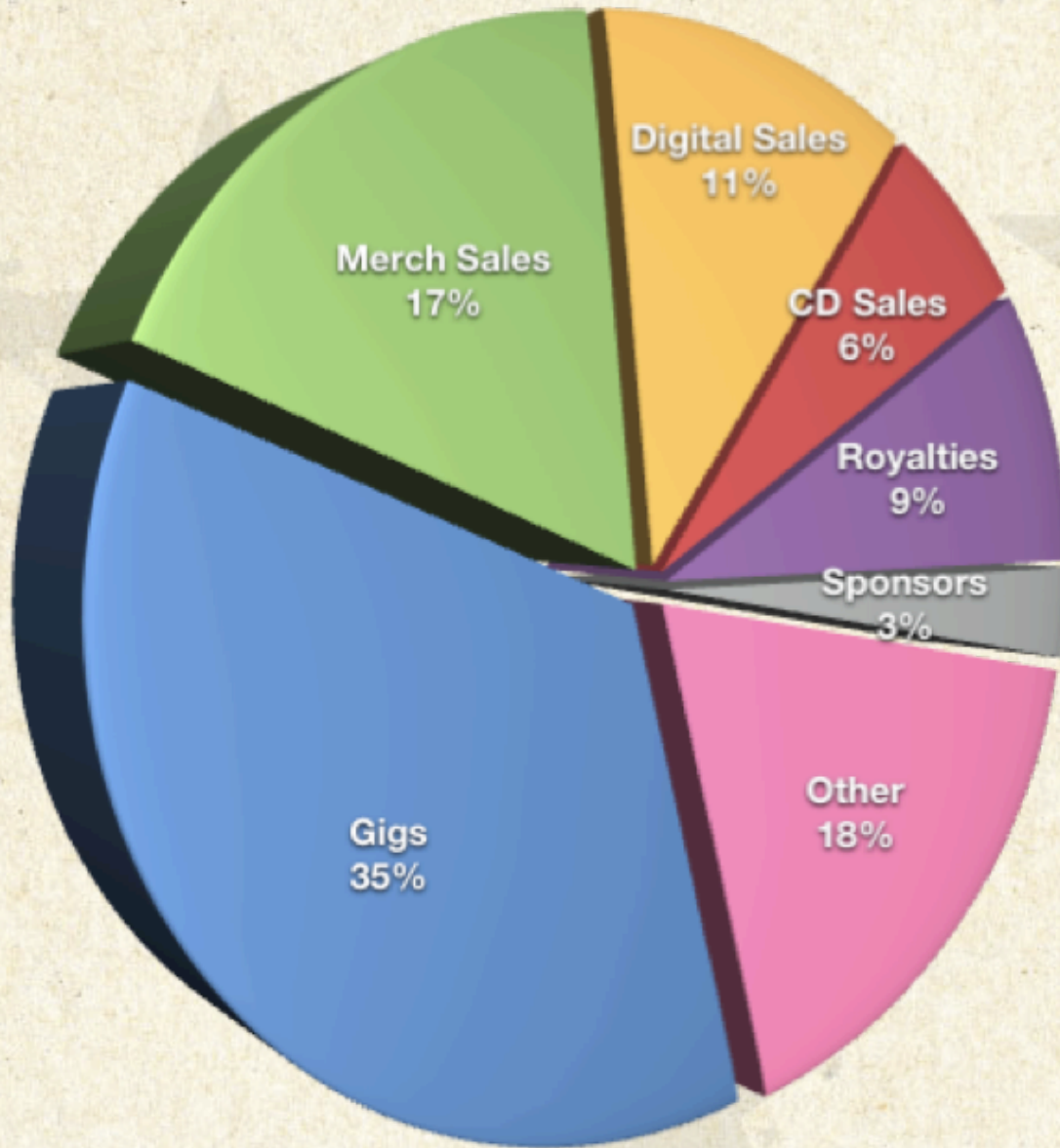


Music Business 2.0

How ReverbNation helps Artists use the Internet to increase fans and revenue



Where's The Revenue?



