



Judges,

In 2018, the two biggest categories in app usage were Social Media (20%) and Music Streaming (18%)¹. Combined, these two make up over 1/3 of the time people are on their phones. Industry giants such as Facebook and Spotify earned 18.6 billion and 6.8 billion dollars in revenue respectively in 2018². It's apparent; Social Media and Music Streaming are both ubiquitous and lucrative. At the moment, there is surprisingly little interaction between these two app genres. The crossroads remains largely unexplored and underdeveloped. There is a *gaping* hole in mass-media.

Notably fills that void. It is a social media mobile app that revolves around sharing music in a fully-dedicated platform. Through the Application Programming Interface (API) of music streaming services like Spotify and Apple Music, Notably can connect users from any streaming app so that they can enjoy music together. Our vision is to create an application that will:

- Display listening activity in real-time
- Analyze a user's listening history to provide insights into their music habits
- Make music easily shareable and recommendable
- Give the user new music by showing them what their friends have been listening to
- Facilitate connections between people based upon their music selections

We will be launching a functioning alpha version of Notably in the fall of 2019, ready to be marketed to Belmont Students via the App Store and Google Play Store. Notably will have 2000 users by 12/31/19. Every cent of possible winnings from the business plan competition will go into a business license, advertising costs, and software subscriptions.

Thank you for your time, expertise, and criticisms,

Sean Presley,

Founder & CEO of Notably

¹ Dogtiev, Artyom. App Download and Usage Statistics (2018)*Business of Apps*, ComScore, 16 Feb. 2019.

² IBISWorld. Social Networking Sites in the US. *IBISworld*, 2018.



Industry Analysis

The Social Networking industry is dominated by heavy-hitters such as Twitter, LinkedIn, and Facebook - the latter of which holds a market share of 70.1% and has over one billion users. This industry makes most of its revenues through advertising, which can be extremely difficult to obtain for start-up companies who lack a large user-base. There seems to be a place, however, for Social Networks that target niche audiences, with companies like Snapchat and Pinterest making an impact in recent years by targeting very specific demographics³.

IBISWorld estimates that the industry will grow 15% by 2023. Start-up companies find that it is possible to keep fixed costs extremely low at the onset, while it quickly becomes expensive to maintain as traffic surges. One of the key factors to success is buy-in from advertisers. Currently, startups occupy .02% of the market share.⁴

It is easier than ever for enormous social-media companies to attract more users, particularly since they enjoy scooping up smaller companies in order to diversify their services. Sadly, one of the most common ways that start-ups make money is by being bought out by a bigger company. An example of this is Facebook's acquisition of Instagram for one billion dollars in 2012.

Notably will provide a service to a niche market of music-lovers. While other major social media have many users, it would be extremely difficult for Twitter or Facebook to adapt their platforms to include everything that Notably will offer. Based upon the industry analysis, it is important that Notably remain dedicated to its niche market, and build a user-base at a maintainable rate.

³IBISWorld. Social Networking Sites in the US. *IBISworld*, 2018.

⁴Bizminer. Data Processing, Hosting, and Related Services [5182]. *Industry Financial Analysis and Industry Market Analysis*, 2018.



Company Description

Mission, Vision, Goals

Notably's mission is to enhance the world's musical experience by providing social and analytical services. Our vision is to create a social media app that runs on music and makes it easy to see and share what you have been listening to.

While Notably will start with extremely focused advertising, our user-base is expected to roughly double every year. Once the 10,000 user mark is achieved, Notably will initiate a seed capital raising round and begin expansion beyond Belmont. Projections are:

- 2,000 + users by 2020
- 6,000 + users by 2021
- 10,000 users by 2022
- 20,000 users by 2023
- 50,000 users by 2024

Staff

Sean Presley is the founder and CEO of Notably. A Freshman Music Business Major, Sean won the 2018 Belmont University Pitch competition with Notably, and is currently participating in the Belmont University Business Accelerator. Sean has the passion and drive necessary to build Notably. He will supervise product development and marketing when the app launches in fall 2019.

Dhavion Hockett is the current tech supervisor of Notably. In summer 2019 Dhavion will program the application. Beyond that he provides crucial computer expertise and assistance. Dhavion is the CEO of Hockett Laboratories and already has an app available for download on the app store.

What kind of music are you into?

