

# Optimizing the Digital Experience for Fans

Presented by Indy Music Technologies

You're in the music delivery business (physical and digital) by virtue of the times you live in. You may not like it, but it's the reality, and there are ways to make it work for you and your fans. Some are marketing, some strategy, some technology, but they're achievable. Notice this proposition starts with fans. If you want success you need to **think about it all from the fans point of view**. For decades the music industry (including the recently arrived tech companies) have really just looked at it from the point of view of their bottom line! One thing they've always tried to assure is that no one sells direct—the majors (that includes labels, tech companies, digital resellers, etc.) seek to control distribution and the channel. Additionally, as technology has broken down some of those barriers in the last ten years or so, and since everyone is selling or trying to sell to everybody, you also need a direct channel: besides selling direct at gigs, you need a store at your own web site to sell physical and digital products at full retail. Why? Because you may love creating music and performing it, but you're also doing this to make a living.

**First, make the business case.** You have a stage in front of your fans (i.e. your customers or potential customers) every time you play. Take 30 seconds to educate them on the ethical acquisition of music, then ask them to support you by purchasing your products, and make the case to them for using your direct channel. Think of yourself as the head of a teaching organization: you've got to educate what you want to create. If every musician accepted this responsibility to educate the music market, it would change the thinking and behavior! Even fans need to be reminded that you're doing this to make a living, and that requires their support. The pricing realities are CDs for \$15 or less, and Downloads for \$9.99 or less. If you are able to offer your fans both then you have two products and can establish two price points! Importantly, remember, you are selling to your fans and they want to support you – just make it easy for them to get your music the way they want it.



**Second, embrace streaming to make it work for you.** You know lots of musicians aren't getting paid at all by the streaming companies and the ones that are probably aren't getting paid fairly, but it's the current tech wave in music. So, how do you embrace streaming and free music on your terms? What can you do? **Start by thinking of the streaming services as a way to acquire new fans**—but remember that acquiring fans is the first step in creating followers and converting them into fans and then into Superfans.

Not many artists are making money from Spotify or Pandora, so use them for your benefit. That being the case, you've got to ask yourself how much you want to participate in streaming. The reality for most indie musicians is that getting heard on the big streaming companies is hard: it takes work, and

luck – your songs are in there with millions of others. If you think of streaming as a method to acquire new fans and not an end in itself.. John Oszajca recommends the best approach is to “withhold your album from the streaming platforms initially! ...make just a single track to two available. As such, you can insure that your album will generate maximum profit when sold to your fans. And in time, as album sales slowdown – you can consider releasing more (or all) of the album to the streaming platforms.” (Music Marketing Manifesto, July 17, 2015). That way your name is in the streaming platforms, but you still control your destiny!

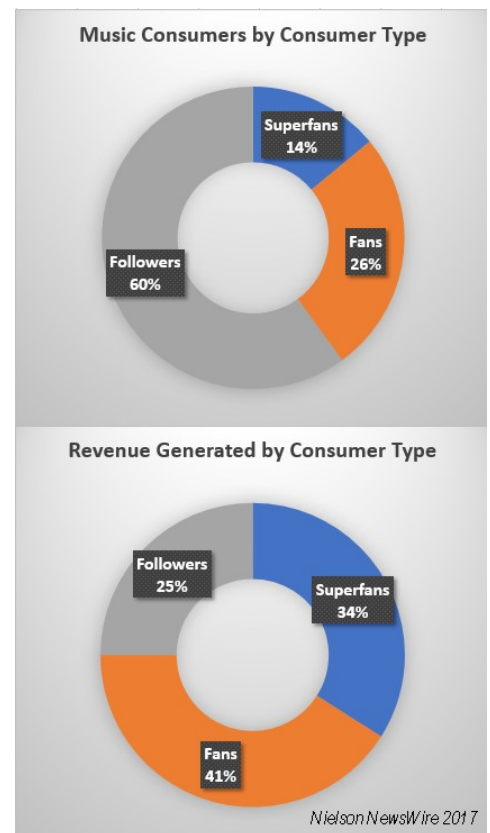


We’re assuming that you’re already making listening to examples of your music available on your web site using SoundCloud player or a similar tool. Don’t give away high res tracks -- you can stream low res tracks (128 kbs)! You can also provide selected free download MP3 files in low res. You don't have to give away all the tracks on an album: give away as many as you think necessary to do good marketing, make people aware of your music and wanting more. Also, make clear that what's for free is relatively low quality--on purpose! You have to send the message about the intrinsic value of your creative product, and that is by selling the high quality versions in your own direct channel.

