

CULMINATING EXPERIENCE

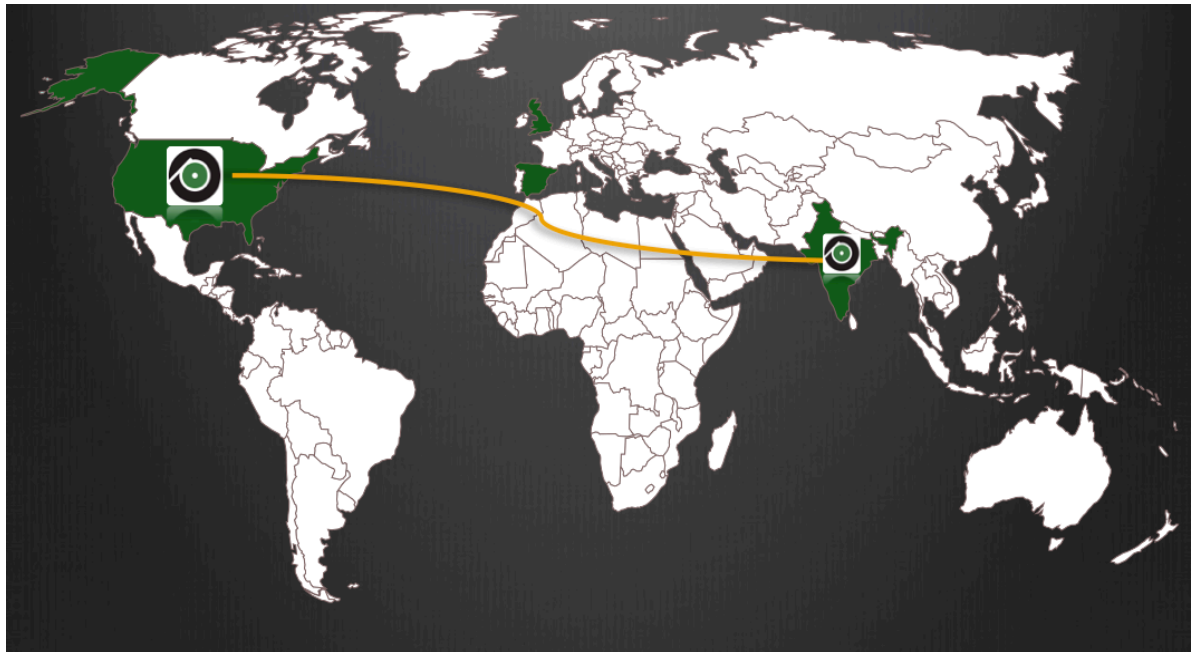
PledgeMusic To India

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EXECUTIVE SUMMARY

With the opportunity given at Berklee College of Music, I have been working on a **consulting project** for my culminating experience. My topic for the consulting project was to get a chance to work with a company from the U.S or Europe, which is looking as India as one of the companies to expand to.

I felt this would be a good topic for me to work on as I have prior experience in market research and survey and coming from India, I was familiar with the market and how to conduct business there. Several online streaming and digital companies are trying to internationalize to the Indian market but a lot of research and time is required to analyze the culture of the country and whether it will be a successful market for the company to expand or not.

One of the guest lectures at Berklee was by the humble, Benji Rogers, CEO of PledgeMusic. He gave us great tips on start-ups with his personal examples of how he started and is carrying out PledgeMusic. I was really intrigued by their business model and idea and felt PledgeMusic would be a great company for the Indian

market. I got the opportunity to speak to Benji Rogers, CEO of PledgeMusic about my culminating experience and he was interested in the idea.

PledgeMusic is a direct-to-fan online music platform that helps musicians reaching out their fan base to distribute and pre-sell their music projects. It's a great way for the fans to see the process of their favorite making music as it happens.

So, I analyzed the cultural, legal and political aspects of the music industry sector of India, which should be beneficial for the company. As before expanding to another country, it is really essential to understand the regulations and cultural aspects of how business is conducted in that country. I conducted the market research by doing a survey analysis of the Indian market and then recommendations whether or not it will be profitable for PledgeMusic to expand to India and under what circumstances.

MARKET STUDY OF INDIA

I did some research on the Indian digital music industry market.

“MusicAlly reports that Vinodh Bhat, CEO of Saavn - which has 10m active users amongst the 1.2 billion population - said that: "It would be a huge mistake for the Western music and entertainment industries to ignore India's potential" and that he expected consumption of Western music to grow from 4% to 10% in the territory over the next four years” (Music Week, 2013).

The digital music market recently overtook physical music sales in India as it has in much of the rest of the world. By 2011, approximately 60% of music was purchased through digital mediums (Nextbigwhat, 2013). In this paradigm, consumers pay for data rather than compensating the artist or label directly.

In India, as in the global marketplace, music pirating proves to be problematic for all facets of the entertainment industry. It is common for retail stores and street vendors sell pirated movies, music, and digital books in a poorly policed black market. Peer-to-peer digital piracy sites are becoming increasingly popular as more consumers gain access to broadband Internet.

The *US India Business Council* cites piracy as “robbing the Indian entertainment industry of approximately \$4 billion of annual revenues and 820,000 jobs”

(Culture360, 2009). However, the magnitude of this problem is frequently debated. These data are often identified as being inflated and for “flattening out issues of social or economic difference in their picture of the phenomenon” (Culture360, 2009). Regardless, it is clear that pirating is a common phenomenon and a primary method for obtaining music and other proprietary media and entertainment.

The rate of media piracy can be explained when the means of the audience is considered; Approximately a quarter of India’s population lives below the poverty line and the cost of CDs and DVDs obtained legitimately is prohibitive for the average Indian citizen with limited earning potential (Biswas, 2012). Piracy provides a cheap, affordable alternative for Indian consumers of limited means where luxury items must be deferred for consumer items of necessity.

CULTURAL ANALYSIS OF CONDUCTING BUSINESS IN INDIA

India is a diverse country with a mix of languages, cultures, traditions and religions. So for a company who is trying to internationalize to India from another country, will have to know the cultural differences before conducting business there. Using the Hofstede’s model, a company can find out the major cultural differences between the host and the home country for doing business there.

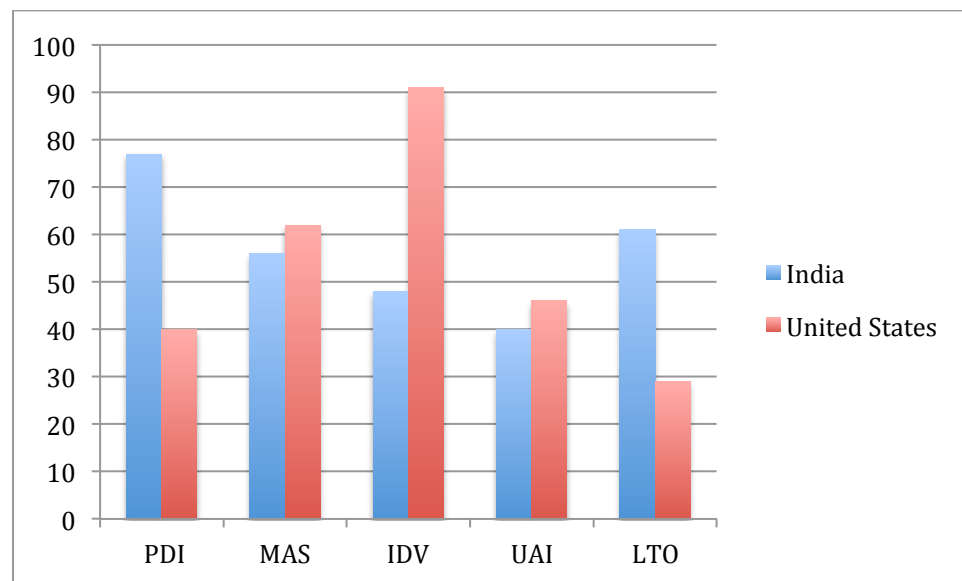
India is the second most populous and high context cultured nation. High-context cultures tend to “use and interpret more of the elements surrounding the message to develop their understanding of the message ” (Hollensen, Global Marketing, p. 237). Social status/standing and familiarity or prior knowledge of the person and the social setting or background can provide additional information, and will be perceived by the message receiver. In high-context cultures, such as Indian culture, interpersonal relationships are regarded as highly important. Trust is not gained over a short period of time as in low- context cultures. More thought and effort may have to go into developing interpersonal relationships in places like India. The context of words, tone of voice, gestures, body language, and even social status or family history are considered as key factors of developing relationships.

