

CIE152 Project 3: Business Concepts

Your Name:

Your Email:

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1. Business Name & Concept

Looped

Experience. Listen. Create.
Logo created by Selena using Canva.

Looped is a music production plugin subscription platform. Our purpose is to redefine the way producers browse and download high-quality plugins.

Subscribers gain access to a comprehensive library of plugins to demo them before purchasing. Upon subscription and plugin download, a part of the fee supports plugin owners, while the rest covers platform hosting costs.

2. Business Structure/Model

What is the business structure/model?

The business structure for Looped would start as a sole proprietorship and expand into a company.

According to Kolb (2020, p. 14) , "a business can be... a sole proprietorship, a partnership, a corporation, or a cooperative."

The business model is subscription-based, as customers will pay a monthly fee to use the platform, which allows Looped to maintain an ongoing revenue stream. Over the last five years, the subscription e-commerce sector has experienced yearly growth exceeding 100 percent (Chen et al., 2018) . This indicates that it is a viable market to enter.

Connected industry

The industry sector that Looped connects with is the creative arts, specifically the music production and sound design industries. Individuals include musicians, producers, DJs, sound engineers, educators, and students.

External partnerships

The main experts that we will work with are developers such as Izotope, FabFilter, and Waves Audio to engage in affiliate partnerships. Affiliate partnerships are partnerships between businesses or individuals where one entity promotes the products or services of another in exchange for a commission or referral fee (Burns, 2020) .

We will work with marketers and influencers to establish our brand through social media platforms and beyond.

Our platform will need to be hosted by a company like Shopify. The theme Artist by Aoloha is suitable as it offers a clear comparison of different subscription plans and a dedicated area for articles, which is useful for SEO.

3. Skills & Knowledge

Strengths:

- Having music production knowledge is a strength of mine when selecting suitable plugins and understanding plugin functions.
- Experience in management and financial planning is key for Looped. I have been involved in multiple startups.
- My previous experience in marketing and advertising is useful for promoting and onboarding subscribers.

Weaknesses:

- A strong understanding of software development is required for the platform. This is something I am not proficient in; however, it can be outsourced.
- Understanding complex licencing agreements and the legal aspects of the music industry will require outsourcing to legal professionals.
- Designing visually appealing content may require outsourcing to skilled graphic and web designers.

Opportunities:

- Looped can expand into related areas such as samples, virtual instruments, or music education resources.
- As founder, I'd gain experience in building and managing a successful platform and developing leadership and problem-solving skills.
- As this is a unique and revolutionary model, we can lead the market and stay ahead of our competitors.

Threats:

- Protecting against piracy and unauthorised duplication of plugins. Having a cybersecurity team would be essential for ensuring this doesn't occur.
- Ensuring plugins are updated regularly through the platform could be difficult, as we would have an extensive library.
- Securing funding or investment may be necessary to support platform development, salaries, and marketing efforts.
- Established brands like Splice could enter this specific market, leading to competition.

4. The Team

Alongside me, the team below would expand over time:

Technical Team: For software development and IT. Manages platform maintenance and security.

Marketing Manager: Requires 3+ years of experience and will handle onboarding, advertising, email marketing, and influencer outreach. Preferred bachelor's degree.

Business Operations Manager: Manages daily operations, finances, partnerships, and legal matters, including developer outreach. Ideally, holds a bachelor's degree in business with extensive experience.

Customer Support Manager: Maintains community, handles support enquiries, gathers feedback for user experience enhancement, and seeks continuous improvements.

5. Product & Services

As founder, I'd oversee business development, strategy, and leadership, including staying updated on industry trends, recruiting, goal setting, and collaborating on marketing.

Aside from the platform's plugin subscription service, I would also like to offer sample packs, customised plugins, and educational articles to generate additional revenue streams.

5.1 Unique Selling Point

My name is Selena, and I am the founder behind Looped. We want to connect producers with large plugin brands to demo high-quality plugins without breaking the bank. By subscribing to our platform, users gain access to hundreds of plugins that are ready to use within minutes.

A music plugin is a software component that integrates with digital audio workstations to provide additional instruments or effects (Laukkonen, 2021).

We're the first in the industry to offer a subscription service purely for music plugins, and our sustainable model allows our partners to profit per download while offering our subscribers the ability to trial as many plugins as they desire. Looped caters to musicians of all levels, allowing producers to create without limits.

We're seeking funding to launch our platform's development. The funds will directly support our web development, plugin sourcing, outreach, and platform promotion.

Join Looped as we redefine music production.

5.2 Pricing

Penetration pricing is the chosen strategy for Looped's pricing model, offering an affordable subscription fee that rapidly attracts a customer base along with a 7-day free trial. This strategy, as noted by Arif & Subrahmanyam (2022), entices customers to new products or services and makes a significant market impact.

