

PLAYDIO

Where your music runs wild.

A proposal to merge the proven success of online gaming with the satisfaction of learning your very own instrument, by:

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TABLE OF CONTENTS

PHILOSOPHY AND VISION.....	3
I. Why Music Education? Why Gaming?	3
II. A Playdio Utopia.....	6
INSIDE PLAYDIO.....	8
I. System Overview.....	8
II. Features and Fictional Examples.....	10
LICENSING STRATEGY.....	16
I. User Generated Music.....	16
II. Software.....	18
III. Popular Content.....	19
MARKETING.....	22
I. From the Founder’s Perspective.....	22
II. From the Artist’s Perspective.....	25
III. From the Consumer’s Perspective.....	25
APPENDIX	
WORKS CITED	

PHILOSOPHY AND VALUES

Our vision for the remonetisation of music content is founded upon the dissolution of “the middle man” – developing a communal, democratic space online where users and artists are not only intimately united, but where the distinctions between the two begin to fade into inconsequence.

It is not music alone that is enabled to run wild at Playdio. We are committed to providing our users with the freedom to shed common assumptions about interactive spaces – the growth of the interface is dependent upon the growth of user creativity and ideas. Playdio has the potential to be as large or as innovative as its users dream to expect of it. As such, the evolution of the interface is at the mercy of such creativity.

Playdio dares to stand unflinchingly beside its values, and the interface is therefore dependent upon them. Playdio users are necessarily drawn to it out of the belief that music provides a social good, and that the more of it circulating globally, the better. Playdio users are united to challenge each other with the difficulties and rewards that music presents throughout the learning process – whether one idolizes the ululating riffs of contemporary rock or is committed to refining the most haunting notes of the classics. Motivated to share in the content of others and to create their own, Playdio users thrive *as a community*. Helping each other to learn the art in turn strengthens and perpetuates the art into timelessness. More musicians, more music – for Playdio users it may become this simple.

I. Why Music Education? Why Gaming?

The importance of music education seems self-evident, but this assumption is deceiving. Not everyone has the money to pay for a quality music instructor, never mind the difficulty of

finding one such instructor to begin with. In an age where Guitar Hero and Rockband suffice for merging gaming entertainment with the universal love for music, and when youth spends more time surfing the net than pursuing the challenges of the arts, we choose not to see apathy and laziness – rather, a clear opportunity and untapped resources that has been strangely missed out on.

Democratizing and facilitating music education is necessary to the achievement of Playdio’s ideal goals. In order for a gaming platform to truly provide means for the remonetisation of music, there needs to be *more* people contributing content and *more* people intent upon accessing that content for educational purposes.

Significantly however, Playdio is not to be marketed as an educational tool. Rather, this is implicit in the flow of the game – players are challenged to test their music talents against material made by other players, and in turn motivated to develop their own. Playdio’s success is completely hinged on its structure *as a game*. Though it just so happens to be one that will foster a healthy, active worldwide music community in the process.

Why then, if our inspiration is music education, have we chosen gaming?

The computer game is a worthy metaphor for the positive potential of the internet, as a platform where conceptions of space are so called “consensually hallucinated” – though it is not “real” per se, this communal agreement on the sharing of neutral space is dramatically effective. Indeed, the internet as a medium is less of a tool than it is a constructed environment. This is the understanding of the internet that Playdio is most interested in.

Though perhaps the Internet revolution has had its due acknowledgment, the cultural significance of computer games is underestimated. The best games are not merely intuitive – anticipating the inevitable increase in user skill and accommodating that skill with ample

challenges – but further subverts representation and the conventional gaming difficulties that may already be common to the user. The best game challenges the user to question their assumptions about community interfaces, and Playdio has the potential to do just this – transcending not only our limiting fears about monetizing the music industry, but also pushing the potential of a global music community to a space of endless possibility.

Thus gaming marks a significant departure social discourse – what gaming theorists “an alternative to the narrative.” Gaming demands one actively interact with content, rather than merely observing. Playdio pushes this notion further – *based upon its dependence* on user interaction, rather than merely stimulating it. While the stand-alone notion of “music education” emphasizes the imminence of some definitive end result (getting really “good” at your instrument), Playdio’s emphasis on *gaming* ensures its focus on *process and experience*.