Indians prefer to conduct business with those that they know. In Indian culture, relationships tend to hold higher importance over material possessions. In reference to friendship patterns, “relationships are built upon mutual trust and respect. Indians

prefer to have long-standing personal relationships prior to doing business” (India-Language, Cultures, Customs and Etiquette, 2013). Business agreements may be sealed with a handshake instead of a complex agreement.

HOFSTEDE’S MODEL

India is a diverse country with a mix of languages, cultures, traditions and religions. We can get an accurate overview of India’s culture by using Hofstede’s Model and can recommend ways of managing the cultural differences between India and the United states (home country for PledgeMusic). To establish a business globally, it is always more beneficial to understand the demographics of the host country. According to Hofstede’s Model (4+1 model), we can analyze the culture of 2 countries in four aspects:



Source: www.geert-hofstede.com/countries.html

POWER DISTANCE INDEX (PDI):

This dimension of the model concerns the inequality amongst the people in India in terms of social status, caste system and hierarchy. The PDI analysis of the graph indicates that India is high in power distance, which means that when it comes to decision making whether at home or at their workplace, the people at the top make all the decisions. A person with a higher social status is respected and obeyed more than a person with a lower social status. In these societies, equality is not stressed.

High power societies benefit the workplace because decision-making is left to the top management.

MASCULINITY (MAS):

This concerns the gap between the values of men and women in a cultural society. Every country has different set of norms in terms of communication between genders. According to the MAS analysis, India is ranked third highest in the world in masculinity dimension depicted on Hofstede's model. The analysis depicts that India and United States are both considered a masculine society, which means that when it comes to the workplace, there is a lot of competition amongst people and an immense display of success. This system of intense competition for the 'success label' begins in school and continues throughout an individual's lifetime.

INDIVIDUALISM (IDV):

Individualism denotes the degree to which people in a country learn to act as individuals rather than as members of groups (Global Marketing, page 236). In an individualistic society, the bonds between individuals aren't very strong. In contrast, Collectivist societies place value on cooperation and teamwork. India is a collectivistic society, as depicted in Hofstede's model with a low IDV score. In India, people are used to working in groups and are interdependent on each other. Whether in the workplace or outside, people like to maintain harmony amongst the group and seek their family or friends for advice. Building relationships is the most important thing when it comes to doing business in India. They tend to know and trust the people they are willing to do business with.

UNCERTAINTY AVOIDANCE (UAI):

Uncertainty avoidance refers to the way a society deals with uncertainty. Not many countries have a high tolerance for uncertainty. India and The United States both have a low tolerance for uncertainty. Both societies have trouble dealing with recurring change. People in an organization usually tend to follow certain rules and values. The culture is not very open to new changes and situation. Whereas a country with a high tolerance level are open to new and diverse ideas.

Since India and United States both are a low to middle level tolerance country, there is slight difference in thought processes when it comes to change.

LONG TERM ORIENTATION (LTO):

“Time orientation is defined as the way members in an organization exhibit a pragmatic future-oriented perspective rather than a conventional history or short-term point of view”(Global Marketing, 237). As indicated in Hofstede’s analysis, India has a high long-term orientation. When it comes to conducting business, Indians always think long term, economically speaking. The United States, on the other hand has a short-term oriented culture, which indicates that their society does not tend to differ relationships by social status and does not believe in personal steadiness.

RECOMMENDATIONS

Upon analyzing the culture of India (the host country for PledgeMusic) and United States (home country for PledgeMusic), I can recommend certain ways to manage these cultural differences so that PledgeMusic can easily internationalize the label and adjust to the Indian Culture.

- **Proper management and organization structure:** Following analysis, it clearly determines that India is a collectivist society and people prefer to work in teams. Additionally, organizations in India tend to have a hierarchical management structure due to high power distance. So, the label should appoint American expats to lead the Indian teams and work with them.
- **Improved Communication:** There is a huge cultural communication gap between the Americans and Indians. The management should be able to overcome this communication gap by understanding the communication dynamics of each society and by talking to the Indian employees about how they greet each other. We could also implement an anonymous complaint or suggestion box to help overcome this gap. There can also be a problem of language. Indians speak British English, so some words are quite different from American English. Thus, it is important to notify employees of differences in prose as to adjust efficiently within the workplace environment.

- **Gender Gap:** There are few gender issues in the Indian society, business women are highly respected in the society.
- **Scheduling of appointments:** Since Indians have a high time orientation value, its better to schedule appointments in advance for a business meeting.

POLITICAL/LEGAL ANALYSIS

Since its independence in 1947, the growth of India's political stability has allowed for its emergence as an international power. Prior to 1991, socialist governance of the private sector had been causing international investors to shy away from India due to high costs of exchange and legislative constraints. However, recent political and legislative reforms have given way for rapid economic growth by opening trade between Indian and western economies such as The United States and Western Europe.

In 2011 alone, there has been an estimated 36.5 billion dollars worth of goods imported to the United States (US Census Bureau, "Foreign Trade Balance"). Moreover, the United States is India's largest investment partner with an estimated 9 billion dollars worth of investments India's growth in international trade and investments, however, is hindered by internal corruption, poor infrastructure and inflation (US Department of State, "U.S. Relations with India").

India's comprehensive legislative framework has made it facile for businesses to grow within its economy. The legal system provides an environment in which businesses can flourish without significant interference from government. Despite India's structured legal framework, implementation of these legalities is, for the most part, null and ineffective. This has allowed for several business scams to occur since its economic liberalization. Moreover, judicial processes within India are incredibly slow, with deliverance of verdicts usually lasting more than a few years. The lack of effectiveness in terms of speed of India's judicial system can be attributed to the disproportionate ratio of judges to citizens; 15:1 million ("Country Analysis Report: India" 40).

The current Prime Minister's (INC) government has focused its efforts on international integration and international trade; it is pursuant of economic policies

that supports liberalization and attracts foreign investors. Although the current government has been expected to increase the pace of economic reforms, there has been a lack of delivery, which has been described as a political paralysis; most likely a result of the country's increasing problems of inflation and fiscal deficit.

RELEVANT-ISSUES

POLITICAL

Several policy measures have been applied to reduce the inflation crisis within India. Such measures include the Direct Tax Code, which will effectively simplify the taxation process. Additionally, reforms have led to an increase in bonds issued by foreign investors to a limit of \$40 billion annually ("Country Analysis Report: India" 55). A focus on increasing macroeconomic policies have been at the forefront of the government's agenda, with the most current regime expected to further facilitate economic reforms. India's ruling bodies are without a doubt pro capitalism and have made great strides in increasing opportunities for international business.

It has improved relations with world economic powers from the western world. Nevertheless, India will remain behind if the economic reforms are not processed and delivered. Moreover, despite India's surge in its economic strength, sequential growth in this sector will continue to stagger and lag in terms of international standards due to frequency of internal and external terrorism and threats thereof.

LEGAL

India has been very successful in establishing a very comprehensive legislative system, which has allowed for its businesses to prosper. One of the most recent and important reforms, which have given businesses an edge, is the implementation of the Value Added Tax (VAT). Also, increasing information technology systems has abetted the online tax payment process, which in turn has made easier to navigate the corporate tax structure and to open a business as well ("Country Analysis Report: India" 39). India also has in place laws protecting intellectual property such as the Patents Act, the Copyrights Act, and the Trademarks Act. These laws further provide a stable legal environment for industries within the entertainment sector to operate in.