Subscriptions (Monthly \$AUD)

BRONZE	SILVER	GOLD	EDUCATION
\$30	\$50	\$100	\$300 or custom
<p>For beginners.</p> <p>Access to plugins between \$0-\$100.</p> <p>Free sample pack every quarter.</p>	<p>For intermediate producers.</p> <p>Access to plugins between \$100-\$500.</p> <p>Free sample pack every two months.</p> <p>All Bronze features.</p>	<p>For advanced producers.</p> <p>Access to plugins from \$500+.</p> <p>Free sample pack every month.</p> <p>All Bronze & Silver features.</p>	<p>For educational institutions and enterprises.</p> <p>10x users per account.</p> <p>Access to plugins from \$500+.</p> <p>Priority customer support.</p> <p>Exclusive samples and educational materials.</p> <p>All other tiers features.</p>

6. Audience & Market Research

6.1 Client Research

According to Branagan (2017, p. 48), "you need to find... market demand for your creative products and services or adapt them to activities that will generate income."

Our primary demographic includes musicians, producers, and audio engineers who seek music tools. Educational institutions could onboard Looped as a platform for students to utilise while studying, as well as retailers by offering subscriptions to their customers.

Our demographic reaches different age groups, genders, locations, education, and income levels.

6.2 Competitor Profiling / Issues / Trends

A major issue in the music industry is that musicians are concerned about the challenge of self-funding music production and promotion, especially without major label support (Bhatia, 2021). Another is digital piracy. According to a report by the Recording Industry Association of America, the U.S. economy loses around \$2.7 billion annually due to music theft (Hunter & Siwek, 2007).

AI voice synthesis is trending currently, helping creators without vocalists produce quality music. Looped might explore partnerships with Amper and Lovo to integrate voice synthesis.

Our direct competitor is Splice, founded by Steve Martocci and Matt Aimonetti in 2013 (Millman, 2021) and recognised as the largest beat-making marketplace in the industry (Arrieta, 2021). Known for their subscription-based sample library and audio plug-ins with over 4 million monthly users (Matthews, 2023).

While Splice offers a great service and a similar subscription model, it doesn't provide the specific functionality that Looped is designed for.

7. Marketing Plan

7.1 Sales & Marketing Strategy

To market Looped, our primary platforms for advertising will include Facebook, Instagram, YouTube, and TikTok. These channels allow us to target our specific audience and showcase custom creatives. We also plan to collaborate with influencers in the music production space to reach their followings.

For further engagement, we could host events. These events would offer attendees the opportunity to demo plugins and to network with and be educated by our plugin brands.

7.2 Production Plan & Challenges

Being a digital platform, we avoid supply and inventory challenges. However, securing partnerships with larger brands remains a key challenge, requiring negotiation and showcasing benefits. Initially, outsourcing assistance may be needed for tasks like development or marketing. Finding reliable external partners is a challenge, but once we have an established team, we can handle all operations in-house, which is a significant advantage.

7.3 Distribution Plan

Our distribution plan primarily revolves around providing access to our platform and plugins for our users. Users will access Looped through a website, which may potentially evolve into a program for PC users. To access the plugins, users will initiate individual downloads based on their preferences and requirements, like their DAW and computer type.

In terms of the exact technical formats for downloads, this is where our tech team would come in.

8. Financial Plan

8.1 Costs

Estimated startup and ongoing expenses include a monthly website hosting fee, which may range from \$20 to \$50 (Whitfield, 2019), and advertising and marketing costs, approximately \$5,000 to \$10,000, including essential aspects like brand kit design (Elfimova, 2023). Additionally, there's the annual business name registration fee of \$42 (ASIC, 2019) and domain expenses, typically between \$10 and \$20 per year (Aisbett, 2020). Other expenses include licencing fees.

To fund Looped, I will invest my personal savings to cover startup costs. Crowdfunding platforms like Pozible and StartEngine are viable options to raise funds from the community and potential users.

8.2 Funding Investigation

Crowdfunding platform

Pozible, an Australian crowdfunding platform, is ideally suited for my startup due to its specialisation in creative projects and its rewards-based crowdfunding model. This model allows supporters to contribute to campaigns in exchange for enticing rewards or incentives provided by creators (Mahajan, 2023). These rewards can vary and often include early access or limited-edition merchandise, being employed 19 times more frequently than equity-based models (Zimmermann, 2020).

Pozible enables businesses to establish campaigns, set funding goals, and determine campaign durations. The platform offers a range of campaign models tailored to diverse targets and objectives. Pozible applies a platform fee of 5% on the total amount raised, coupled with a transaction fee of 1.75% and an additional 30 cents per pledge (Pozible, 2023).

Choosing a flexible funding campaign on Pozible is a strategic move for my startup. This approach ensures that we can benefit from the funds raised, even if we don't meet our initial goal. To provide incentives to those who invest, I could offer a free plan for 12 months or indefinitely. Additionally, investors could gain early access to our platform, along with credits displayed on our website.

Based on the estimated expenses for starting and running Looped, a conservative crowdfunding goal would be approximately \$15,000-\$20,000. This accounts for initial costs and provides a safety net for unforeseen expenses, ensuring a successful launch.