Individuals separated by thousands of miles and matters of ‘difference’ that matter only within the hierarchies of culture are suddenly on virtual, level playing ground. Love for music becomes the only significant characteristic, and one’s avatar becomes the blank slate for writing their musically founded identity. We are not suggesting that one spend their entire musical career on our website – because Playdio encourages its users to apply their talents and to refine them with the help of their peers, users will inevitably pick up their instruments, take what they have gained from the interface and disseminate that knowledge to those closest to them. What better way to promote the good of music on a global scale to this particularly difficult-to-convince generation?

Interesting games are inherently complicated – they are not quickly mastered nor do they soon become tedious after a short period of play. Though it may be self-evident, the fun of gaming exists in the moment of play: the real-time experience, the now. What Playdio seeks to

accomplish is maximizing the fun experience of play, while maintaining its emphasis on the long-lasting enjoyment that music education can provide. We are not suggesting that those who chose to play Guitar Hero should not be granted the pure, for-the-sake-of-now fun that it provides – quite contrary, we are taking this type of experience and exploding it to the next logical leap. That time spent *playing* the game equates with the long-lasting effects of music education becomes part game’s intrinsic logic and motivation – as such, it does not need constant acknowledgment. We care about the state of the person gaming *right now*, just like we care about the state of music *right now*. By keeping our users active and engaged, we are also focusing on bettering the global music community in the most immediate sense, rather than projecting some long-winded long-term goal for some impossible global music utopia.

II. A Playdio Utopia

But then again, there is a vision for a Playdio utopia.

Although it is perhaps contradictory to begin our project with enumerating the places that it cannot (perhaps *physically cannot*), go – refusal to resign to limitations is inherent in the foundational philosophy of Playdio. In a utopian world unbound by the laws of physics, Playdio could enable a space for the convergence of all musicians globally to play in real-time tandem. That is, the capability to unite musicians – from the might of the full orchestra to the nostalgia of the garage band – regardless of geographic location. Nothing will ever replace the rich value of live music, and our intent is by no means to do so. Rather, we are committed to exploring the possibilities for music education and to unite committed musicians worldwide.

This idea may however not be impossible. Keeping in mind the science of sound in today’s telecommunications networks, the goal of a global symphony may be a mere matter of

technological innovation – with increased bandwidth and computers with the propensity to process more data in a shorter amount of time than ever before, the distinction between the moment the sound leaves the instrument and when it reaches the ears of the global audience may in the future come down to a mere matter of perception. Current research in physics and music attest to the fact that sound quite simply cannot move as fast as light – but what if the sound could be converted to data and back again in the blink of an eye? Perhaps this hope is a little too “blue sky” – but human innovation has proven that many things often thought impossible end up proving quite the contrary. If the distinction can be tightened such that it is imperceptible to the human ear, we have our global symphony.

INSIDE PLAYDIO

I. Playdio System Overview

Playdio is an interactive music system that allows the player to play with music in their way.

Unlike current offerings in the genre like Rock Band and Guitar Hero, Playdio is a highly customizable and dynamic user environment. How you interact with your music is your choice, and is limited only by imagination and ingenuity. The Playdio System can be broken up into the following components:

i. Playdio Engine

The Playdio Engine is the software at the heart of the Playdio system. Whatever elements of the system the user is interacting with, the Playdio Engine is behind the scenes processing the information required for the various systems to function and interact. Whether a user is playing along with a track recently downloaded off Internet, tweaking the look of their avatar or creating a new song for somebody else to play, it all runs through the Playdio Engine. The Playdio Engine's code remains hidden behind the scenes and is only accessible by developers and staff at Playdio. Portions of the code are released as part of the API (application programming interface) used by amateur and professional developers.

ii. Playdio Game

This is the most commonly used feature of the Playdio system. It is the gateway through which users access different Playdio functions. Users are able to play different tracks with their choice of musical interface. With a combination of visual and sonic feedback they navigate through their virtual space with ease. A combination of user ratings, recommendation engines and

game design, keeps the user playing tracks that are fun and challenging. Depending on the preferences of the user, the game will look and feel very different. For example, a player used to playing guitar hero will expect flashy visuals and a heavy metal themed GUI (graphic user interface). Also, they can access musical notation that will be familiar to guitar hero users. A player interested in keyboard music can select an appropriate notation style and GUI.