Additionally, India has been restructuring tax policies that are key to increasing global economic integration, although policies are still a bit rigid compared to international standards. This is demonstrated in the incentives that several Indian states have offered international investors such as tax concessions, reduced tariffs and subsidies. “According to UNCTAD World Investment Prospects Survey 2009-12, India ranked second in terms of global FDI in 2010...” (“Country Analysis Report: India” 38). Through all the efforts the Indian legislative have made to increase international trade, the lackluster pace of economic reform has discouraged international investors which has led to a plateau in economic growth.

Although India’s legal framework provides a sustainable environment for businesses, the implementation of these legalities is often delayed and or ineffective due to weak corporate governance. For example, the implementation of intellectual property laws is weak and has allowed for very *high rates of piracy* within India’s entertainment industry. *Enforcement in this sector is practically non-existent and reparations for pirated media are basically zero.* These problems are sustained and exacerbated by India’s judicial process, which is stagnant. *Problems in piracy will remain if reforms in legislation and corporate governance are not implemented.*

POLITICAL RISKS:

Ownership Risk

Ownership risk in India is marginally higher in comparison to established economic countries. This can be attributed to the current problems such as the fiscal deficit and inflation crisis. Additionally, the government has been under public ridicule due to recent allegations of corruption and the slow pace of economic reform.

Operational Risk

Operational risks of current businesses in India are moderate. The legal framework provides a safe environment for business to operate without risk of unnecessary administrative obstacles or taxation. *Foreign companies are allowed to set up subsidiaries within India to carry out activities and can also form alliances with domestic businesses without difficulties. However, IPA’s are not implemented efficiently, which leaves businesses within the industry at high risk for piracy.*

Verdicts for piracy cases cannot be reached in a timely manner either because of India's slow judicial process.

Transfer Risk

The Foreign Trade Act of 1992 assists in the development and regulation of foreign trade. This act aims to increase India's stake in global trades with a focus on industries that exhibit great potential for export expansion. FDI in India has significantly improved as well since 1991 with its stock reaching \$177.7 billion in 2010 ("Country Analysis Report: India" 38). Tax reforms are being implemented such as the Direct Tax, which is aimed at taxation relaxation. The implementation of the VAT will reduce inventory and warehouse costs by covering all goods and services produced within India with one standardized rate. India, however, does not have a single financial market regulator, which makes it difficult for investors within and outside of India.

RECOMMENDATIONS:

- **Expedite/Outsource Legal Processes:** As previously mentioned, India's legislative process is very slow and does not guarantee protection of IP. Thus, one recommendation to consider is to outsource legal processes in another, more developed nation. For example, trademarking and copyrighting could be processed within the United States Government and these rights could be protected worldwide. In a worst-case scenario where an entity infringed PledgeMusic's copyright within India, the case could be handled in an American court.
- **Incorporate Business outside of India:** Though India's taxation processes are becoming fairer and less costly, there is still work to be done before a business can intend to formalize in India and operate under its tax structure. In this vein, we recommend formalizing the corporate structure in a country outside of India as to bypass India's taxation processes. This would give the business more leeway while it is in its beginning stages and reduce transfer risk while still growing the business.

DEGREE OF ECONOMIC INTEGRATION OF THAT COUNTRY/REGION WITHIN A WIDER REGION

India has become increasingly implicated in the Asia-Pacific regional market thanks to their 'Look East' campaign ('PM's visit a success', Business Standard, 2013). The policy aims to strengthen the ties between the strategic and economic collaboration between India and countries of South-East Asia in order to counterbalance the strategic leverage of China. This has resulted in a convergence in governance between these countries. Alleged reports ('PM's visit a success', Business Standard, 2013) show that ASEAN nations are looking to complete the official integration of India to the trade block by 2015 to 'forge an Economic Community' ('PM's visit a success', Business Standard, 2013). This would allow the free travel of goods, services and production services between the countries but also encourage economic alignment.

India is looking at Indonesia as its main market for inward investment. The two countries have agreed to engage in a Comprehensive Economic Cooperation Agreement to increase trade and encourage investment. Additionally, the youth demographics of Indonesia offer an attractive opportunity for Indian goods and services to be exported ('PM's visit a success', Business Standard, 2013).

Therefore one can see that India is integrated and is an active player in its regional economic context.

GROSS NATIONAL PRODUCT:

The gross national product represents the value of goods produced nationally and as a result of international trade for an annual period of time (Hollensen, *Global Marketing*, p. 216).

India's GNP for 2012 is of roughly 4,749 trillion US dollars (adjusted to Purchasing Power Parity) ('World DataBank', World Bank).

The growth rate for India's GDP (domestic product relating to the value of goods produced domestically over the period of one year) in 2012 was of 3%. This indicator is a record low for the country over the last 10 years and shows a difference in 8% from 2010. However the country's GNP is in constant growth and has been for

the past 10 years. This leads us to believe that the reason for this shortcoming in GDP is due to India's heavy reliance on international activities.

GROSS DOMESTIC PRODUCT PER CAPITA:

The country's GDP per capita at PPP is of 3,840 US dollars ('World DataBank', World Bank). This places the country in a transitional stage between being a Less Economically Developed Country (LDC) and being a Newly Industrialized Country (NIC) or Developing Economy. This means that the country is very much capable of exporting goods. Moreover, high economic growth shows that a country results in difficulties in producing what is demanded by domestic and foreign customers' (Hollensen, *Global Marketing*, p. 217). Relating briefly to our goal, this would allow India to rely on its competence at exporting goods to thrive from this addition, but also help in producing and harnessing what is widely available as a domestic raw material: talent

TRADE RESTRICTIONS OR BARRIERS:

India has recently made an effort to make the transition into an open economy. Heavy restrictions on imports and foreign investments were put in place and tariffs exceeded 200%. It wasn't until the tail end of the 20th century that India began to implement reform on their closed economic system (The World Bank, "India's Foreign Trade Policy", 2013).

Despite recent growth, India is still regarded to be a shielded economy. *The World Bank* describes India as being "considerably restrictive", stating that "agriculture tariffs average between 30-40%, anti-dumping measures have been liberally used to protect trade, and the country is among the few in the world that continue to ban foreign investment in retail trade" (The World Bank, "India's Foreign Trade Policy", 2013).

Trends indicate that India is slowly working towards an open economy by implementing regulations that will benefit consumers rather than protect producers. The country has pushed for a globalized trade system in an effort to further stimulate the economy. India is currently developing new trade agreements with East Asian countries and the United States (The World Bank, "India's Foreign Trade Policy", 2013).

In the past, U.S. exporters have complained of being impeded by various Indian trade restrictions, asserting that current regulations are discriminatory towards American businesses. In July, 2013, U.S. Vice President Joe Biden urged that lifting tariffs and “buy local” requirements as well as amending weak intellectual property right protection would result in bilateral trade increasing by five times (South China Morning Post, “US Vice President Joe Biden to Urge India to Lift Trade Barriers, 2013). The Obama administration has stated that improving trade relations with India is a priority, although there is much work to be done before both countries can reap from the benefits that come with amended trade restriction (Brander, Obama Faces Heavy Lift With Trade Relations, 2013)

INFLATION RATES:

The current rate of inflation in India (based on the Consumer Price Index or CPI) is 10.748% annually and .851% monthly (Global Rates, 2013) In comparison, the inflation rate of the CPI the United States is 1.518% annually and .120% monthly (Global Rates, 2013) Since 2004, the inflation of India’s CPI has increased by nearly 7%. This can really help in determining the prices of the products, which the Indian music fans will pledge for.

There are numerous catalysts that boost India’s rate of inflation. Primarily, the country’s steady population growth (approximately 1.31%) outweighs the growth of production (Index Mundi, 2013) The demand for essential goods and commodities is greater than it’s supply, ultimately boosting the cost of production.

Secondly, India’s unbalanced economy plays a role in the increase of prices. The growth in the agriculture sector has been less than average which has triggered an increase in the need to important basic goods and commodities. India’s weak currency has further raised the prices for imported goods and contributed to the inflation of CPI (Nihalani, India - The Unbalanced Growth Theory, 2009).

