Music Ally is a leading provider of business information, training, marketing and consultancy services to the global music business.

We support and advise startups, investors and all those with an interest in the modern-day music business.

Please don’t hesitate to contact us should you wish to arrange a briefing or just meet with the team.

We also run a premium business information service that includes a daily news bulletin, a monthly analysis report and a fortnightly digital music marketing report.

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Introduction

Is 2017 a good year for music/tech startups? You’ll find a range of opinions in the music and technology industries.

Some people look back to a ‘golden age’ between 2007 and 2009 when Spotify, SoundCloud, Deezer, The Echo Nest, Songkick and (not only music) Kickstarter all emerged, and don’t feel as excited about the current crop of startups.

Others see music/tech as a tough sector to build a sustainable business in, often citing one or both of two widely-shared blog posts from recent years: eMusic boss turned VC David Pakman’s 2016 article claiming that the music industry “buried” more than 150 startups; and ArtistData and Onesheet founder Brenden Mulligan’s 2015 post on the difficulties of making money from tools for artists and labels.

There’s also a widespread view that it’s tough, for the reasons outlined in those blog posts, for music startups to attract VC funding. The perception is that investors remain skittish around any startup that requires licensing deals with music rightsholders, and are unsure whether many of the startups that don’t need rights will scale to provide the kind of exit the VCs are looking for.

This gloom is understandable, but it’s not the entire story. At the early-stage level, there are a number of routes to securing capital around the £150k mark to get a business up and running, from individual angel investors; incubators and accelerators offering seed funding; and (in the UK) tax-benefits initiatives like the Seed Enterprise Investment Scheme (SEIS) to stimulate early-stage funding of inventive startups.

There is also reason for optimism in the more down-to-earth intentions of many current startups. Few are trying to be ‘the next Spotify’, having sensibly looked at the giants already at play in the mainstream
music-streaming market – not to mention the brutal realities of the economics involved to get in that ring with them.

One of the interesting groups of music/tech startups in 2017 are the companies looking to leverage those big, established music-streaming platforms, building on top of their APIs (and their licensing deals). With Spotify alone now past the 100 million active user point, we may be on the verge of a new, less financially-risky opportunity for inventive consumer-focused startups operating in areas like playlists and discovery.

Even more practically, there are the music startups that you might classify as ‘tools’ – services that aim to help artists, managers and labels reach, understand and make money from their growing audiences. From analytics and ‘smart links’ to chatbot platforms, these are the tools that Brenden Mulligan worried artists and labels could (or would) not pay for, but the hope is that this has changed – for startups that can prove their value.

There is also a convincing argument, as recently outlined to Music Ally by industry veteran Bob Moczydlowsky (who in 2017 is overseeing the new Techstars Music accelerator) that we need to expand the definition of what counts as a ‘music startup’ to fields like virtual and augmented reality; blockchain rights management; data-mining; artificial intelligence; e-commerce and others. Companies in these fields may not be exclusively focusing on music, but they can still benefit the industry.

This report is Music Ally’s appraisal of some of the most interesting new music/tech startups that we’ve written about in the last two years.

From music creation and live video-streaming to blockchain-based systems, chatbots and artificial intelligence, the 30 included startups are a snapshot of the innovation going on in and around music.

This report also includes a write-up of the innovation and startups panel we held at our recent NY:LON Connect conference which was organised together with the Music Business Association, sponsored by Armonia and hosted by ReedSmith with the Innovation track supported by the Department for International Trade.

Stuart Dredge, Music Ally
Startups in Focus

Music Ally has written about more than 130 new music-related startups in 2015, 2016 and the early weeks of 2017. Here are 30 we’ve chosen from the UK and beyond as having particular promise, or at least inspiration for areas where the industry needs more innovation. From virtual reality and the blockchain to crowdsourced tours, direct-to-fan messaging and smart instruments...
Singaporean startup BandLab officially launched in November 2015 as a cloud-based music-making platform, after a year of testing. The service works as a website, as well as through its Android and iOS apps.