As the look and feel of Playdio Game changes to suit different users needs, the Playdio Engine remains unchanged. A modular method of structuring software allows for quick and easy development of new interfaces to target new users. A robust game engine can be used. (Id Software, Unreal Technology)

iii. Playdio Online

Accessing new content, interacting with other users, multiplayer content, sharing ideas and reviewing user generated content is all possible though Playdio Online. When a user starts a game, they see a Playdio Login screen. Once a user is logged in they can access customized content. The Playdio engine requires a working Internet connection. Maintaining a constant connection to the Playdio Database prevents piracy and keeps track of user statistics and billing information. Blizzard Software has numerous examples of successful implementation of this type of technology. (Blizzard Entertainment)

iv. Playdio Database

The Playdio Database, like the Playdio Engine is working behind the scenes to keep the Playdio System running. The Playdio Database stores and organizes all content and user information that interacts with players as they access different elements of Playdio Game and Playdio Online. A combination of user generated metadata, and automatically generated metadata allows for a comprehensive searchable backbone for all the Playdio systems. Because

the data is constantly being modified by the users, the data is constantly being checked, refined and improved. Careful structuring and organization of this database allows Playdio's recommendation engine, user review system, billing system, forums, to be monitored and updated in real time. There are numerous examples of this technology being implemented by companies like Flickr, Google, Blizzard and Linden Labs.

v. Playdio Design Tools

Playdio Design Tools are a simplified version of the content creation tools used by Playdio's design team. By following tutorials and using templates provided by Playdio and other players, creative users can use this software to create and modify Playdio tracks. Playdio Design Tools has advanced features that target power users, enthusiasts and amateur/professional game developers. By releasing a fully documented API and relevant portions of the Playdio Engine source code, users can modify and create completely new ways to interact with the Playdio System. These types of tools were first released by id Software in the early 1990s. As games became more complex, so did the design tools, until fully featured 3D design suites were being released with games. It is not uncommon for young videogame designers to be discovered and employed after using these tools to create professional quality content, sometimes surpassing the skill and detail of the original game. (id Software) (Unreal Technology)

II. Features and Fictional Examples

i. Dynamic Notation

Music games are based on real time notation systems. As each music game is quite different, so are the requirements placed on these systems. Because of the dynamic nature of the

Playdio, no single notation system would be enough to cover all instruments and skill levels. So, Playdio uses a variety of notation styles that can be selected by the user depending on the interface and the musical context in which they are being played. For example:

Andrea has a dance pad interface that she purchased in 2002 when her and her friends were playing Konami's Dance Dance Revolution. She would like to play a dancing game with her friend so they log onto Playdio, select a track, interface and notation style. In this case, the notation style would be selected automatically because a dance mat has only four buttons, and a standard notation. Andrea and her friend dance along to their tracks and have a fun time. The story continues...

Andrea played some piano when she was younger but quit in the eleventh grade because she didn't have enough time for school and friends. She launches Playdio, selects a track, selects the piano interface. Now she has a choice between two notation styles, standard notation or modified tab. Andrea selects standard notation and plays along with her music at an easy difficulty level. She remembers more than she expected from her previous piano training and quickly moves on to progressively more challenging piano pieces. Before she knows it she has surpassed her previous abilities. Luckily for her, there is an Online Playdio Group called "Rediscovering Piano" where she can discuss her memories, find new pieces and track down music she enjoyed as a child.

ii. Graphic User Interfaces

The graphic user interface or GUI is the combination of images and text that facilitates user interaction with a computer system. Different types of applications require different input and different interfaces. Word processing programs display text on a page surrounded by icons, each representing common engraving and publishing tasks. With the combination of mouse and

keyboard, the user manipulates images and text in an intuitive environment. Behind the friendly exterior presented to the user, there is complex and unintuitive code. The code runs the software and is constantly checking and updating what the user should see.