Sam *loves* music. Sam's friends *love* music. When Sam meets someone new, one of the first things he asks is "What kind of music are you into?" Music drives his relationships and his



memories. He loves checking his Spotify to see what his friends (and the girl he likes) have been listening to recently.

Sadly, Spotify is often inaccurate, and only a few of Sam's friends actually use Spotify socially. Every year, Sam and his friends count-down the days to Spotify's annual "Wrapped" event, in which they receive personal playlists featuring their top 100 songs of the year. Sam loves seeing his top songs, but he hates that he has to wait all year to get this information. He remembers the good old days when Apple Music had a "Top Tracks" playlist which included all of Sam's most listened-to songs. This feature has long been discontinued. Sam loves recommending new music to people, but when he recommends music in person he comes across as pushy, and when he posts a song to his instagram he feels like people skip over his recommendation without a second glance.

Sam is unsatisfied. He wants a way to automatically connect to people through music. He wants to be able to see all of his listening statistics at any time (and not have to wait a year). Sam wishes he could see what his friends who are use Apple Music and Soundcloud are listening to.

With Notably, Sam gets all of this and more. Sam now has an easy way to connect with friends over music. He can see (and share!) his listening data at anytime. He loves featuring his favorite songs on his account because it is a subtle, yet poignant way to recommend music to friends in a dedicated place to find new music. Sam can now be extra proud of his favorite songs and display them at the top of his profile.

Notably has also made Sam realize how interesting a person's music tastes can be. He not only finds himself checking his own statistics, but the statistics of his best friends, too. Sam is now in the loop about what everyone is listening to. He can start a conversation with a new friend about the newest Judah and the Lion album because he can see those songs featured on her account! Thanks to Notably, music has become more fun than ever for Sam.

Application Features

Notably is a social media. Like other social media, Notably revolves around the ability to make "friends" with someone in exchange for access to their profile. Upon initial download, a user will be asked to sign into their profile on whichever streaming service they use. Once the



platform is clarified, Notably will begin sorting their most recent music into coherent data for the user to analyze and enjoy, similar to the satisfaction of getting a music ranking from Spotify during their aforementioned “Spotify Wrapped,” event.

Users will initially select five songs to give Notably an idea of what they listen to. These Featured Songs will be displayed with a user’s profile when they become friends with another user: acting as a musical snapshot. A user can change and edit their Featured Songs at any time, but songs that are displayed for extended amounts of time will receive special flare.

Users will be able to make friends through a typical search engine. As a user makes friends, those friends will appear in the Live Listening Tab. This section is a live-feed of what a user’s friend list is listening to. A user can “like” a friend as they are listening to music. Anytime a user features or likes a song, they will have the ability to tag a friend.

Notably will record every song that a user listens to. When the user logs onto Notably, they will see their most recent songs and their most-listened to songs, with the ability to view their top songs of the week, month, year, and all time. If a user wants to share a particular song or an entire list they can. Shared information will go to their friend’s feeds.

A user can search songs and artists using Notably’s library. The library will include information about the song, including its total recorded streams through Notably and which of the user’s friends have listened/liked the song in the past.

The content feed is an intuitive way to view friends’ listening habits. All song recommendations, data shares, and lyric highlights will appear in this section. Notably will also use this space to provide tidbits of information about a user’s friend group. An example of this would be “Three of your friends listened to Ride by twenty-one pilots this week,” or a weekly Billboard-style Hot 100 based only on a user’s friends. The very top of the feed section will have room for sponsored music content and advertisements. These advertisements could be anything from a song of the day, to a featured artist, to a tour date.



Future Features

Future plans include running an in-depth song database on Notably that includes song lyrics and artist information (much like an IMDB for music). The lyrical database would include the ability to comment and share particular lyrics.

Notably will eventually provide streaming services. This change will take time and money - partly because the music streaming industry is already clogged up with plenty of competitors. For now Notably will serve as a companion app to the major streaming services. Once we have trust and a large enough user-base it would be feasible to add in a streaming feature.

Market Analysis

Competitive Analysis

There are few successful Apps that blend Social Media and Music Streaming, and none strike at the exact angle that Notably does. The following examples come the closest:

Competitive Analysis	App Design	Social Features	Music Analytics	Streaming
Spotify	Superior Quality	Poor Quality	Mediocre Quality	Superior Quality
Apple Music	Superior Quality	Mediocre Quality	Mediocre Quality	Superior Quality
SoundCloud	Superior Quality	Mediocre Quality	Poor Quality	Superior Quality
Vertigo Music	Mediocre Quality	Superior Quality	Poor Quality	Mediocre Quality
Sound Share	Mediocre Quality	Superior Quality	Poor Quality	Mediocre Quality
LastFM	Poor Quality	Poor Quality	Superior Quality	Poor Quality
Notably	Superior Quality	Superior Quality	Superior Quality	Poor Quality

Key

- Superior Quality
- Mediocre Quality
- Poor Quality

What Makes Notably Superior?