**Third, work to build Superfans.** There’s the audience, and within it are followers, fans and there are Superfans! Followers are basically the passive audience (about 60%), may even be social media followers, but according to Nielson only contribute about 25% to your revenue stream. Fans are about 26% of the audience, but they contribute 41% to your revenue stream. They know you and your music and like it. They follow you, may be signed up for a newsletter, go to local gigs and may even buy new albums.

Finally, there’s the Superfans that only make up 14% of your audience, but are 34% of your revenue stream. So its pretty clear that you should focus first on Superfans, second on fans and how to make them into Superfans, and then on followers and how to make them into fans. The best overall success strategy creates different communication strategies for each of these types: if you only have one method of communication for all your fans, you’re selling yourself short and limiting your revenue opportunity.

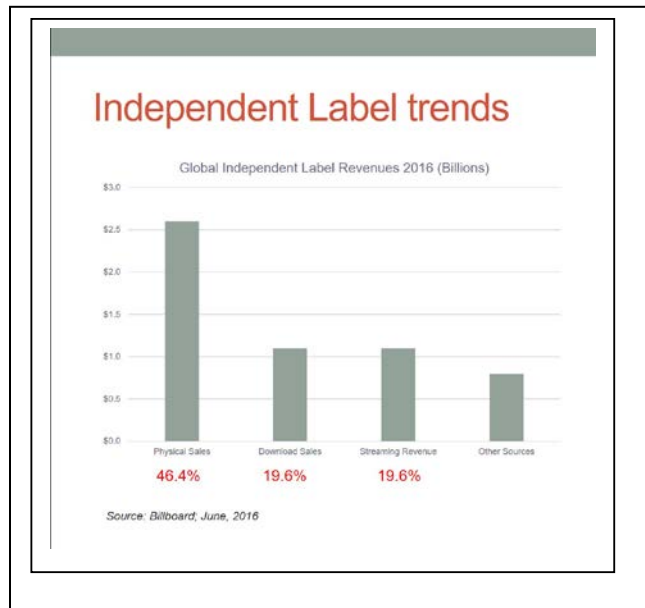
The mantra: acquire followers, engage them so you can turn them into fans and then convert those fans into superfans.



**Fourth, sell digital products.** If you're going to have a direct channel you need to be able to sell and deliver high quality (320 kbs) MP3 tracks. Make sure your fans understand that your MP3 downloads are encoded at 320 kbps, the highest quality permitted by the MP3 format. Why does this matter to them? Because quality matters (or should!) to most, and so compression and sampling rates matter to minimize loss and degradation of sound fidelity. According to Billboard in 2016, for the Independent market, 46% of sales were still CDs—but downloads were almost 20% of sales.

And sure, streaming has been disruptive for the past few years, but it's year-on-year growth is leveling out, and notice that just under 40% of all sales was digital and that was split equally between download and streaming. Selling downloads is a key component of a successful business strategy – and if you're sending your fans to digital resellers, they get all the revenue while you do the selling for them! And, that's after you've done the creative work, recorded and produced the album, performed to promote it.....and now you have to give up 40% of the digital sales.

Remember the 90/10 rule: less than 10% of customers ask for high res FLAC or WAV files – cater to the majority, at least to start with. Selling high-quality MP3 digital downloads alongside physical ones gives you two price points: CDs at \$15 and MP3 downloads at \$9.99.



**Fifth, strive for a seamless digital music experience.** There are two dimensions to this. One of the big advantages the digital music sellers have after they make that first sale to a customer, is that an account is set up with a credit card on file. All the customer has to do now is log on, the rest is automatic--and it's so much easier to be lazy and only deal with one place to buy. So, having an e-commerce solution that stores customer info and history, and has log on credentials is important. They'll know once they're set up they're good to go in the future. Log on and they're on their way.