The look and feel of Playdio is dependant on attractive and well-designed GUI. Different musical tasks require different visual elements. To facilitate changes and updates, a flexible GUI sits on top of the Playdio Engine. Users can download and create their own visual styles using the Playdio Design Tools. For example:

Jeff is a nine-year-old boy from northern Ontario who loves Guitar Hero. After a few years of Guitar Hero he has come to love the heavy metal aesthetic and on Playdio he selects visual elements that reflect his musical tastes. His login screen, his characters, his game window, all look like they fell off a truck parked behind a heavy metal arena show. Later, as he experiments with real guitar, his tastes change to more of an indie-punk aesthetic. When this happens, his visual style can be changed in a few clicks.

OR: Alex is a clarinet player from South Carolina. He plays the clarinet in his high school wind band and loves to play along with recordings from “Lord of the Rings” and other film scores. His Playdio is filled with wizards, dragons and all sorts of epic cinematic elements because that is what he's into this month.

iii. Difficult Level and Game Flow

The recommendation engine, Playdio Engine and The Playdio Database work together to deliver music that is interesting and at the correct skill level. For example:

Our friend Alex has recently joined the group “Film Scores for Clarinet” and he is delighted to find that the latest Harry Potter film score has been uploaded and he is excited to try it out. However, the music is in a difficult key and it is beyond his level. He selects the tempo

and slows it down, then selects the key, and transposes it into an easier key for his instrument. Now after a few tries he has it worked out and under his fingers. He later transposes it back to the original key and racks up lots of points and impresses his online peers. Eventually Alex becomes very good at film scores and has received high scores on most of the pieces in the genre. Playdio's recommendation engine detects this, searches the database and recommends that Alex try playing Baroque repertoire for solo clarinet. Alex is unsure but is looking for something more challenging. His mind is blown as he is confronted with this beautiful and challenging music for the first time. Instead of the simplistic melodies of Danny Elfman, he is met head on with an arrangement of Bach's violin concerto in D minor, arranged for clarinet. Alex's musical world will never be the same.

Playdio breaks down each Track into metadata that is loaded into the Playdio Database. From basic elements like genre, tempo, key, length to more specific elements like intervallic leaps and phrase lengths, to instrument specific details, it can all be represented in a searchable database. Using this information the Playdio recommendation engine helps players navigate the vast possibilities of musical experience. Keeping a player in a state of optimal challenge is the secret to good game design. (Csikszentmihalyi 122) (Fullerton 17)

iv. Multiplayer Support

There are many ways that multiplayer support can be integrated into the Playdio System. The most straightforward application would be two users playing from the same console/computer using one Playdio Engine. Harmonix Corp, and their title *Rock Band* have done a lot of work in this area by including four player support and new instruments. (Rigopoulos, 5,627,335)

Playdio offers online multiplayer and as well as team multiplayer where groups can face off and challenge one another in battles of musical skill and precision. Online multiplayer is handled through Playdio Online's social networking services. Players can interact and seamlessly transition between different type of communication and play.

Synchronization issues with online multiplayer can be address with slight alterations in game play. The time delay between one users action and the point where it becomes visible to other users on the system is called latency. For music based games this causes programming and design challenges for game developers. Many of these issues can be overcome by staggering musical entries as is done in the Ninjam system (Ninjam), or by creating a sense of illusory “real time” as is done in 3D shooter games. (id Software)

v. Advanced Users

The users who are interested in interface design and coding are a powerful minority in the online gaming community. They disassemble, hack, crack and alter most popular gaming devices for a variety of reasons (Collins 33): experimentation, bragging rights, academic purposes and just the joy of opening something up and seeing how it works. Playdio encourages this type of behaviour because it creates variety and added value to the Playdio community. With access to a well-documented API (application programming interface) computer programmers are able to create software that interacts with the Playdio engine without modifying or fully copying the source code. Playdio power users can take the game to completely different places than originally intended by the designers (Rosedale). For example:

Jessica is a computer science major who has always had a passion for creating videogames. She and a few online friends decided to create a project in their spare time using the Playdio engine. After going over a few tutorials, reading the API and learning how to use the

Playdio Design Tools, Jessica and her friends set out to create a game based on a fictional punk rock band. The story follows the protagonist as she joins a band and slowly rises through the ranks of indie punk rock to become a successful musician. The project gets off to a shaky start and the first few playable demos show promise but suffer from terrible writing and bad music. A young drama teacher and a budding punk rock producer add some of their spare time and talent, and as a result the project slowly begins to come together. Suddenly Jessica's Playdio mini-game is gaining a lot of attention and is being enjoyed by many Playdio users. A few years down the road, Jessica will get an entry-level position at a videogame company based on her degree and the impressive work she did on that "popular Playdio minigame"

OR: Andrew is an electrical engineer and music lover, one of countless individuals who loves to take apart consumer electronics and tweak them into creating new and interesting gadgets. It wasn't difficult for Andrew to modify Nintendo's wii remote for new applications in Playdio. Every so often Andrew figures out a new application for the wii-mote. He writes a simple script and uploads it to the Playdio community. From there, it gets examined and tweaked by other like-minded individuals until something fun is created for the average user. Now, thanks to Andrew and other collaborating members of the Playdio community, users all over the world can use the Nintendo wii-mote in different ways.

PLAYDIO LICENSE STRATEGY

A unique approach to software and content licensing is one of the backbones of the Playdio business model. A well-tailored licensing strategy is essential to the success of an intellectual property rights based business. Playdio's multifaceted licensing strategy provides for greater efficiency and flexibility in the development of user-generated content, such as music and software. This approach will also effectively administer and protect the core of Playdio's business: the source code of the Playdio game software. Likewise, a tactical and flexible approach to obtaining rights to popular content will aim at cutting short-term costs and fostering future growth and development. The focus of the licensing strategy will be to locate the correct mix of free access to content and content rights protection that will result in an optimal level of user satisfaction leading to greatest level of content production and usage (profitability).

I. User Generated Music

Playdio's philosophy can be described as a monistic approach to the user-creator (artist) dichotomy. The digital age is characterized by a minimized divide between artists and fans (creators and users). It is clear that each artist is also a user, in the sense that a music composer must also be a music listener. However, the lowered barriers of entry and greater access to content offered by the content *democratization* of the digital age assumes that almost any user can also be a creator. Anyone with a laptop can record and produce music. Playdio seeks to benefit from this trend and utilize its fruits to offer a greater variety of more customized user-generated content while cutting costs on the content production and development front.

Playdio seeks to promote the production and usage of user-generated content by means of standardized licensing. The Playdio license for user-generated music will somewhat resemble a *Creative Commons* standardized license approach. Users will be invited to submit music that they have created. This music will be added to the Playdio catalogue and incorporated into Playdio game. The catalogue content will be available to all users for the purpose of their interactive online music gaming. This means that users will be able to play the Playdio game to a song created by another user, or even themselves.

The base standardized license will provide Playdio with non-exclusive¹ rights to use the user-generated music for the purpose of Playdio gaming. In the case that Playdio desires further rights from a particular user-generated musical piece, Playdio will seek to obtain such a right through a specialized license agreement that will depend on the motivation and purpose for obtaining such a right. The user will be guaranteed attribution for his work, and will be motivated to produce content through Playdio's compensation mechanism. This compensation mechanism will be a part of the standardized license and it will offer users a share of Playdio's profits as a function of the popularity of their song.²

This method of content production assumes that users know what users want. Playdio will cut content development costs by motivating users to create the music that they want to play along to. It will reward the users that create successful content. The result will provide users with a diverse pool of content available for their gaming pleasure. It may also act as a catapult for any user's content creation (i.e. music production or performance) career.

¹ User will be free to license the same rights to other parties.

² The exact formula for profit sharing mechanism has not yet been developed. However, the idea is that most popular user-generated music would most greatly benefit from shares of Playdio's profits. Note that the scheme would begin once Playdio has covered start-up cost and begun accruing profit. User-generated content receiving little use will not receive any profit share financial compensation.