Its pitch is that it is a “social music maker and recording studio” with 12-track recording capabilities for musicians, a built-in editor, and the ability for its users to collaborate with one another. The ability to post video clips was added in July 2016, while in October BandLab added mastering features too.

The company has been one of the more aggressive startups in this report in terms of acquisitions. In July 2016 it bought European rival Composr for an undisclosed amount. That deal was followed in September by an acquisition of Mono, a US design studio that makes instrument cases, straps and other accessories for musicians.

That wasn’t its most surprising deal however. Also in September, BandLab acquired a 49% stake in Wenner Media, the publisher of Rolling Stone.

“We are focused on the consumer and the supply chain of music, and innovative business models around music that exist today,” BandLab’s CEO Meng Ru Kuok told Bloomberg at the time. “At the end of the day, the end consumer is the same. BandLab’s goal is to be a global music business.”

Those ambitions have influenced BandLab’s recruitment strategy. In July 2016 it hired digital-music veteran Fred McIntyre as its chief marketing officer, while a trio of hires in October 2016 – Forbes Media Asia CEO William Adamopoulos as senior advisor, investor Ivan Chen as group COO and former Forbes / Readers Digest CFO Thomas Callahan as its CFO.
British startup Chew had been described as ‘Twitch for DJs’ – a reference to Amazon’s live-video platform, which has historically focused more on gamers. Chew lets DJs broadcast their mixing sessions to the world.

So far it has attracted more than 370,000 users to its service, with more than 90k shows created so far, and more than 380k hours of content watched.

Chew is partly aimed at DJs wanting to reach an audience of dance fans: a live counterpart to the Boiler Room sets that have proved popular on YouTube. However, the service also has educational potential: the burgeoning ranks of amateur DJs around the world can get tips by watching established stars, while chatting to them as they work.

Having started Chew in 2014, co-founders Wil Benton and Ben Bowler honed the service while taking part in the Ignite accelerator in Newcastle, launching publicly in early 2015.

As explained in the equity crowdfunding chapter earlier in this report, Chew was also one of the first music startups to explore that method of funding, raising just over £215k in February 2016 at a pre-money valuation of nearly £1.4m.

Chew has also been on the lookout for expansion via acquisition. In August 2016 it merged with its largest rival, Mixify, taking on the latter’s community.

The company has also been working on how to help its DJs make money, adding a ‘gifting’ feature in September 2016 for viewers to reward their favourite broadcasters by buying them virtual gifts, from medals to air horns and cigars.
UK-based Disciple Media started as a partnership between musician Benji Vaughan and former Napster and Warner Music exec Leanne Sharman, launching officially in June 2015.

Like Mobile Roadie and others before it, Disciple Media has developed a platform for artist apps, aiming to help musicians connect with their audiences on their smartphones. Vaughan told Music Ally it was a response to not finding the kind of product he wanted for his own career.

“I wanted something where I could not just push content out to my fans, but get them to push content back to me, and fulfil that excitement that they had around the music,” he said in June 2015.

Since then, the company has picked up some high-profile clients. The Rolling Stones, Luke Bryan, Rudimental, Suicide Silence and YouTuber-turned-artist KSI all have apps available powered by Disciple's platform.

The apps offer a mixture of news, social features, live video streams, competitions and access to music via streaming services, with a variety of business models. Rudimental’s app is entirely free to fans, for example, while KSI’s sells an official sticker pack, and Bryan’s offers a £2.79 premium subscription.

“We’re not cannibalistic. We’re an incremental revenue stream for artists, for record companies, for publishers and collecting societies,” said Sharman at launch.

Like other artist-app platforms, though, Disciple Media’s challenge is to prove that fans will download these apps (AND use them regularly) in significant numbers, while generating a sustainable business model for the startup behind them.
Unlike the vast majority of startups covered in this report, Dot Blockchain isn’t hoping for a lucrative exit.