While each of these apps offer interesting services, Notably offers the most focused and user-friendly experience of them all. All of the streaming services listed above (Spotify, Soundcloud, Apple Music) fail to provide compelling social and analytical services, while some apps try to do both but suffer from being a mile wide and an inch deep (Vertigo Music and Sound



Share). Last.FM is the best app on the market today for analyzing music, but that isn't saying much. The app remains underdeveloped and old-fashioned.

Notably is crisp, clean, user friendly, and cuts out all the streaming and picture-sharing nonsense (I'm looking at you, Vertigo). The result is an app that knows exactly what it wants to be. Users will delight in having all their music analytics easily shareable and in one place. While each of these apps occupies the "Social Music" genre, none provide the same exact services that Notably does. Notably is certainly going to strike a chord with music fans who want a service that is dedicated to everything *except* streaming.

Development/Marketing Plan

During Summer 2019, Notably will be developed. This involves programming the app, designing the app, and performing small tests with customers. The app will be finished and usable on a Belmont-wide scale by August 2019.

When school starts in the fall, we will choose groups of friends to help test the app. Once selected, we will meet with the groups and explain the app to them, setting particular members up with once-a-week polls about how much they use the app, whether they find it useful or not, and how it could be improved. We expect this phase to take anywhere from a few weeks to a month, depending on if we can make some changes to the product based on user feedback. We hope to have 10-20 users by this point in time.

Once we are confident in our product and its ability to withstand traffic, we will launch a campus-wide advertising scheme. This will involve hosting convocations, setting up posters, passing out small flyers at the cafeteria, and giving out/selling Notably stickers. Our testers from phase one will be highly encouraged to invite people onto the app. Belmont is a small-enough campus that an advertising campaign, as well as positive word of mouth, should help spread Notably into the pockets of a substantial amount of students. This will hopefully take us to over 300 users.

At this point we will reach out to Belmont student artists with a simple deal; we feature their song or upcoming performance on the Notably home page (essentially advertising their work to Belmont students for free), in exchange, that artist will do a post on their social media



Accounts about Notably. This will get the app in front of thousands more people on social media who care about Belmont artists and music. After the first “free” ad, artists can post more ads by paying a \$15 fee per ad per day. These Artist-Sponsored ads will provide more income than all other revenue streams combined for a particular day at the onset of our business.

With our in-house analytics, Notably will be able to see what kind of music a user listens to. This information will help us curate targeted ads: for example we could send out a country artist’s advertisement to all Notably users who listen to country, and at the same time send out a rap artist’s advertisement to all Notably users who listen to rap. Multiple ads a day could be run using this strategy.

Notably’s soft launch at Belmont University is the focus for the next year. Nationally launching an app requires expensive tech, expensive code, and expensive advertising. For the first stage of Notably we plan on living by the words of AirBnb founder Brian Chesky: “It is better to have 100 people that love your product than 1 million people that kind’ve like it.”

We would love to see Notably blow up, but for now it is important to build a high-quality app that meets the direct needs of consumers. Belmont will be the perfect place to start this project and reach that first 100 people who love us. The dreams of having a supremely high number of users is a misplacement of our time and energy at this point.

Monetization

Short-Term

Notably will make money in several ways during its Belmont-Launch phase. The app will be free to download, but will run with ads provided through the agency Applovin. These ads will consist of small banners that appear along the bottom of the screen and switch every thirty seconds. We could make more money by running full-screen ads that appear during crucial moments of app use, but this would compromise the enjoyability for the user. Notably will make \$.1 every time a user clicks on an ad. The average click-through rate is 1.5% per ad.

On top of this, we will receive income if a Belmont Artists pays to advertise on Notably. If one artist sponsors an ad for \$15, that nearly doubles our income for a given week. We can run



several ads at time depending on our user base, and we can charge more and more as our audience grows.

Long-Term

Options for revenue grow substantially once Notably has a large number of users. It enables deals within the music industry that make a lot of sense, but are not possible on streaming services like Spotify and Apple Music.