II. Software

Playdio software development tactics will take on a hybrid form. With the goal being an optimal mix of free access and protection, Playdio will take both an open-source and a proprietary approach to its software source code. Once again, this mix will provide for a greater variety of software applications catered to user wants and needs.

Similar to the *Facebook* software licensing approach, Playdio will seek to protect its rights to its general software framework. Therefore, the source code for the general user interface and gaming function will not be released. The proprietary source code will provide Playdio with greater control and flexibility over the growth and development of its product, the interactive online musical game. It will also protect Playdio from unfair competition such as piggy backers and copycats that may seek to cut into Playdio's market share or generally saturate the market to Playdio's detriment. Playdio will seek recourse against any person who violates the rights over its proprietary software. This piece of the strategy is also essential for retaining centralized administration and decision-making capacity over the general software framework that will allow Playdio control its future growth and development.

Playdio will, however, take an open source approach to the development of software for specific gaming applications. This source code will be released through a *GNU General Public License* or a license of a similar nature. It will provide users with the capacity to develop customized gaming applications. Users will retain attribution over the applications they develop and will also have the opportunity to receive profit share compensation like users that generate

music content.³ This tactic will enable Playdio to rapidly expand gaming function while cutting software development costs. It is important to note that Playdio administrators will retain the power of user-generated application incorporation. Thus, only the application approved by Playdio administrators will actually be incorporated into the general gaming framework for the enjoyment of all users. For efficiency's sake, Playdio administrators will remove any software applications that are not meeting a minimal usage requirement.

This hybrid approach to online software and application development has proven to be very successful in the online gaming, social networking, and general software development segments. This model seeks to capitalize on success of similar applications such a *Facebook* and *Second-Life* while benefiting from the creativity and expertise of open source software developers, such as the *Linux* and *Free Software* communities. The result of this strategy, yet again, will provide Playdio users with broad range of gaming applications while cutting Playdio software development costs.

III. Popular Content

Playdio realizes that it cannot create a successful business solely through user-generated music content. Therefore, Playdio has developed a flexible strategy for obtaining rights to popular music. This strategy is organic and will develop according to Playdio user tastes and preferences as Playdio grows. Initially, Playdio will seek to incorporate a specialized pool of popular music content available to users for their gaming enjoyment.

In order to attract initial users, and satisfy the desires of users that enjoy popular content, Playdio will bargain with popular content owners to obtain rights to popular musical recordings

³ Popular software applications that are widely used will obtain a calculated share of the profits much like the user-generated music.

at a reduced cost. In exchange for the reduced license cost, Playdio will offer the artists, or content owners, with free promotion. Owners of popular content will have the added benefit of the aforementioned profit share compensation mechanism as well. The percent of profit share paid out to owners of popular music will be higher than the percentage paid out to user-generated music. As Playdio's popularity grows, and popular content owners begin obtaining greater benefit from the profit sharing mechanism, it is believed that other popular content owners will be motivated to license their music to Playdio at a reduced cost, or perhaps no cost at all.⁴

This demand-driven approach to compensation is ideal for artists and content owners speculating on the growth of their popularity. It is also highly beneficial for artists seeking to capitalize from high growth of the music gaming segment, especially artists that find their rights being violated and revenues cut, by illegal downloading. For such artists and content owners, Playdio will provide another viable source of revenue. The potential for simultaneous growth of both Playdio and a given artist's popularity could provide that artist with a primary source of income.

The ideal popular song for Playdio's initial catalogue building will possess one or more of the following characteristics. The song should be catchy while boasting patterns and rhythms ideal for interactive music gaming. Initially, the focus will be on obtaining rights to songs that are more visible to a younger market segment, which spends more time and money on interactive music gaming. Thus, Playdio will attempt to obtain the rights to popular songs by young up-and-coming artists and bands.⁵ Such music will provide Playdio with the requisite degree of

⁴ This projection is based on the growth and development of *Apple's I-Tunes* and the free licensing that commonly takes place in fora such as *myspace* or *youtube*, where content owners allow for the free use of their content in exchange for other benefits they may receive from such use (i.e. varying levels of promotion and compensation).

