

Clubr

The
Sound of
Music

All you need to know
about **music NFTs**

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The industry buzz is that NFTs have the potential to revolutionize the world, but the beauty of it lies in what encapsulates the essence of every technology – it is a great democratiser. Established artists and amateur musicians can use it to their advantage in a similar way.

In this whitepaper, let us look at basics of NFTs, how the music industry looks at this tech and what do the trends indicate.

to artists releasing NFTs for awareness campaigns, the world of crypto and its allies have taken the world of art by storm.



Digital, for most of the industries has spelt disruption – for processes, perceptions and people. The underlying concept behind an NFT is “asset tokenisation” where assets, from houses to documents or a song are digitised into a token. Exchange of value for these tokens happen over a blockchain – a immutable ledger through crypto currency, or lately even fiat currency.

These digital tokens or NFTs validate ownership of a digital property and are stored using blockchain technology. From memes to music, albums to art, & sport memorabilia to digital avatars, everything is an NFT.

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**Looking specifically
at music & its allied
segments,**

NFT music sales volume-

\$26.7 million

in March 2021 .

The evolution of NFT, a revolution for music:

A walk through the history of music tells us that our preferences, how we listen, and what constitutes a hit is largely shaped by music formats. You'll probably recall numbers that were hugely popular because of the radio, or albums that sold millions in vinyl.

This brings us to streaming; as creators and musicians swim through thousands of algorithms, playlists and sharing platforms, it ratifies the need for a non-fungible unique piece, making an excellent use case for an NFT.

Haleek Maul

- The Bajan rapper made 81 ETH (Ethereum) from just 5 NFT catalog sales = **\$250,000**
- In contrast, his annualised Spotify earnings were a meagre **\$178** for the entire year.



\$20m

Grimes sold music
NFTs worth \$20 million
in under 20mins



GRIMES

\$4.2m

DJ Steve Aoki added \$4.2 million
to his kitty in March alone
through NFT sales.

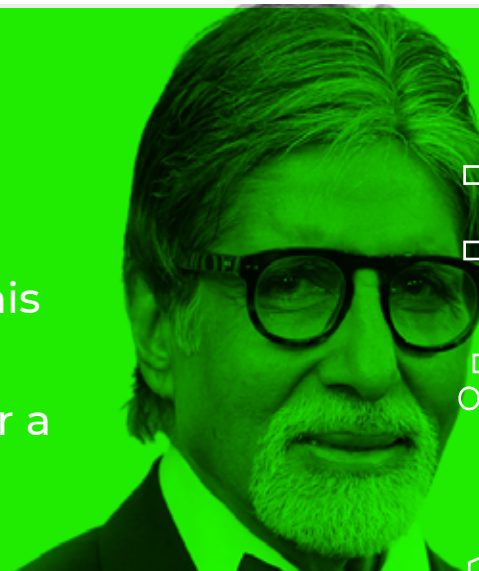
DJ Steve

Aoki



\$9.9m

Amitabh Bachchan sold his
NFT collection including
poems, posters and art for a
whopping \$9.9 million.



Amitabh
Bachchan

Jumping onto the NFT bandwagon:

This brings us to the fundamental question - so what is an NFT anyway?

The central idea of an NFT is to hold a unique piece of digital code that allows its owner absolute control and access through a smart contract. It creates a digital asset, in this case,

Artists are exploring new avenues like virtual concerts in gaming, value exchange through tokens in the metaverse, and NFT minting for their new age fans – putting both revenue speed and size on to the highway.

free front row tickets for life, every piece of merchandise that would be made in the future, a chance to meet your favourite band members and so on.

The event that brought this to the center stage, is the **virtual concert by Marshmello in Fortnite in 2019**, the same year where Warner Music Group did a music event in collaboration with Roblox.



Building your own new music economy

The first step is creating your digital identity and gathering your fanbase.

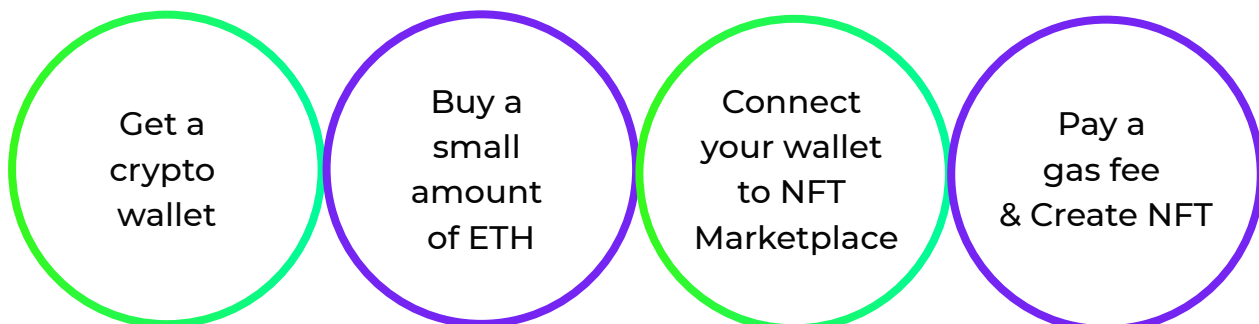
A crucial step in this endeavour is to create a website in order to directly connect and engage with your audience. You can launch your website, and maintain it through your own dedicated mobile application with **Clubr**. Not only will you get a fully functional website that is scalable and secure but this opens up new digital avenues to sell your merchandise and build a community around your brand. Talk to our sales team to get your own website free for first 6 months here.