9. Ethical Implications

Ethical concerns include fair compensation for plugin creators and user data privacy. We'll establish clear compensation terms before partnering and prioritise brand acknowledgment. Our tech team will implement secure user authentication and regularly update security measures to protect user data.

Being a sustainable digital platform is a strong benefit, as it would minimise our carbon footprint. Digital platforms are now being utilised to drive sustainable practices and are reshaping the tech sector as they allow businesses to have their staff work remotely (Frackiewicz, 2023; Hope, 2022).

10. Risk Assessment

RISK	LIKELIHOOD	IMPACT	RISK RESPONSE	RESPONSIBILITY
Competition	High	High	Conduct regular market analysis. Offer unique features.	Marketing Selena
Plugin compatibility issues	Medium	Medium	Ensure plugin testing before integration. Communicate with developers for fixes.	Tech Business operations
Loss of subscribers	Medium	High	Continuous improvement based on user feedback. Offer incentives for long-term subscribers.	Business operations Marketing + Selena
Economic downturn	Low	High	Diversify revenue. Maintain an emergency fund.	All departments
Negative reviews	Medium	Medium	Seek feedback and address user concerns.	Customer support
Technology outages	Low	High	Conduct regular maintenance and updates. Recovery plans for outages.	Tech

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Mid-Project Reflection

Process:

Starting Project 3 has been straightforward and engaging. I often find myself generating business ideas, resulting in pages of information and analysis covering various aspects like products, marketing, and more. With this project, I feel like I have the opportunity to be myself.

While much of the information I've written is drawn from personal experiences, I recognise the importance of providing credible sources. During my research into business structures and models, I delved into the topic of ABNs. As a freelancer, I've frequently been asked about having an ABN, and I've always wondered about its significance.

One intriguing and valuable piece of information I discovered in my research, particularly in the Week 11 reading, was insights from Le Rossignol & Wilson (2015). They emphasise the importance of freelancers having an ABN, noting that "many employers or clients will not want to work with a freelancer unless they have an ABN" (Le Rossignol & Wilson, 2015). I believe that having an ABN not only provides security and trust but also ensures freelancers adhere to Australian tax rules, preventing potential scams with international freelancers.

To enhance my workflows and processes for higher-quality work, I can prioritise tasks, set deadlines, and minimise distractions. To start this project, I found myself setting which questions I wanted to have completed by a certain deadline.

Person:

In this project, I've mainly conducted independent research, though I have sought feedback from my lecturer. During a class review, Nick provided valuable input, suggesting ways to reduce word count and improve the readability of certain paragraphs. He also advised me to incorporate more references from our weekly readings, a step I have taken by saving relevant sources for future implementation.

Regarding providing feedback to peers, I've assessed one peer's work. While their content was informative, I noticed some areas where depth was lacking, particularly in the funding section. I recommended delving further into explaining how the funding would be directly allocated and utilised. The peer mentioned they had received similar feedback from Nick and were in the process of addressing it.

According to an article by the Center for Teaching Innovation (2023), peer review offers students an organised method for giving feedback to one another on their work. It provides students with the tools they need to evaluate and give feedback to others for the rest of their lives, and it helps them evaluate and improve their own work.

Proficiency:

My previous knowledge and experience in business startups has been extremely useful. In my previously role as an E-commerce Coach, I interacted with over 50 students each week, gaining extensive insights into effective advertising strategies, website optimisation and pricing strategies. While I have drawn upon these skills in my project, I've been careful not to solely rely on past experiences as the prior business concepts were different and the industry constantly evolves.

I believe that in the business industry, the most effective learning often comes through trial and error. To improve my proficiency in the mentioned areas, I plan to continually experiment with new methods and strategies. I'm committed to learning from successful peers and incorporating their feedback to enhance my own skills.

Project-Completion Reflection

Appraisal:

I'm pleased with my project's overall success. Developing an original business concept in my creative industry and integrating my knowledge of e-commerce and startup businesses was an enjoyable experience. I found it simple to find online sources that were related to my topic. There was plenty of reliable information to support my ideas and offer new insights.

Given my previous work, I had high expectations for this project, which I believe I have fulfilled. I am excited by this concept's potential and look forward to potentially expanding on the idea.

Challenges:

Trying to stay within the 1700-word restriction was the biggest challenge I faced when working on Project 3. My word count was almost at 3000 before I had completed half of the assignment. I got really motivated and wanted to put all these thoughts into practice. I ended up copying all of that work and saving it in a different document in case I decide to go forward with the idea. I felt like I was missing out on important information after cutting the word count. In order to avoid writing too much in the future, I should try to write concisely and outline the precise subjects I want to write about beforehand.

Future Goals:

I want to improve my research and study skills even more in the future. I found that conducting in-depth research and keeping track of all my sources was a useful strategy. Because of this, I was able to write easily and incorporate references into my work, which supported my points. I plan to continue doing this in the future. I also want to get better at combining material and presenting it clearly and concisely so that I can fulfil word count requirements without compromising the quality of my work.

Overall, as this was my final project for my course, I look forward to utilising all the skills I have obtained in my future work.