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Culminating Experience
Reflection Paper
Due July 3, 2015

Crowdfunding and the Music-Making Paradigm:
A Case on PledgeMusic

This document contains:
Reflection Paper

Summary

My Culminating Experience was one of the options presented at the beginning of the school year, open for application: a case study and accompanying teaching note on PledgeMusic.

This project fell somewhere between a research and consulting project: it required a great deal of investigation into one company (PledgeMusic), while being in the service of another institution, Berklee's soon-to-be-formed publishing entity. Moreover, it is written based on the standards for a case and teaching note as established by Case Centre, rather than one of the 4 styles presented during our Music Business Seminar.

Results

The case and teaching note I am submitting for this CE is a work in progress. The information, story, and teaching method are completed, but will be subject to revision by Alexandre Perrin (who is co-authoring this with me) and the approval of Benji Rogers (Founder and President of PledgeMusic).

Once these revisions by parties other than myself are completed, supporting documents (such as worksheets or slides) can be generated. Since Berklee's publishing entity will not be ready until the end of 2015 or early 2016, we have some leeway in taking this through the remainder of the editing and publication process.

Process

I dove into this project with very misaligned expectations. I did not fully understand the difference between a case study (as a standard research method) and a case for the case method of teaching. Prior to my attendance at Berklee, I had never been exposed to the case method, although it was common for my teachers (and myself, as a teacher) to reference and engage with different research and publications as part of the coursework.

I began much more research-focused: I wanted to learn as much about what made PledgeMusic tick as possible. I read literature on the music industry, on crowdfunding, and PledgeMusic. I may have read every article about Benji Rogers and PledgeMusic ever published. The more I learned, the more questions I had, and the less certain I was about the direction of the case.

Meanwhile, my personal interests at Berklee were changing. Instead of focusing on curriculum development, my attention began to turn to marketing. Specifically, I began to wonder about consumer insights and the appropriate application of that knowledge. PledgeMusic's model of selling to the superfan in a way that lets them engage at whatever price point they desire while incentivizing pre-payment and social sharing through behind the scenes content is an excellent consumer insight, based on Benji's gut. I grew curious about the kind of data a pool of early adaptors could provide, and very much wanted to redirect my research into an analytics capacity – there were so many potential insights that it was addictive. In pursuing this line of inquiry, I learned three things: first, the type of information I wanted to uncover was something people

were willing to pay a premium for; second, the scale of analytics I was curious about was beyond the scope of my CE, and something that organizations pay analysts hundreds of thousands of dollars a year to generate, and; finally, in PledgeMusic's eyes, the data belongs to the artist. Using it for other purposes requires permission.

With this line of inquiry was taking me in one direction, I was struggling to schedule interviews and acquire the information I wanted. The interviews I conducted occurred in March and April, pushing back my writing process. I learned that the marketing data I was interested in was not available to me in the depth I desired for a comprehensive case; much more information was available for an introductory business model case.

The direction of the case was something I could not know until I conducted the interviews and requested data, but I made the mistake of reading, researching, and preparing intensely in advance of these interviews and data requests. My vision for where I wanted the case to go was dramatically different from where the information PledgeMusic was able to share with me would allow me to go while maintaining quality. If I were to do this again, I would have done a brief review of Benji and PledgeMusic, conducted one or two interviews and data requests, and then done a follow up literature review based on the direction that information pointed me. If I had followed this method, I would have been significantly more efficient.

As it stood, however, the end of April rolled around and I had finally collected all I was going to acquire from Benji and PledgeMusic. I could no longer fight the direction the case was going, and I had to abandon much of the information I was looking into in

order to find more relevant information for the case as business them, rather than a marketing one.

Lesson plans are simple for me – and a teaching note is basically a detailed lesson plan, therefore not a problem. The surprising struggle I had was writing the case itself. The style is different than most writing I've done in the past, and a good case plays with the information. I discovered that not only to I need to withhold information in a case, but I need to place information in the story in a way that forces students to judge both what is useful, and how to organize and apply the useful information. I err on the side of including too much and being too straightforward, so writing the case has been an interesting exercise that goes against my instincts. It was also a significantly longer process than I anticipated. In fact, I wrote the case, then deleted half of it when I went back in for the teaching note.

Next Steps

The next steps for this case is to go to Alexandre Perrin for revision, and then to Benji Rogers for approval. From that point, we will generate the appropriate teaching materials (worksheets, slides, etc.) and submit for publication. Publication will not occur until late 2015 or early 2016 due to the lack of a publishing entity at Berklee right now. Berklee is in the process of creating an entity, and this case is slotted to be the first publication.

Contribution to the Discipline and Profession

This case will be published and made available to music business classrooms everywhere. It explores business models in the context of (a) crowdfunding, and (b) music.

Impact on Me

The most valuable thing I drew from this project was the value of consumer insight. Even though PledgeMusic goes with its gut and general observations, the activities at PledgeMusic have the power to reveal very interesting trends. I am curious about the things we can learn by looking closely at those who love music – they are the early adopters of musical innovations, and have the potential to function as a early warning system for the next trends in content and engagement. More importantly, I am interested in how that information can and should be used to improve the fan experience and the artist's financial sustainability.

Other

I haven't decided whether I love or hate this style of writing and teaching. That being said, I may have accidently signed myself up to write another case when this is done.

If I were to do this over, I would not have done a case on PledgeMusic. There are, however, two cases I would write related to PledgeMusic:

1. A marketing case based on an artist launching his/her first PledgeMusic campaign. Following either the artist or the campaign manager, we would examine best practices for a PledgeMusic campaign, as well as how to personalize the process based on an artist's goals, tools, and fan base.

2. An economic/value based case in which an artist (or artist manager) needs to decide how to go about funding and releasing the artist's next album. Students would have to weigh services provided against cost to artist, comparing several options (traditional record deal, DIY, bank loan, personal investment, PledgeMusic, Kickstarter, Patreon, etc.).

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Appendix

Data Request #1 (screen shot of email):

*The number of artists figure refers to those artists that have officially "launched" on the platform.
**I've referred to 2011-2014 as the periodical parameter due to volatility in the figures from 2009-2011 (creating extreme outliers)

How has Pledge's user base grown annually since it's creation?

- From 2011-2014 Pledge Music's user base has grown at an average rate of 78%

- From 2011-2014 Pledge Music additionally experienced an average 45% annual increase

in the number of artists that have 'launched' through our platform

- In the same time period, the platform has seen a 37% annual increase in the amount of projects that have launched and been fulfilled.

- With a 99% average annual increase in the number of transaction posted

- Products are grouped by kind, not necessarily by vehicle. Surveying products from 2011-2014:

CDs - 51.3%

Vinyl - 10.1%

Tshirt - 9.43%

Poster - 4.8%

Credits - 2.6%

- Traffic metrics are collected, however, the actual figures may not be externally available

Audio recordings of all interviews are available, but cannot be submitted through Turn It In.