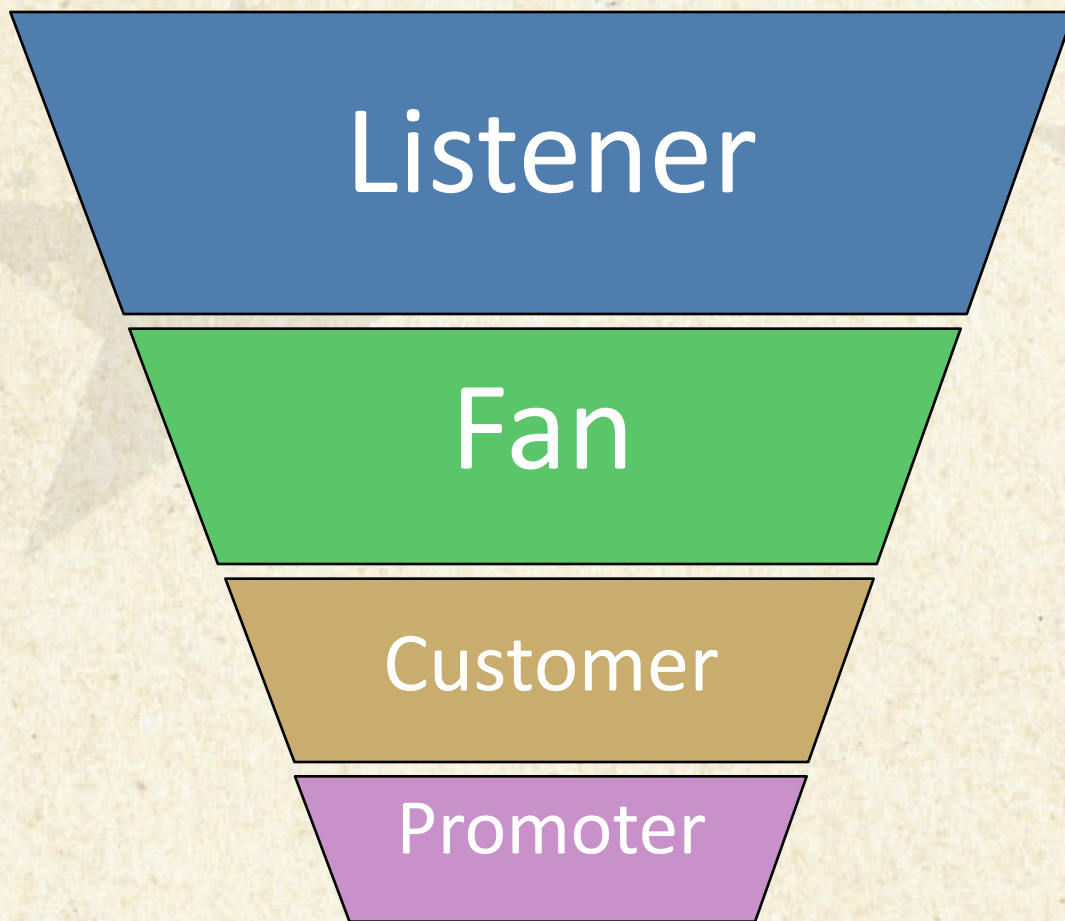
Hope Springs Eternal

	Revenue Would Increase	Revenue Would Stay The Same	Revenue Would Shrink
Gigs	56%	32%	12%
Merch Sales	62%	30%	8%
Digital Sales	68%	24%	8%
Physical Sales	49%	35%	16%
Royalties	59%	32%	9%
Sponsorship	43%	45%	12%
Other	35%	50%	15%

Music Business 2.0

Old Model:	New Model:
Compartmentalized	Integrated
Multiple Service Providers	DIY
Large Up-Front Investment	Pay As You Go
Sale of Rights/Ownership	Retain Rights
Driven By Monopoly (focused)	Driven By Meritocracy (fragmented)
= Get Signed or Get Lost	= Fan Relationships Create a Value Pipeline

The Fan Funnel



Value increases as you move down the line from casual listener to promoter

How To Use Social Networks

Good News!

Social networks like MySpace and Facebook have leveled the playing field.

Bad News!

Now you are now competing with 8,000,000 other bands!

The Key is to use the social nets as a source for generating leads

1. Change Your Thinking
2. Create a “Home” complete with all your content, e-commerce capabilities, and sharing capabilities
3. Focus ALL your social networking sites to drive traffic back to your “Home”
4. Test, Measure, Iterate Repeat

How To Go From Zero To Sixty

“If you can’t get people to take your music for free, don’t focus on how to get people to pay more for it.”

-Eric Garland, Big Champagne



Zero To Sixty

Wise Man's Claim

Artist could be financially successful if they could get 1,000 people to love their music enough to pay for it and come to shows.

The wise man is right.

How?

1. Focus on developing a CRAZY following in a niche or locality
2. The Internet can easily help you scale
3. You can't succeed without those CRAZY fans
4. Make it easy and rewarding for fans to tell friends about you

Career Phase I: Planting

- Focus on exposure above selling music
- Play lots of local gigs
- Give music away
- Ask for lots of feedback
- Talk to EVERY fan
- Start a Mailing List and send out regular updates
- Start a Web site with regular updates
- Spend little money — no more than you need to
- Use your home base to plug into social nets

Career Phase II: Growing

- Make it easy for Fans to spread music and show info to friends
- Move to doing more regional gigs; Ask for lots of feedback
- Talk to MOST fans — work on building deeper relationships with enthusiastic fans
- Focus on growing your mailing list
- Enhance your Web site
- Enable e-commerce
- Spend a little more money
- Experiment with social networks as a lead generator

Career Phase III: Harvesting

- Segment your audience
- Create product bundles
- Give away promo tracks
- Tour nationally, if possible
- Focus on top fans
- Optimize mailing list for conversions
- Use social networks for lead generation
- Hire qualified help

ReverbNation



Thanks!

Special Thanks to the FOMC for having me here.