Lastly, India’s growing economy has enabled people to spend more money. Those in the private sector who have experienced an increase in earnings are influencing the country’s growth in demand. The increase in demand has surpassed that of supply, resulting in higher inflation (Nihalani, India - The Unbalanced Growth Theory, 2009).

RECOMMENDATIONS:

Overall, India's growing orientation towards a liberal, open economy is a great opportunity for the country to expand its areas of business and focus on exports within their trade area. Increase in exports would play in favor of the country's economic growth, as the value of their imports is far greater than the total value of exports. More to the point is the low value of the currency and the ever-growing inflation rates. The more the country imports goods the greater the impact of inflation is. Seeing how their relationships with ASEAN countries have been improving in the recent past, it makes sense for a country like India to focus their efforts on producing within their borders, and exporting goods to their neighboring countries.

This was a detailed research of the social, legal/political and economical analysis of conducting business in India and recommendations to adapt when expanding to the country.

METHODOLOGY FOR PRIMARY DATA

The best way to find out whether it will be profitable for a company to expand to another country is by asking the consumers about the company's product/service. There could be questions along on the lines of whether they'll use the service or their *willingness to pay* for it.

TARGET MARKET

I decided to conduct a quantitative survey for the *music fans in India* and for the *musicians in India*. For the music fans in India survey, I sent it out on forums, music schools in India and social media communities like twitter, facebook etc. I got 52 useful responses.

As per the musicians in India survey, I reached to out some of my friends in India who are musicians and got in touch with music school in Delhi, Global Music Institute. They have some ties with Berklee College of Music and kindly sent out the survey to their students. The response was really helpful from them. I received 21 useful responses for the musicians in India survey.

MUSIC FANS IN INDIA

The survey responses are attached in the appendix. From the Music fans in India survey, I have analyzed that most of the music fans are willing to pledge for their favorite artists but most of them aren't willing to pledge for more than Rs. 1000 i.e \$17 while a few are willing to spend more than \$160.

I think the price would majorly depend on who the artist is than what they are offering to their fans. Also, there isn't much difference between the fans pledging for physical products or digital products. For quite a few of them it doesn't matter as long they are being provided with the musical content/other exclusives.

As per the physical products, most of them would pledge for backstage/ guest list access and signed collection. Surprisingly, 23% of the music fans would pledge for vinyl's. I personally feel that this could be a great thing for PledgeMusic as most of young music fans in India haven't heard the sound of a song playing on record player. Additionally, there are close to zero places in India that sell vinyl's. It would be really interesting to see people listening to vinyl's in India.

From the survey responses, I found out more than half of the people don't pay for music but I strongly feel PledgeMusic would be a great platform to change that. However, even if the fans will pledge for their favourite artists, most of them are not willing to pay more than \$17-\$20 for it. For the ones who do pay for music, they get their music from itunes. google play, CD's and sometimes records.

For the ones who don't pay for music, get their music from youtube, soundcloud and torrent websites. About 62% of music fans in India would pledge for both Indian and International artists, about 28% would pledge for only International artists while the other 10% would pledge for Indian artists.

MUSICIANS IN INDIA

The survey responses are attached in the appendix. The feedback from the musicians was really interesting. 96% of the musicians are looking for funding for their new album and they all are interested in giving the fans access to exclusive offers and items in exchange of additional revenue.

As per the exclusive offers the would be giving the fans to access were mostly CD's, backstage guestlist access, signed collection and process of making the album. 27% of them will give out vinyls.

Some of them mentioned that they would give a session with the band in their practice place and others are not really for exclusivity. They feel if they put something out there, it's for everyone.

About 40% of the musicians that responded to the survey require more than \$1600 of revenue. Others at least require \$160 for the making of their new single/album.

To receive funding from the fans, 91% of the respondents want to be personally connected to their fans and are willing to offer both physical and digital products. As per the physical products, 73% of the respondents are only willing to offer CD's and 27% of the respondents are willing to offer both vinyl's and CD's.

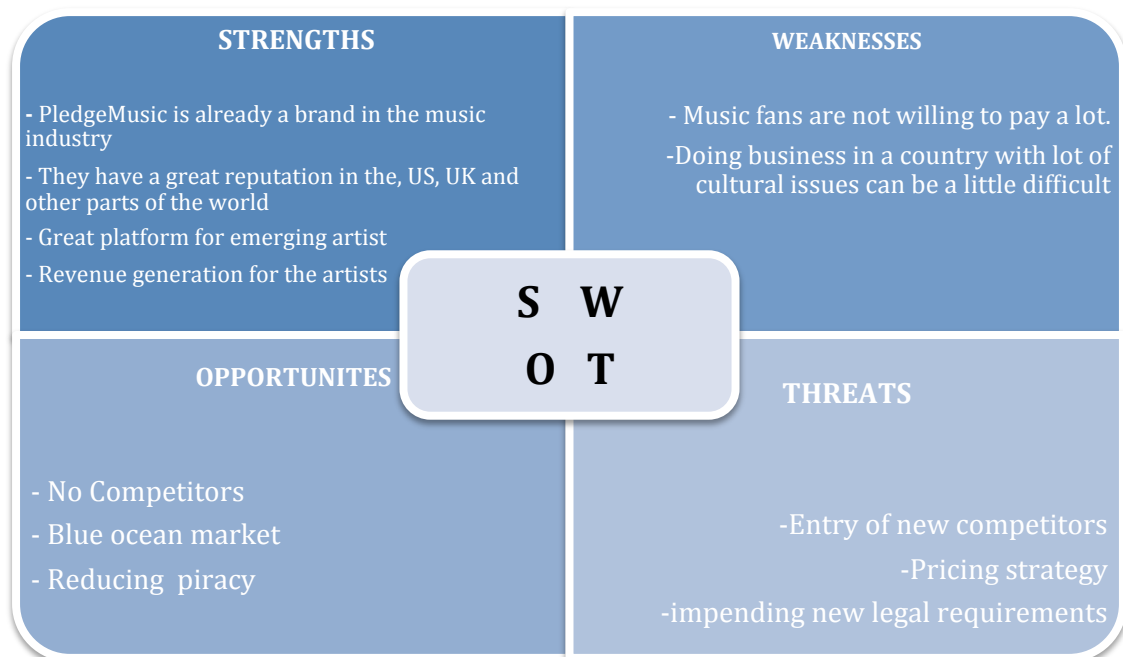
They get funding from various sources like:

1	by doing part time jobs performing, teaching..
2	Gigs (live performances) and session-work
3	I save from my earnings from gigs and teaching.
4	full time job
5	Gigs and Sessions
6	Teaching , doing live and studio sessions , producing music at a smaller scale and smaller production cost .
7	Dont get funding yet.
8	I don't.
9	Haven't tried that yet. But I'd probably put up a few demos and if the response is genuinely good, and I have a lot of listeners whom I've never met or have spoken to, then thats a positive sign. In that case, I'd ask my fans if they liked the music and they want more from me. It will be a very sincere attempt to present something new to the people.
10	Through performing at various places, looking for sponsors from companies ready to do so.
11	By teaching music
12	Self
13	A full time job.
14	Teaching music, Playing gigs, Loaning from friends, Loaning from parents, Winnings from competitive music events, etc
15	Self
16	Still looking for any funding, but source doesn't matter to me
17	For now we've been working it out ourselves but for making a better quality product we are ending up some 20 to 30 thousand rupees short .
18	Live shows.
19	By trying to involve Investors or music labels
20	Live shows.
21	Crowd Funding. Saving pocket money. Working ass off part time. Loans from friends ;)

WHETHER PLEDGEMUSIC SHOULD EXPAND OR NOT TO INDIA?

SWOT ANALYSIS

I conducted a SWOT analysis, which shows the strengths, weaknesses, opportunities and threats of PledgeMusic in India.