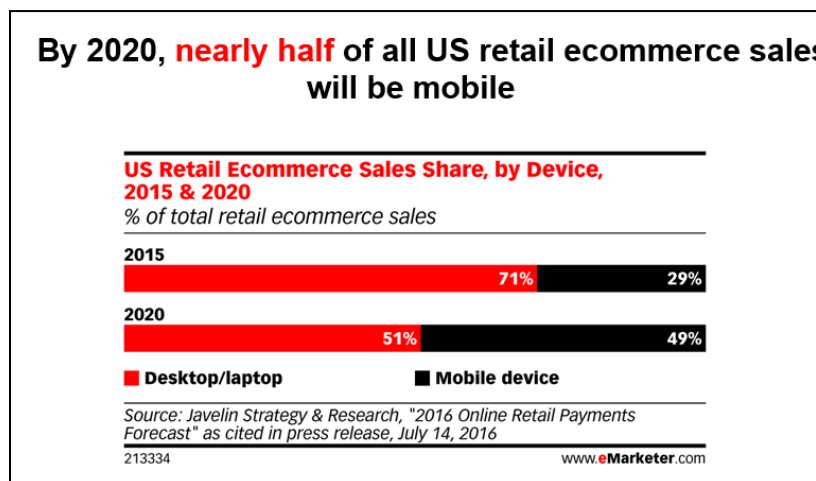
The other side of a seamless digital music experience is how you deliver the MP3 files and cover art to your customers. ZIP files may be convenient for you or your current digital reseller, but they're a hassle to most customers. Not only do they have to extract the files, they are now responsible for creating a file structure to put the files. Most customers aren't computer savvy enough to feel comfortable doing that. What's even worse is how many musicians still sell downloads by sending an e-mail with a list of links which required the customer to download and



save each and every track. When your fans buy, they expect to make the purchase, get the music and then start listening to your music, not spend half an hour playing computer technician before they can start listening.

What's not apparent to most musicians and customers is that the digital music sellers provide a digital download manager. When you buy an MP3 player and load their software or download it onto your computer (iTunes, Amazon, Groove, etc.) you are also getting a download manager that runs in the background. It's what manages the downloads from their server, saves them in the right folders in the main Music folder on your computer, puts the cover art files in the right place along with music files, etc. That's one of the reasons that people keep going back to the digital music sellers--they make it seamless and easy.

**Sixth, deliver a functional mobile solution.** Christmas season 2016 saw 72% of online purchases made on mobile devices. That's where the market is, and your direct channel has to be able to work on mobile devices and deliver the music there ready to play. Current market share in the US is 48% Apple and 46% Android. eMarketer release a forecast of mobile ecommerce by 2020, and the data confirms what we know!



You probably know that Apple is hyper-proprietary and doesn't make it easy, but that said, you've got to be able to deliver in this space. For both Apple and Android that means an integrated download manager that delivers purchased music files onto the mobile device, saves them so the fan doesn't have to deal with it, and presents them ready to play. The Android operating system includes a native music player that will play all music files from any source. Apple has chosen to be proprietary, and getting music onto an Apple iOS device so that it can be played isn't easy. For Apple that also means an integrated music player to play that music outside of iTunes and Apple Music.

So, strive for a seamless customer digital download experience. Get ahead of the file sharing and piracy problems, and use an e-commerce solution tailored for the sale of music that manages customer accounts and automates the download process. That's what the Indy Music Manager does: automatically and seamlessly manages the download of music and cover art files onto your customer's computer. And, for Apple devices, it also delivers an integrated player that's ready to play.

**Make Happy Fans!** That's our goal at Indy Music Sales. Our product offering and all its components were designed working back from what the fan expects and what the fan needs. Then we factored in the musician because we believe our product offering has to enable indie musicians to be successful in today's tech-crazy and hyper-competitive world That's why our tag line is "e-commerce by musicians for musicians!"

Our hosted web store delivers a direct on-line channel for indie musicians to sell physical and digital products off your own site. For physical that means CDs, albums and merchandise. For digital, that means MP3 downloads with an integrated download manager so the fan doesn't have to hassle with Zip files, etc. The products are fully optimized for mobile platforms as well as laptops and desktops, and for Apple mobile that includes and integrated Indy Music Player. This free player gives your fans an alternative to iTunes, Apple Music and Amazon—all of which are morphing into bloated streaming services to compete with Spotify. What happened to the basic player to play music or create playlists?

Put all this functionality together for your fans and now they're happy and listening to your music instead of sweating and swearing while they try to extract files, download links, and remember no to save them in Temp Folders where they'll never find them again! In addition, your mobile customers will have an Indy Music app on their desktop, that with one click takes them back to your e-commerce site, provides a history of purchases, encourages them to buy more.

And you, the indie musician get the sweetest revenge of all: when you sell direct from your web site, you collect full retail price. The more business you can direct to your direct channel, the larger your profit.

To learn more, look at the features and benefits provided by Indy Music Sales products, visit:

[www.indymusicsales.com](http://www.indymusicsales.com)

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