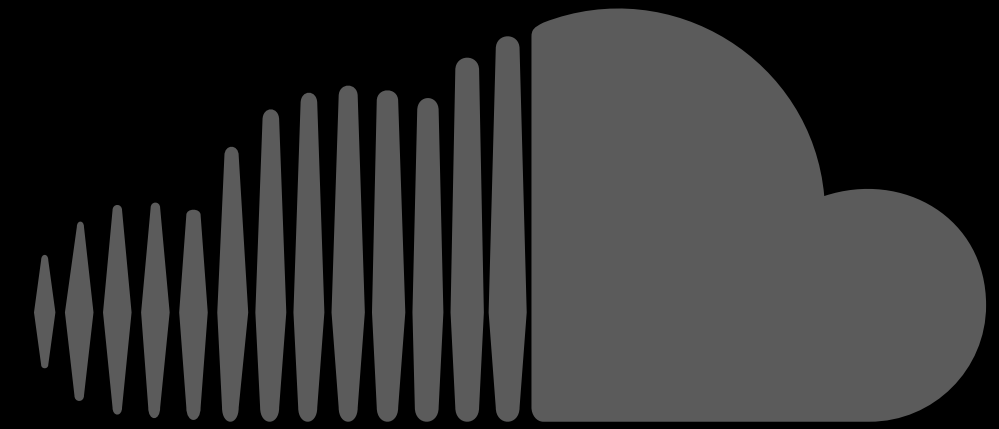


SOUNDCLOUD

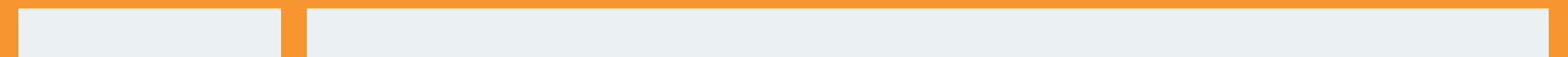


As the world's largest music and audio platform, SoundCloud lets people discover and enjoy the greatest selection of music from the most diverse creator community on earth

NIKHIL ALEXANDER

AN INTRODUCTION TO SOUNDCLOUD

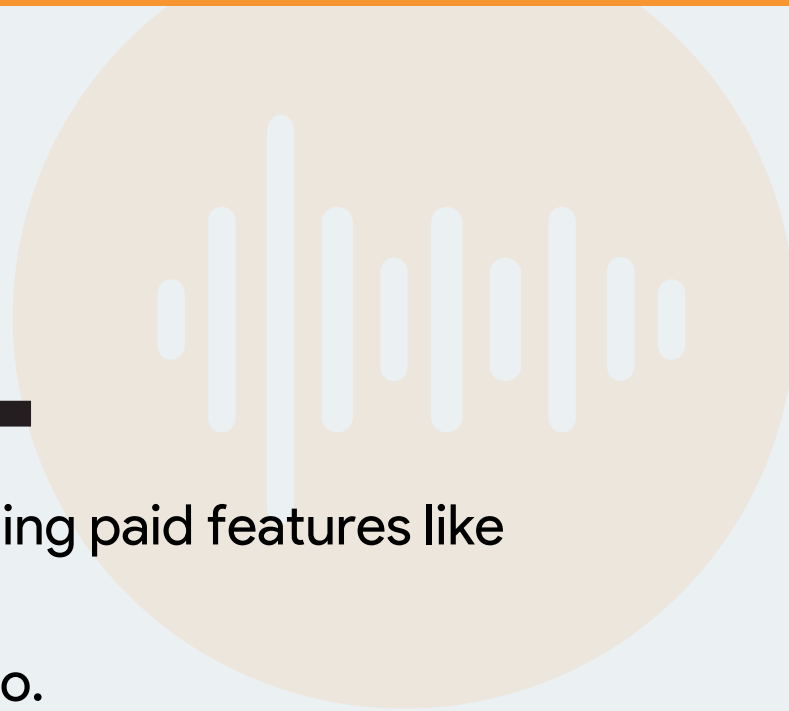
SoundCloud is a European online audio distribution platform and music sharing website based in Berlin, Germany that enables its users to upload, promote, and share audio. Started in 2007 by Alexander Ljung and Eric Wahlforss, SoundCloud has grown to be one of the largest music streaming services in the market reaching over 175 million monthly users worldwide



RISE OF SOUNDCLLOUD

- Soundcloud rose around the time frame when MySpace took a downfall in their business.
- This made way for artists (bedroom artists, semi-professional, professional artists) to upload, distribute and publish their songs for free.
- Provides a canvas for artists to explore and connect with other artists around the world
- On the creator's side, SoundCloud offers an extensive set of tools to promote and assess one's music. Through the [SoundCloud Pulse app](#), creators can check their stats, interact with their respective communities, or share tracks they like.
- Avoided the use of FTP Servers to send files, which often had file size limits.

SOUNDCLOUD'S BUSINESS MODEL

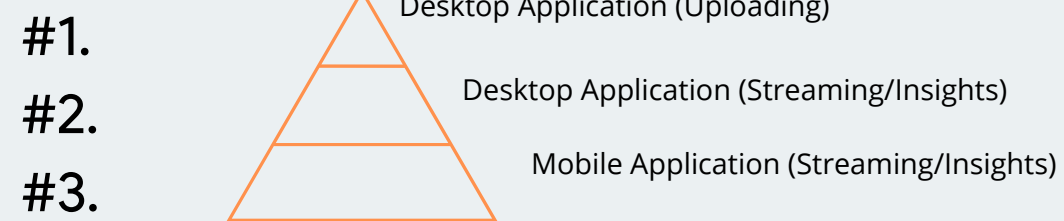


SoundCloud experimented with a variety of business models, including paid features like