Despite all the humdrum and cryptography surrounding the world of NFTs, this is a way forward in building a new, exciting music economy. And once you get the hang of it, there is no looking back.

All one has to do is:

- Choose content form and create it – get your creative juices flowing. Anything can be minted as an NFT – from songs, albums, memes, front row tickets, autographed paraphilia, to a livestream.
- Get on an NFT marketplace – There are many platforms that help you connect with your fan, think of it like the amazon.com for your work. Choose what fits you, based on commission, royalties on second sales, and get on to it.
- Payments & spends – An artist on a NFT platform is required to pay a ‘gas fee’ which is typically in ETH (Ether cryptocurrency). In order to be able to pay this gas fee in ether, you need to get a crypto wallet. Think of it as your bank account in the physical world that you need to transact through. Link your crypto wallet to the NFT marketplace, pay the gas fee, and create your NFT.



That said, the world of NFTs is a thrilling maze to wander through; you will constantly hit terms like metadata, smart contracts, NFT, fractional NFT, mint and so much more. There is something for everyone here.

Research by Fortune shows:



The alternate revenue generation model is where the artist splits it 50-50 between themselves

and the support team (managers, lawyers, agents and distributors).

Creativity, content & the NFT:

All things taken into account, the music industry is one fuelled by creativity. Pushed by the pandemic, where live shows were cancelled due to lockdowns, merchandise sales trickled to a bare minimum,

the industry was at a cusp of transformation. It was grappling with dwindling revenues from what now seems archaic – records, vinyl and discs, as people found music for free on the internet.

A study shows that music NFTs have diversified their offerings

- 🕒 Audio-visual art
- 🕒 Royalty shares
- 🕒 NFT splits
- 🕒 Offline ticketing bundles
- 🕒 Merchandise
- 🕒 Usage rights



Chill Monkey
\$2,578

This is a revolution in the music industry like never before because not only did the format of content delivery change but it evolved as a platter of unique experiences for the fans.

For the artist, though, it is not just about the revenue, but also the steady stream that comes from resales of the token, without giving up their actual rights. It is empowering creators and fanbases to build sustainable communities that share a love for music.

The same study shows that what started off as an expensive buy, gained acceptance and popularity, and the average price per music NFT fell over time.

In 2021, the average price of a music NFT was

\$10.2K per unit, falling by **46%**.

The future of music has arrived, in style:

NFTs and crypto assets in general are like pandora's box – there are a world of possibilities, pitfalls and promises. We may not fully understand it simply because the possibilities and avenues for creativity and access through NFTs are endless but one thing is for certain – just like the internet caused an upheaval in the music industry, NFTs, too, have announced their arrival in a similar fashion.

Consider the collaboration by independent musicians and artists who connected virtually to create three songs during the pandemic in 2021, as a case in point. These songs were subsequently minted and sold as NFTs.

We are also witnessing the rise of dedicated music NFT platforms that aim to serve artists and fans like a music marketplace – where exchange of value happens through tokens and crypto-wallets.

explore collaborations, improve outreach with fan communities, and evolve profitably. They are all set to take the music world by storm, because if there is one thing that has not changed, and never will - it is the DNA of the fan, which makes them want to stay close to the artist. Like artist MoRuf says Web3, the Metaverse is not utopia, it is not perfect; But it is special.

There are no two thoughts about the value proposition a NFT has on offer. It is beyond the buzzword – opportunities to explore creativity,





Clubr is an omnichannel platform crafted for the Live Entertainment Industry that empowers them to build digital identity and achieve sustainability. Event organisers or Venue of any size can leverage our three-dimensional platform - Clubr (Discovery Platform), Clubr Backstage (Whitelabel Websites & Mobile Apps) and Clubr Tribe (Influencer platform for Live Entertainment Industry) along with Enterprise level digital marketing support to grow revenue by selling more tickets, Organise better events and Capture data and analytics. Clubr extensive product suite and feature stack are crafted exclusively for this industry to digitise every customer interaction and help them analyse the data in a way they could never do.

Clubr backstage empowers Nightlife Venues and Event organisers with new digital capabilities to sell tickets, Deals and Merchandise from their website. Venues and organisers can now host their own website/ Mobile Apps and start selling tickets in under 30 minutes with a simple subscription fee without investing heavily in technology with our Whitelabel offering. Please reach out to our sales team to set up your website for free for the first six months.