⁵ Initially, Playdio will avoid entering into numerous expensive licensing agreements with well-established artists in order to minimize start-up costs. However, if a particular famous song happens to be ideal for Playdio gaming, then Playdio will seek to obtain the rights to use such a song. Likewise, if statistics demonstrate that users prefer to

trendiness to attract musically inclined gamers and scenesters. The relationships between such artists and Playdio will be symbiant and mutually beneficial. As Playdio's popularity grows, the artist will receive greater promotion by placing their music in the Playdio catalogue. Likewise, if the artist's popularity grows, Playdio will attract more users. In both cases, the potential for revenue for both parties will increase. This strategy seems ideal for the initial short-term period. However, it is subject to change based on the market characteristics and demands of Playdio users.

play along to famous songs, then Playdio will reformulate its licensing strategy. In such a situation, Playdio would give pay attention to user-generated and up-and-coming music, while more heavily investing in famous music.

MARKETING

I. From the Founder's Perspective

Playdio offers a unique format that will allow open source codes and customer content to drive the growth strategy for the site. This is a unique facet that has been discussed in other sections, but the platform also provides the basis for new business opportunities. These opportunities will drive the evolution of the site and help to keep it profitable. The following tactics will be utilized to help the founders' capture every revenue stream available for each and every track. The gaming component provides the core of Playdio's strategy. However there are numerous ways to respectfully promote an artist's work and still reap monetary compensation. The following details these benefits:

i. Gaming component will allow for a massive amount of customer data.

This aspect is now a more common trend amongst music producers and insiders. The fact that Playdio will be a fully user generated and transactional site provides the founders with data of each and every Playdio customer. Even if a customer does not purchase gaming time or music on the site, web analytics can assess their patterns while they are on the site. Those that do purchase gaming or music will have provided Playdio with information regarding their tastes, purchasing habits and intentions, and possibly even their input on how to improve the site. This data will prove invaluable to Playdio as consumers will be tied in to the musical experience. By this, the impetus will be a push strategy that moves toward Playdio catering to the individual preferences of its consumers. As alluded, the data provided will serve as tool that can be valuable when directing future purchases.

ii. Building a catalogue of songs from the gaming sphere that doesn't have to be based on the common \$0.99 cent model.

This model that has been the boon of iTunes success is something that has been getting pushback from some consumers and those in the music industry itself. This is based on the inflexibility of the structure and the fact that some artists have found that when consumers are left to decide the amount they will pay for a single track the result can fluctuate and even exceed the \$0.99 cent mark.⁶ Artists acting in an economical manner will have to adapt to the fact that cheap or free supply is oftentimes outstripping demand. This model allows for a fluctuating price point that resembles the strategy employed by Orbitz.⁷ Just as Orbitz does with trips and ancillary travel items, Playdio will track purchase habits and intentions. "Premium" consumers will be willing to pay more and "bargain-hunters" will likely purchase tracks for less. However, the goal is to maximize revenue. The belief at Playdio is simply "one sale is better than no sales."

iii. Interactivity Between Player and Artist

The process of marketing and selling music is oftentimes based on consumers' relationship with their music.⁸ With this in mind, Playdio is fostering this environment through an open source platform that provides artists who upload content unlimited incentive to get their personal networks to try the site. Whether it is through the gaming component, licensing, or simply purchase of a single track, artists finally have a one-stop repository for their music. This aids the founders by building the brand identity around a concept of community. Music sites are trending toward this now, but Playdio will do so with an unparalleled gaming component. In addition this

⁶ In class discussion (lady from the Music coalition)

⁷ www.orbitz.com

⁸ In class discussion

growth strategy is aimed at providing artists and consumers with an experience where “your music truly runs wild.” This statement encompasses the thought process behind the site and its foundation. Music isn’t simply meant to be listened to and consumed. It is a commodity with so many other uses. The only limitations to these uses are the imaginations of those who produce and use the music itself.