It’s been set up by PledgeMusic boss Benji Rogers as a ‘public benefit corporation’ – a specific legal entity in the US that makes ‘public benefit’ one of its charter aims. Kickstarter is the other prominent example in the tech world.

The company’s aim is to develop a new media format and the necessary architecture for artists, songwriters and their rightsholders to “express their rights and wishes for commercialising their art”, while also streamlining the licensing and payments processes.

Its development has been played out in public, partly through Rogers’ appearances at industry conferences around the world talking about the aims and challenges of Dot Blockchain, and partly through his blog posts and the community building up around it – “growing up in public with your pants down” as the title to one of those posts described it.

Dot Blockchain launched its alpha release in August 2016, providing prototypes for its file-bundling technology; a registry of ‘minimum viable data’ for works; and a set of plug-ins for users of the platform.

2017 will see the project move into its second and third planned phases, with more input from the music industry. Dot Blockchain plans to make money by charging to build plugins, data entry, memberships, licensing and coding, as well as for consultancy and advocacy.

Its public benefit corporation status also means that Dot Blockchain will contribute between 5% and 25% of its revenues towards education and music-focused charities.
Dubset first came to our attention in 2011 as a “DJ-defined radio service” offering streaming mixes from DJs, and using music fingerprinting to identify the tracks and pay rightsholders.

We covered it again in 2014 when Rhapsody led a funding round in the company, which by then had two arms: its MixScan rights management platform for mixes, and a consumer-focused The Future FM site for the DJ sets.

It was 2016 when the company reappeared on our radars though, now under the direction of former Gracenote executive Stephen White. What was new was its MixBank platform, which launched with a high-profile client: Apple Music.

The company’s technology will identify music used in remixes and mixes, and clear its use via deals with labels and publishers, before distributing it to digital services.

Dubset’s pitch is that MixBANK will provide a pipeline of remixes and mixes to its clients; ensure the rightsholders and creators of the songs used in those mixes get paid; and provide a revenue stream for the DJs creating the mixes.

Despite some initial uncertainty around its licensing deals with major labels and indie licensing agency Merlin, Dubset proceeded to ink a deal with the largest streaming service, Spotify, in May 2016.

In October, its first licensed remix – a DJ Jazzy Jeff remix of Anderson Paak’s ‘Room In Here’ – went live on both services, with White promising that full DJ mixes wouldn’t be far behind. In December, the company also helped Major Lazer and Bad Royale clear a track with a prominent Toots & the Maytals sample.
London firm Gearbox Records may not sound like a technology company: it’s an independent label focusing on vinyl releases. However, technology is at the core of its business: it owns an analogue vinyl-cutting facility, and since 2009 it has released more than 25 albums from established and emerging artists.

“The studio was principally built for Gearbox Records to master and cut its own records exactly how it wants, with no digital in the signal path or even a digital-to-analogue converter to generate preview signals,” explains the company’s website.

It’s a vinyl fan’s paradise, in other words. But in 2017 Gearbox is also making a splash with another product aimed at those fans: its Gearbox Automatic “autostreaming hifi turntable”. The company has made a plug-and-go turntable, which will play vinyl but will also add tracks to streaming playlists.

“When you put your vinyl on here, it knows what you’re playing: it’s Shazam for turntables. And the app that we’ve developed shows what you’re playing, and all the artwork, and enables you to download it to Spotify,” explained Gearbox founder Darrel Sheinman at the recent NY:LO0 Connect conference organised by Music Ally and the Music Business Association.

Crucially, the device is not ripping vinyl into digital files: it’s matching the vinyl records with the digital versions of the tracks on Spotify or Apple Music, so that people can add it to their libraries and take those tracks on the move.

“The next step we want to make is to sell the APIs to all other turntable manufacturers… what do we have then? A huge database of vinyl listeners, who at the moment are not connected to that streaming network,” said Sheinman.
Classical is one of the genres – see also jazz – that is perceived to be poorly served by the mainstream music-streaming services. However, a handful of classical-focused services have emerged in recent years, including Grammofy, which made its debut in 2016.