After analyzing the PESTEL, SWOT and Market of India, I decided to perform a scenario analysis. This will give a clearer picture of the three scenarios whether PledgeMusic should expand to India or not.

	OPTIMISTIC SCENARIO	PESSIMISTIC SCENARIO	IN-BETWEEN SCENARIO
No. of artists signed	20	5	10
Minimum fans would pledge for	\$9.99	\$2.99	\$5.99
Maximum amount fans would pledge for	\$400	\$100	\$200

CONCLUSION & LIMITATIONS

After studying the Indian market, I feel like it would be good for PledgeMusic to expand to India but they would have certain limitations:

- Great for Indian artists but not for international artists as they'd be earning more revenue in other countries.
- Cost of setting up a business in one of the major cities like New Delhi or Mumbai and going through other legal formalities.
- Marketing of the platform in India and making fans and artists aware of it.
- Pricing of the products, so that fans in India would pledge for their favorite artists.

These are the main things to be kept in mind if PledgeMusic does decide to expand to the Indian market.

If they do expand to India, PledgeMusic could act as a great platform for emerging artists India. Not only for them to get funding for their new music but also for them to gain visibility, nationally and internationally. I feel \$200 would be the maximum price, which the Indian music fans would be willing to pledge for after my analysis of the survey. This can turn out to be a really profitable market, at least when the Indian artists are concerned. However, where the International musicians are concerned, I believe it won't be as profitable. Due to the fact that if they would pledge for products by international musicians, the shipping costs would be really high and the fans would have to pay custom duties.

Direct-to-fan would be a great platform for any country as there are independent musicians in every corner of the world and there is not better way for them to gain funding for their music than through their fans. It not only gives them a personal connection with their fans but also gives them constant inspiration of making impeccable music, especially if they know their fans are eagerly waiting for their new music.

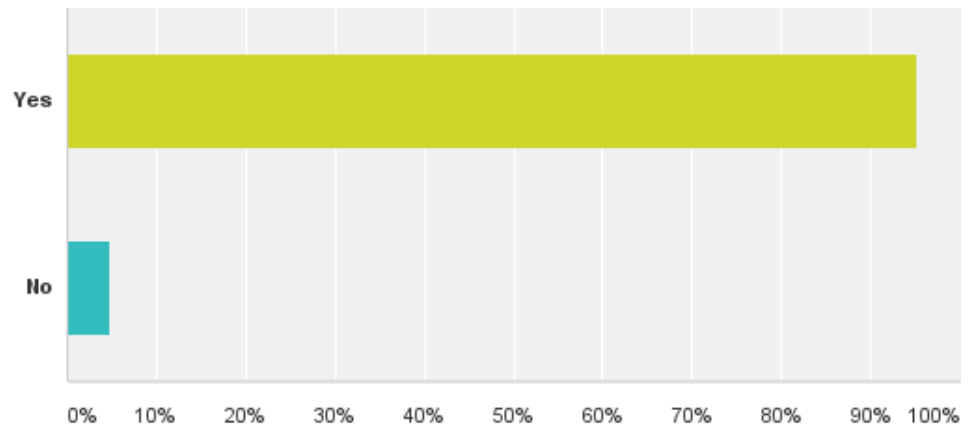
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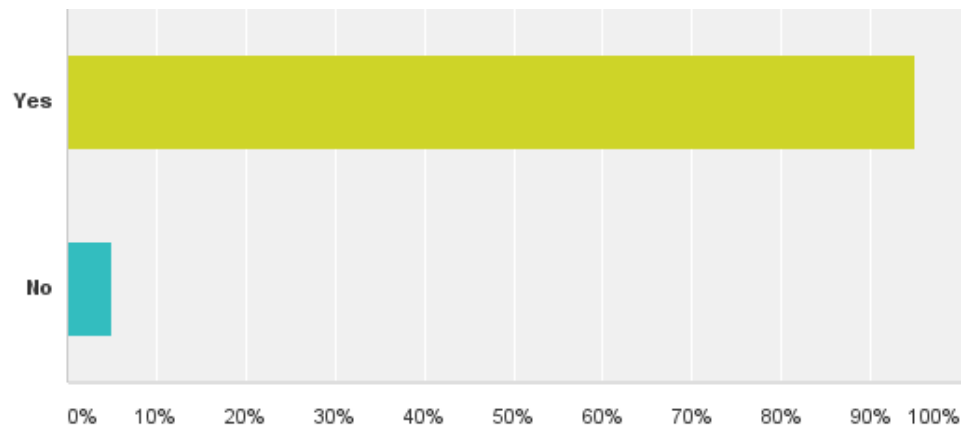
APPENDIX

SURVEY FOR MUSICIANS IN INDIA

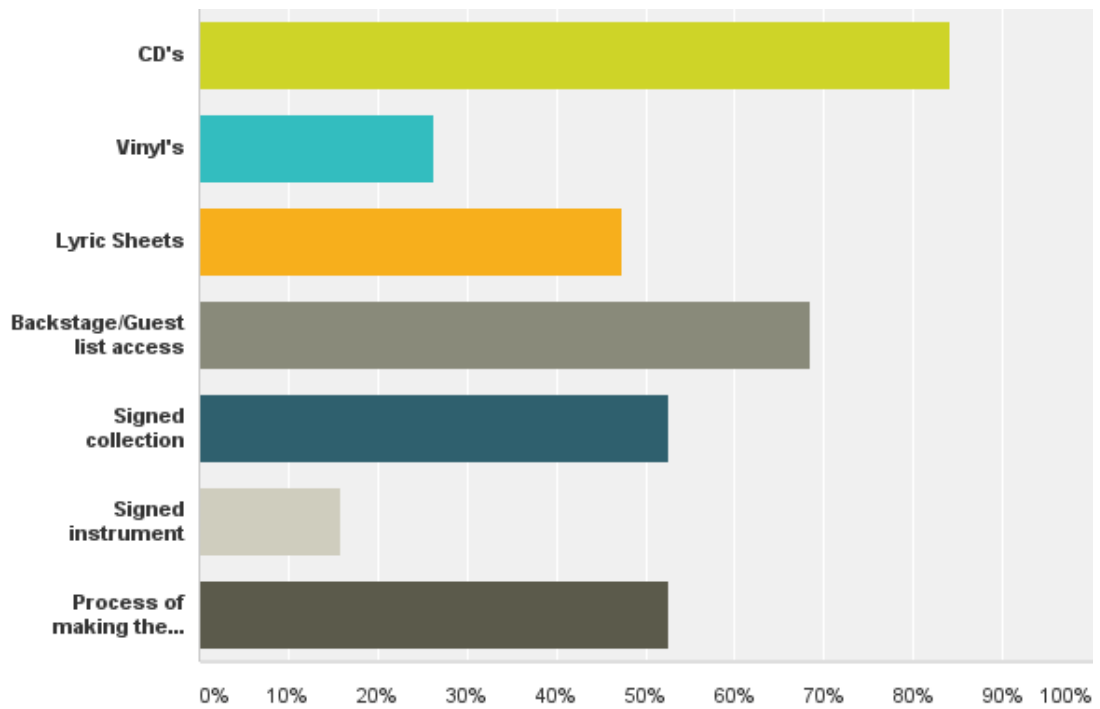
Q1: Are you looking for funding for your new song/album?