iv. ArtistShare/Sellaband tactics

As sites like ArtistShare⁹ and Sellaband¹⁰ have shown consumers are actively seeking ways to involve themselves in the artistic process. This process can serve as a bridge between passive listening and the feeling of collaboration with an artist. Nothing can match the thrill for consumers of owning limited edition records or contributing to the production of an album. The sites mentioned function to provide artists with the equivalent of “micro-loans” or “stock issues.” One can participate in the creative process, receive coveted recordings, or even build an actual relationship with the artists themselves. This is proving an increasingly attractive method in the music industry.

v. Merchandising

As many consumers flock to boutiques in major metropolitan centers for \$100 vintage rock t-shirts, it is still clear that a musician can make an immense amount of money through merchandising. Playdio’s “running wild” experience would not be complete without promotional items that span the breadth of the individual contributing artist’s imagination. Consumers can be cross and up sold when interacting in any capacity with the artist of their

⁹ <http://www.artistshare.com/home/about.aspx>

¹⁰ <http://www.sellaband.com>

choosing. The merchandising route can be very successful and lucrative when combined with the other unique features of the site.

II. From the Artist's Perspective

As Dan Levitan said, “many performance artists I know take beta-blockers before a show because they are so nervous.”¹¹ The working musician oftentimes does not find the fun or comfort in the way they have chosen to pursue their lives. Many would relish the opportunity to foster a community around their music starting through a fun, interactive gaming environment. This is the initial “pull” strategy of the site. The site lures consumers to it through the gaming in order to implement a “push” strategy when marketing its other services mentioned above. This is important as it not only helps artists and fans build a community around their shared love of music; it allows the artist to do so on their own terms. The flexibility and adaptability of the site is something unrivalled thus far in the online music world. The growth strategy combines elements of sales and marketing implemented by many various sites, but not in any single physical or cyber location. This is the benefit to the emerging or established artist.

III. From the Consumer's Perspective

Gaming is an increasingly popular form of entertainment and with the introduction of “Guitar Hero” and “Rock Band” people have shown an immense appetite for musically themed games. Playdio offers a state of the art gaming platform and incorporates every other element that connects consumers to the music they enjoy. With multiple services, offerings, and a flexible technology that caters to individual consumers tastes (by utilizing recommendation

¹¹ In class discussion

engines amongst other technology) the site is clearly a revolutionary introduction into the online music world.

APPENDIX

Other ways websites monetize their efforts without traditional advertising¹²

- **CPM ads** ("cost per thousand views"; banner ads online and regular ads in print, TV and radio)
- **CPC ads** ("cost per click"; think Google ads)
- **CPT ads** ("cost per transaction"; you pay only if the customer brought to you from a media sites becomes a paying customer.)
- **Lead generation** (you pay for qualified names of potential customers)
- **Autoresponder Memberships** (people pay for email)
- **Subscription revenues**
- **Affiliate revenues** (e.g., Amazon Associates)
- **Rental of subscriber lists**
- **Sale of information** (selling data about users--aggregate/statistical or individual--to third parties)
- **Licensing of brand** (people pay to use a media brand as implied endorsement)
- **Licensing of content** (syndication)
- **Getting the users to create something of value for free and applying any of the above to monetize it.** (Like Digg or our own Reddit)
- **Upgraded service/content** (ed: aka "freemium")
- **Alternate output** (pdf; print/print-on-demand; customized Shared Book style; etc.)
- **Custom services/feeds**
- **Live events**
- **"Souvenirs"/"Merchandise"**
- **Co-branded spinoff**
- **Cost Per Install** (popular with top Facebook apps who can help others get installs)
- **E-commerce** (selling stuff directly on your website)
- **Sponsorships** (ads of some sort that are sold based on time, not on the number of impressions)
- **Listings** (paying a time based amount to list something like a job or real estate on your website)
- **Paid Inclusion** (a form of CPC advertising where an advertiser pays to be included in a search result)
- **Streaming Audio Advertising** (like radio advertising delivered in the audio stream after a certain amount of audio content has been delivered)
- **Streaming Video Advertising** (like streaming audio but in video)
- **API Fees** (charging third parties to access your API)
- **Funding and Licensing**

¹² http://howto.wired.com/wiki/Make_money_around_free_content

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