Notably could charge much more per ad if it is guaranteed to reach more people. Instead of providing ads at a flat rate, we would charge artists by how many views their ad gets in a certain time (i.e. \$.2 for 100,000 impressions = \$2,000). Notably ads will be a game changer for Tour and Live Show Promotion. Through Notably, it would be possible to let users verify if they are going to a particular concert or not. This way, when the ad for the concert gets sent out across Notably, users will be able to see which of their friends are attending the concert. If three of a user's friends are signed up for a concert, then that user is far more compelled to go to the event themselves.

Notably is going to vastly affect label marketing strategies. Consider this scenario; a Label is pushing out a new Rap artist. If a music celebrity like Drake were to feature a song by the new artist on his Notably account, the exposure and impact would be massive. Now consider this: the Label pays Notably a large sum of money to promote the new artist. Notably uses that money to set up deals with established Rap artists across the platform. Notably keeps most of the money, but pays out dividends to every established artist who features the new artist's music. Everyone wins. The Label gets advertising, the New Artist gets exposure and approval from established artists, and Notably and the established artists get paid.

Additionally, Notably's listening data will be extremely useful to labels. Streaming music services are already selling their music listening information to labels for large sums of money, but what Spotify and Apple Music lack are *networks* of this information. Notably's user data will not only include user's age, location, and music tastes, but also *friends* and music *trends among groups of users*. Spotify and Apple Music currently have no way of providing this information since the typical user does not make friends on their apps. Notably's data would be valuable (and sellable) to any organization involved in marketing music.



Financials

Short-Term Financial Walk-Through

Short-Term assumptions cover the launch and alpha-testing phase of Notably in Fall 2019 (Q4). The assumptions begin with the user base each week, which will likely double until we hit 1,000 users. Weeks 8-12 split the difference between 1000 users and our year-end estimate of 2,000, so every week increases by 200 users.

Ad revenue is determined by several factors. Small banner ads will be run on Notably through a service called Applovin. These ads earn \$.1 every time a user clicks on them.

We expect the average user to check Notably twice a week, hence the “3.5” days between checks. The total users is divided by the days between checks to give the total users per day. The average time someone will spend on Notably is 2 minutes, and the ads will change every 30 seconds. This gives us the opportunity to show the user 4 ads per session. When we multiply that by the average click-through rate (0.015) and the \$.1 revenue per click, we have the revenue per day, which turns into the revenue per week when we multiply by 7. Applovin pays Ad earnings the month after income is earned.

Additional sources of revenue include stickers sales and artist sponsored ads. A purchase of 1,000 3x3 circle stickers featuring the Notably logo will be made in order to make extra cash and for promotional use. The sales of these stickers will be modest. At \$2 each, we budgeted two sales a week for month 1, four for month 2, and eight for month 3.

Belmont Artists will have the opportunity to pay for a promotion on Notably for \$15 a day. We started adding these revenues in at week 5; at that point we will have several hundred users and it would be worth the payment for the artist to advertise on Notably. Every two weeks we budgeted one more Artist-Sponsored ad, which increases the revenue by \$15.

Long Term Financial Walk-Through

Long-Term assumptions cover the first three full years of operations, beginning in January 2020. The Long-Term user base is determined by the year-end estimates of 6000, 10,000, and 20,000. Ad revenue calculations remain the same, with the exception of the total revenue being multiplied by 91, since there are 91 days in a quarter. Sticker sales are no longer being accounted for; they were only a small promotional tool in 2019.



The artist revenue format has been completely revised, however. In year one, the pricing will remain the same; \$15 for a one day ad. The 1,080 figure represent 6 artist sponsors a week for the entire quarter. In year twos, we will begin charging artists per imprints their promotion receives. We will charge .2\$ per view. This makes the Artist Sponsored Ad section highly profitable. Since the app has 7,000 users at this point, it is reasonable to ask artists to pay more for their ads.

The “Ad Rev From Prev Month” is only meant to show the last month of the quarter’s calculated income. It is not included in the total revenue section, but is factored in at the balance sheet.

In the variable expenses section, it was simple to calculate how much Heroku Hosting would cost because we increase users by 1,000 every quarter, and the hosting fee only goes up every 1,000 users. In Year 3, however, we increase by a different amount of users, and thus the Variable Cost doesn’t increase as cleanly. We provided the Year Three Breakdown so that you could see this change.