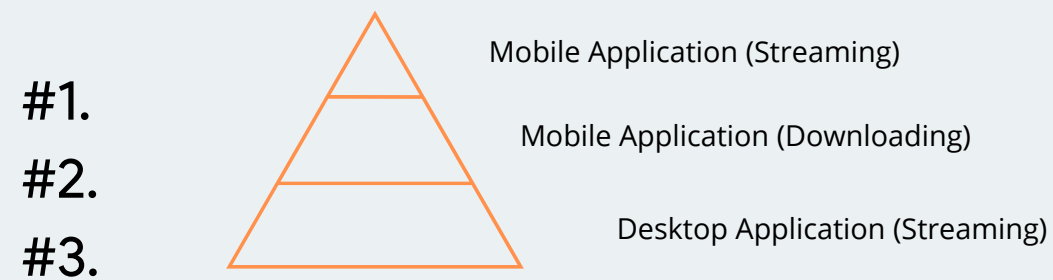
- content-related ads
- charging the creators for premium accounts that host more audio.
- advanced data analysis
- more control on your page ("spotlight" feature)

Soundcloud primarily follows a digital business model that follows two IT channels :

- The Professional :



- The Consumer :



FAILS OF SOUNDCLLOUD

● MONETIZATION

SoundCloud has been making frantic attempts over the last years to try to implement a payment system that works. One attempt was creating six tiers of payment levels – three for users, and three for artists. As a paid user, you could theoretically access over 150 million more tracks than the free version. However many tracks were duplicated, making them accessible both as free and gated content, and thereby nullifying the users' incentives to transfer to a paid account.

The network's attempts at monetizing didn't work for a multitude of reasons –

- the complicated payment tier structure,
- the duplicate content,
- many popular artists such as Rihanna, One Direction, the Beatles, and more, were not included in the paid version. The competing Spotify, however, did.

● REPOSTING

“Reposts really ruined what a label is and means,” says Burrett. “It took away so much value from blogs and networks, as it allowed for people to start and create pages and ‘labels’ with minimal effort.” With reposts, it was now trivially easy for artists and promoters to artificially boost the number of streams a song had received.

LEGAL ISSUES

The users started to lose their faith, feeling SoundCloud had strayed from its earlier focus of supporting DJs. Rather, they believed the company was **putting more stake into focusing on high-profile artists and licensed music**. In some instances, **music and files were taken down due to fear of copyright infringement**. They often left their independent artists hanging without any explanation.

IGNORANCE

Soundcloud constantly ignored public scams put forward. Services emerged allowing artists to buy thousands of fake listens, likes, or followers, often for as little as a few dollars. For years, SoundCloud's help community has overflowed with users complaining about bots, and the company has made few efforts to address it.

Adding to the failed product adjustments and legal claims **was the lack of Alex's presence in the office**. Instead of maneuvering the company through the turmoil, he was seen partying with DJ Steve Aoki in Ibiza and taking private jets. As a former employee recalled, "people were like, that should be going to my salary." Investors weren't pleased either, stating that "he let it get to his head and he lost his focus."

BUSINESS MODEL CANVAS (PROPOSED)

<p>KEY PARTNERS</p> <ul style="list-style-type: none"> - CREATORS - MUSICIANS - DJ'S - MAJOR MUSIC LABEL AGREEMENTS - CLOUD COMPUTING PROVIDERS 	<p>KEY ACTIVITIES</p> <ul style="list-style-type: none"> - MUSIC INGESTION - LEGAL AND AGREEMENTS - MARKETING - IT OPERATIONS - CUSTOMER SERVICE - LIVE SHOWS 	<p>VALUE PROPOSITIONS</p> <ul style="list-style-type: none"> - A SOCIAL PLATFORM THATS OPEN TO ALL TO SHARE AUDIO CONTENT - A TOOL FOR MUSIC DISTRIBUTION -SOUNDCLOUD PREMIER ENABLES ARTISTS TO MAKE MONEY VIA ADS AND PAID SUBSCRIPTIONS -PROVIDE REVENUE TO ARTISTS ABOVE A CERTAIN PLAY COUNT/LIKES/REPOSTS 	<p>CUSTOMER RELATIONSHIPS</p> <ul style="list-style-type: none"> - EASE OF USE - REPOSTABILITY - ARTIST STATISTICS - MINIMAL ADS ON SITE - PERSONAL TRACK SUGGESTIONS -ABILITY TO SYNC WITH YOUTUBE -MUSIC RECOMMENDATIONS 	<p>CUSTOMER SEGMENTS</p> <ul style="list-style-type: none"> - ARTISTS GLOBALLY - INTERNATIONAL MUSIC LABELS - DEVELOPERS -BLOGGERS -PODCASTS -YOUTUBERS
<p>COST STRUCTURE</p> <ul style="list-style-type: none"> - SALARIES - OFFICES - IT ARCHITECTURE - CLOUD STORAGE - ADVERTISING/PROMOTIONS 		<p>REVENUE STREAMS</p> <ul style="list-style-type: none"> - SOUNDCLOUD PRO - SOUNDCLOUD GO - SOUNDCLOUD GO+ -EXPAND ENGAGEMENT WITH YOUTUBE INTEGRATION PARTNERSHIP 		
<p>KEY RESOURCES</p> <ul style="list-style-type: none"> - CLOUD PLATFORM - HIGH DIVERSITY IN CONTENT - PARTNERSHIP AGREEMENTS - HIGH RATE OF UPLOADS BY USERS ACROSS THE GLOBE - SHARE AND EMBEDDING CAPABILITY 		<p>CHANNELS</p> <ul style="list-style-type: none"> - WEBSITE - SOUNDCLOUD MOBILE APP - API - BLOGS -YOUTUBE INTEGRATION 		