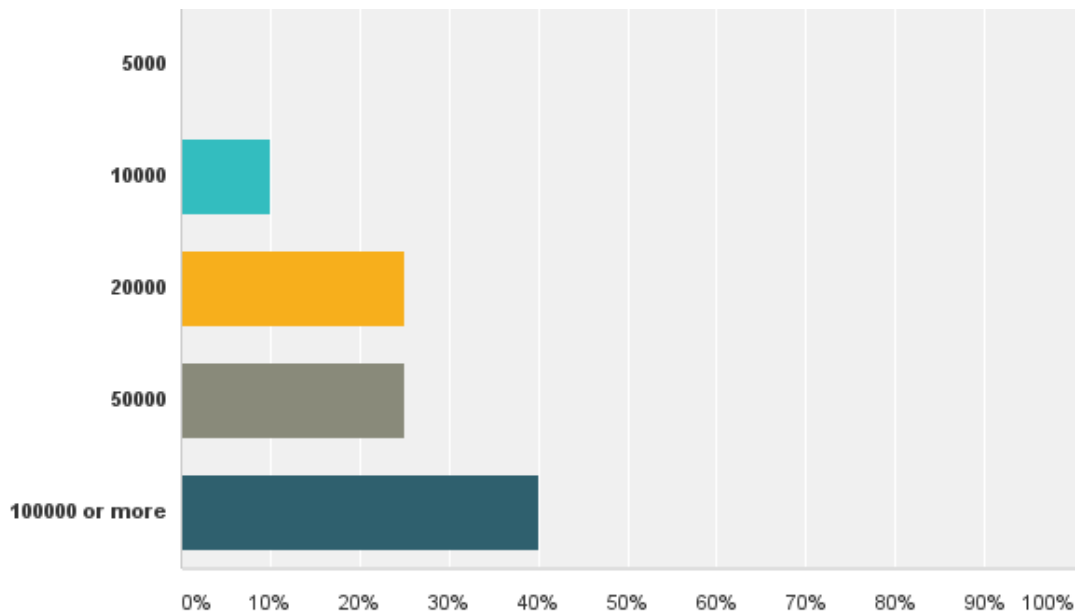
Q2: Would you be interested in additional revenue streams from your fans by giving them access to exclusive offers and items?



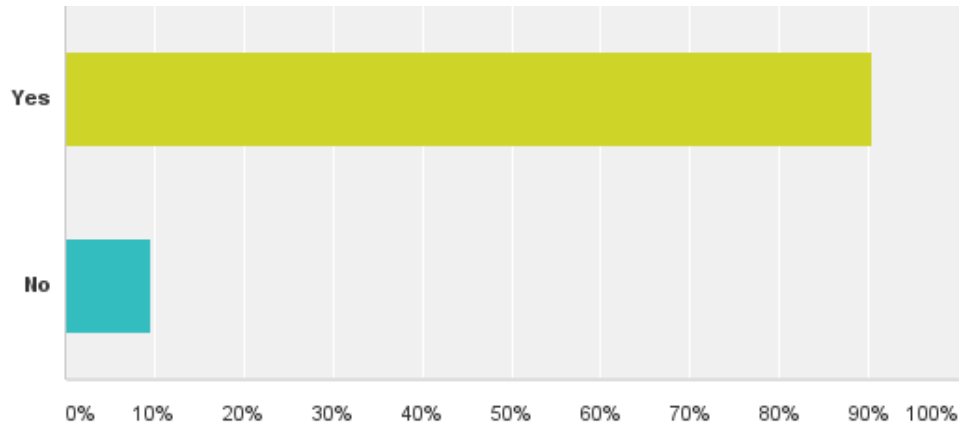
Q3: If yes, what all exclusive offers would you be willing to provide to the fans?



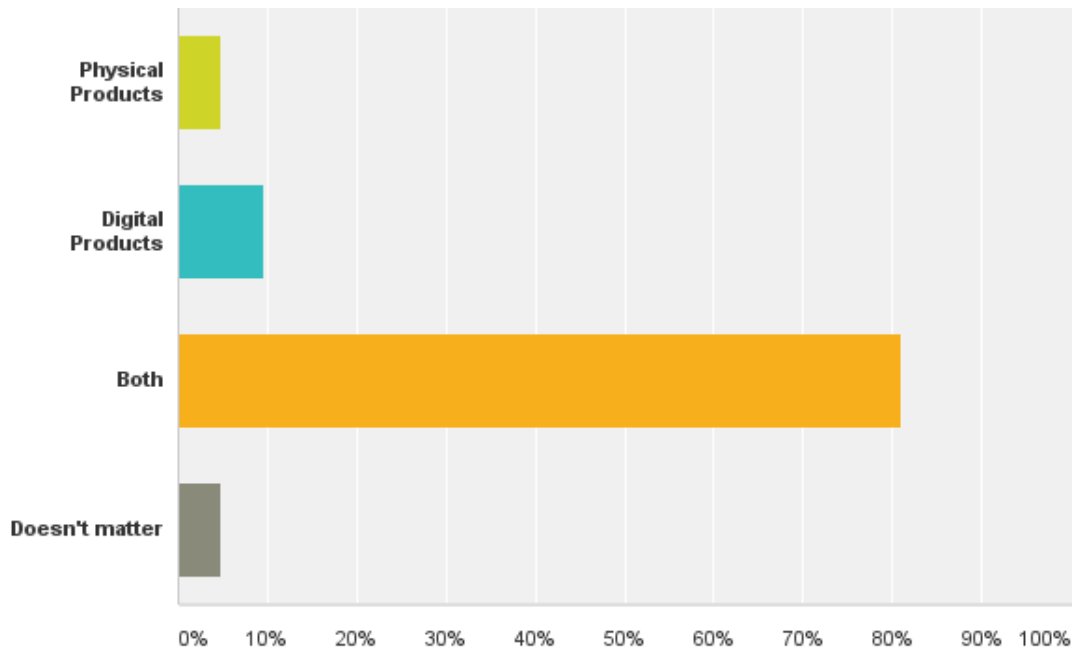
Q4: How much revenue would you need from your fans for the making of your new album/single? (in rupees)



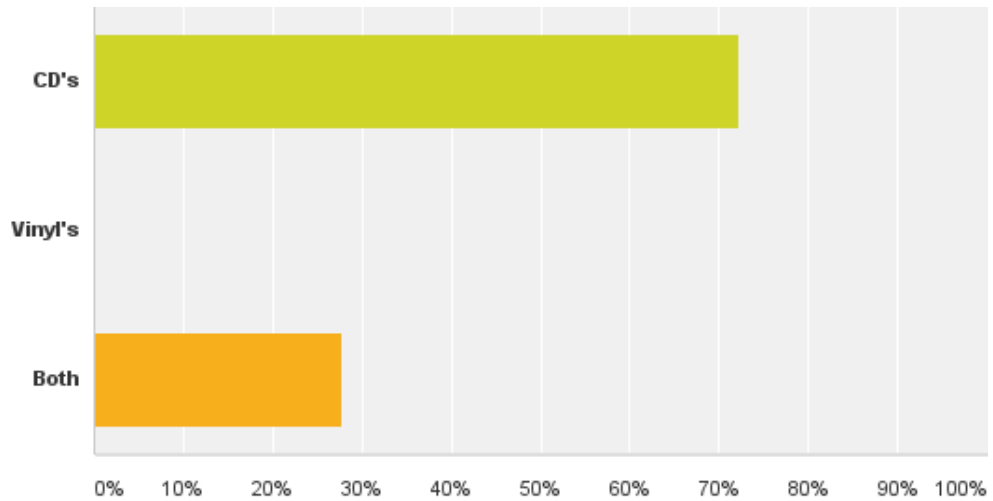
Q5: Would you want to be personally connected to the fans to get funding from them?



Q6: Would you rather offer physical or digital products?



Q7: If physical products, which of them would you rather have the fans pledge for?

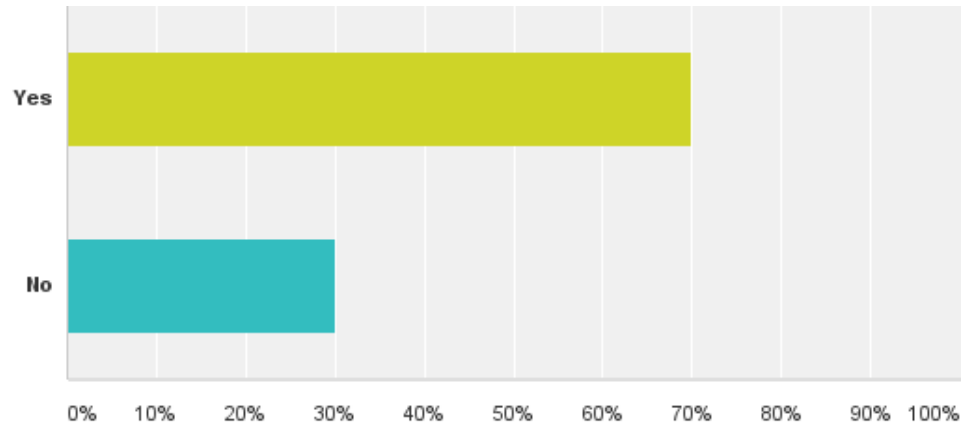


Q8. How do you get funding for your music?

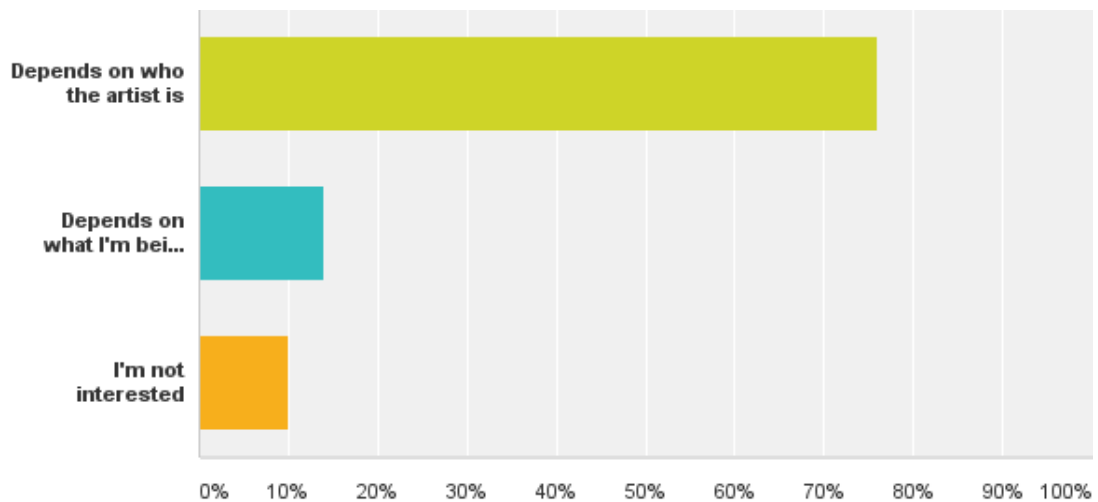
1	by doing part time jobs performing, teaching..	6/17/2014 5:54 PM
2	Gigs (live performances) and session-work	6/16/2014 8:44 AM
3	I save from my earnings from gigs and teaching.	6/15/2014 7:47 PM
4	full time job	6/15/2014 8:17 AM
5	Gigs and Sessions	6/14/2014 8:36 PM
6	Teaching , doing live and studio sessions , producing music at a smaller scale and smaller production cost .	6/14/2014 8:08 PM
7	Dont get funding yet.	6/14/2014 7:23 PM
8	I don't.	6/14/2014 6:59 PM
9	Haven't tried that yet. But I'd probably put up a few demos and if the response is genuinely good, and I have a lot of listeners whom I've never met or have spoken to, then thats a positive sign. In that case, I'd ask my fans if they liked the music and they want more from me. It will be a very sincere attempt to present something new to the people.	6/14/2014 6:58 PM
10	Through performing at various places, looking for sponsors from companies ready to do so.	6/14/2014 6:12 PM
11	By teaching music	6/14/2014 3:33 PM
12	Self	6/14/2014 2:42 PM
13	A full time job.	6/14/2014 2:17 PM
14	Teaching music, Playing gigs, Loaning from friends, Loaning from parents, Winnings from competitive music events, etc	6/14/2014 12:53 PM
15	Self	6/9/2014 4:43 AM
16	Still looking for any funding, but source doesn't matter to me	6/6/2014 8:33 AM
17	For now we've been working it out ourselves but for making a better quality product we are ending up some 20 to 30 thousand rupees short .	6/2/2014 11:28 AM
18	Live shows.	5/29/2014 10:17 PM
19	By trying to involve Investors or music labels!	5/28/2014 6:15 AM
20	Live shows.	5/27/2014 8:21 PM
21	Crowd Funding. Saving pocket money. Working ass off part time. Loans from friends ;)	5/27/2014 8:21 PM

SURVEY FOR MUSIC FANS IN INDIA

Q1: Would you be willing to participate in the making of an album by an artist that you love by pledging financial support in exchange for access to the process of the album before it comes out, and exclusive offers?



Q2: Would you want to help out an artist that you love? If yes, how much would that experience be worth to you?



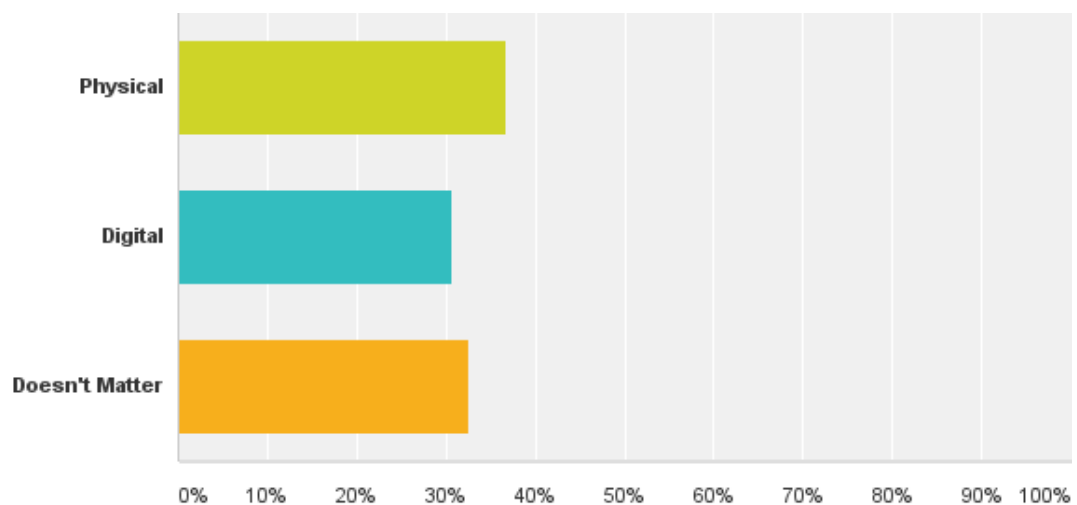
Q3. Which artists would you like to see offer this process?

1	It doesn't matter
2	Little Dragon Little Mix Little Wayne
3	Anoushka Shankar Pearl Jam Elbow
4	Alanis Morissette Aqualung Florence + the machine Vishal Dadlani Mohit Chauhan and the obvious - Coldplay
5	Joshua Radin Chet Faker Foster the people
6	Chris Brown Sharma IronFist
7	O-Town, Sharma, Dave
8	Adele , jlo , taylor swift
9	coldplay
10	Arijit Singh, Mili Nair and Rahul Vaidya
11	Avicii Dash berlin Tiesto
12	Adele Ar rehman Cold play
13	David Guetta Tiesto Hardwell
14	hardwell, avicii, guetta.
15	Sonu Nigam, Shreya Ghoshal, Justin Timberlake
16	ar rehmaan shaan lata mangeshkar
17	Maroon5 Avici
18	Avicii, A. R. Rahman, Sneha Khanwalkar
19	Arijit singh, shreya ghoshal, pitbull
20	Florian Paetzold Paul Kalkbrenner Koelsch
21	Akcent avicii Inna
22	Indian indie artists with no bollywood connection!
23	david gueta pitbull avicii
24	Coldplay Ben Howard Anoushka Shankar
25	abhinav agrawal
26	Artists associated with music for a cause. Eclectica.in ; Musicbasti Underground talented artists - Sunakshi Raina Heritage cultural artists - Like Chaiti Folk
27	Adele Imagine Dragons James Blunt
28	Maroon 5 john legend shankar ehsaan loy
29	Adam Levine, adele, enrique iglesias
30	Justin Timberlake John Mayor bruno Mars

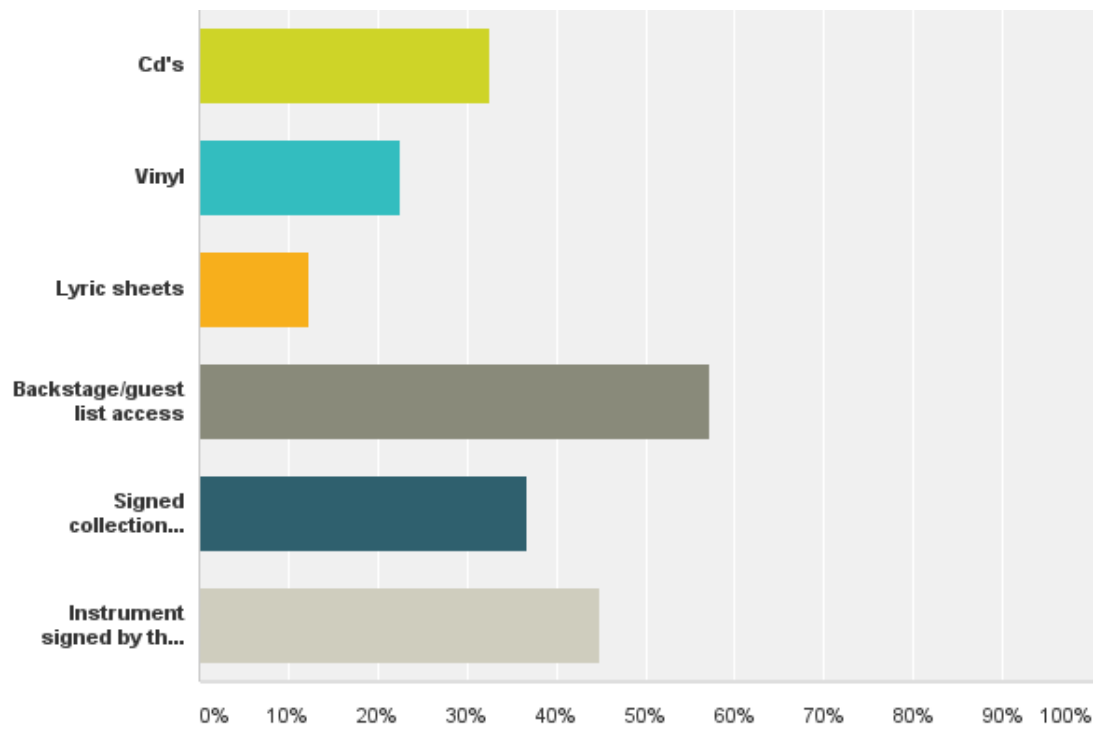
Survey for Music Fans in India

32	AR Rahman, Arijit Singh, Ankit Tiwari
33	Irina Shayk Deepika Padukone Hrithik Roshan
34	Linkin park Imagine Dragons Awolnation
35	Honey Singh Shreya goshal Sonu nigam
36	Hardwell Kendrick Lamar Subfocus
37	kailash kher Rahat fate ali khan Arijit singh
38	Coldplay, Jason Mraz , avicii
39	Flume TNGHT Oliver Helden
40	Guru Jazzmaster Nas Snoop Dogg
41	...
42	1) Coldplay 2) Maroon5 3) Jason Mraz
43	1. Coldplay 2. U2 3. Bryan Adams
44	Hardwell ,tiesto , afrojack
45	Coldplay Bruno Mars Katy perry
46	Jason Mraz, Avicii, John Mayer
47	N/A
48	N.A.
49	Coldplay , Odesza , Switchfoot
50	Don't know

Q4: Would you rather pledge for physical or digital product?



Q5: Which physical products would you pledge for?



Q6. Do you pay for music? If yes, where?

1	No
2	iTunes, vinyl
3	Yes, Google play
4	mostly iTunes and if the album is exceptionally good then in the form of CDs
5	Spotify, iTunes
6	Yes, iTunes & Spotify
7	Spotify
8	Yes
9	NO
10	No
11	No
12	Sometimes on Cd's
13	yes, at iTunes
14	No
15	no
16	Itunes
17	Rarely now.
18	nope
19	iTunes
20	yes!! shows, events, music stores
21	spotify
22	no
23	Yes, All my library has been purchased either from itunes or oklisten.
24	No
25	to buy old records
26	Physical CD compilations
27	Yes
28	iTunes
29	yes, music stores
30	No
31	No
32	No

33	Not really
34	Yes, iTunes

7 / 11

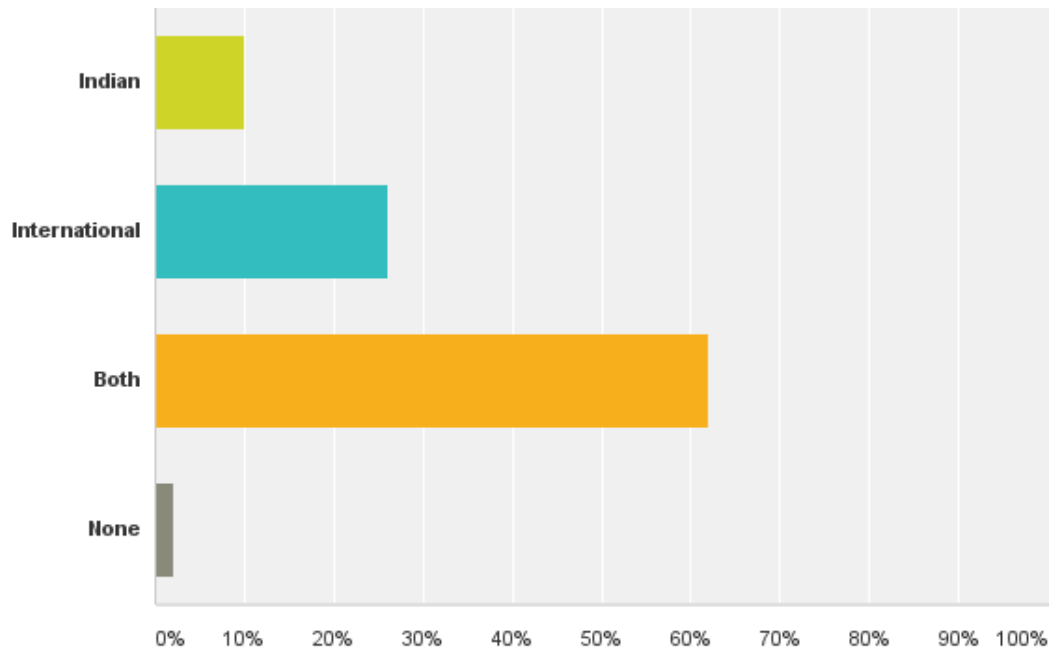
Survey for Music Fans in India

35	I tunes
36	No
37	No
38	No I never pay for music lol
39	Yes, itunes
40	No
41	Spotify Itunes
42	No one pays for music in India, people who don't know how to download pirated uploads are considered uncool

Q7. If no, where do you get your music from?

1	Piracy
2	cheap mp3 converters available online :p
3	I pay
4	Youtube
5	Youtube and friends
6	Online
7	Download online
8	sometimes online
9	Internet
10	websites
11	Downloads generally, or shared by friends.
12	Online sites
13	Soundcloud, youtube, spotify
14	random sites like www.djrobsonmichel.com
15	na
16	online
17	Share from friends.
18	Youtube Soundcloud
19	itube
20	Internet websites
21	Internet
22	Pirate bay
23	YouTube
24	Internet
25	not for hindi music really. Torrent mostly
26	Everywhere
27	Online
28	Free Internet download
29	youtube.com
30	Zippy
31	Torrents
32	YouTube
33	Spotify

Q8: Would you rather pledge for International or Indian artists?



Q9: Whats the maximum amount, you would be willing to pay to receive the exclusive content of the artists? (in Rupees)