The company’s pitch is “handpicked classical music at your fingertips” with weekly curated collections guiding users to great classical works and new musicians and composers alike.

Delivered as an app, Grammofy offers two subscription options: the £2.99-a-month Explorer and £6.99-a-month Collector tier. The first offers a single collection every week, while the latter provides wider access to the service’s catalogue.

For now, Grammofy is only available on Apple’s iOS. An offline mode ensures subscribers can save music to their device for internet-free listening.

The app also offers two audio-quality levels: premium and compressed, recognising that the classical audience is likely to have strong views on this score. It also draws on BBC Music and Gramophone Magazine for its expert curators.

Like the bigger streaming services, Grammofy distributes 70% of its revenues to rightsholders. Having launched in the UK and Germany in May 2016, Grammofy has since expanded to 15 more countries in Europe, Scandinavia and the US.
On one level, Instrumental is simply an independent music label – albeit one part-owned by a major, Warner Music Group. “We offer an alternative to the traditional music business model by providing major label benefits to the independent artist,” it claims.

Instrumental’s roster includes emerging musicians like Calum Scott, Catherine McGrath and Johnny Orlando. The latter is one of the most intriguing stars to have emerged in 2016: a 13 year-old Canadian who attracted millions of fans on Musical.ly, Instagram and YouTube.

That hints at Instrumental’s special sauce: it aims to identify breaking talent on social networks and sign them up before the traditional industry gets wind of their popularity.

In May 2016 at the Great Escape conference in Brighton, CEO Conrad Withey explained that the company had built software that scraped YouTube’s API for data on new creators uploading music content, amassing a database of (at the time) more than 45,000 musicians. The system would then identify the ones whose audience and engagement were growing fastest, so that Instrumental could offer them development deals.

“I left Warner Music to do this because the only deals we could do [with new artists] were six-album deals. This talent just doesn’t fit that,” said Withey. “If we see the subscriber growth and engagement, it’s a great indicator of their potential. It’s auto-A&R. Most music people will say ‘that’s just wrong’, but for us it’s a great indicator of future success.”

In August 2016, Instrumental added a division called DSCVRY, which uses its technology to identify emerging social stars outside music, and then connecting brands with them for marketing campaigns. “We call the process brand A&R,” said Withey at the launch.
Jaak is one of the clutch of startups exploring blockchain technology and music, which in its case starts with breaking down the anatomy of a song: songwriters, producers, artists, publishers and labels.

“Blockchain isn’t a database, just a way to move containers around. It’s a protocol: a way to design rulesets,” said founder Vaughn McKenzie at the recent NY:LO\N Connect conference.

“It’s just a way to design things that can work exactly how you want them to. We have a way of capturing metadata and then linking it to the actual media file, and then linking that to a smart contract: a mini-API that sits on top of a blockchain. It’s business logic, in an app.”

The smart contract acts as an API for a song, connecting apps, websites, games and anything else that wants access to the song.

Jaak has been working on its product since late 2014, hiring some of the brightest minds in the blockchain community to build out its technology.

“We have got to a place where we can actually build really cool things on top of this stuff,” said McKenzie.

The company is due to announce its first product in mid-February, and has already been in discussions with various music companies (plus collecting society PRS for Music) about what it could do for the industry in the months and years to come.
JoinMyPlaylist may be a new startup, but its founders are no newcomers to the music/tech world.

Inge Andre Sandvik was previously co-founder and CEO of Soundrop, which started as a service for people to listen to streaming playlists together in chat-rooms. He went on to work with his co-founder Anders Oredsson on a social app called Tagbeat, and now JoinMyPlaylist.

The iPhone app is tackling similar challenges to the original Soundrop, encouraging its users to “experience music live with others” through ‘live’ playlists around specific genres. Users can also create their own from their Spotify playlists, and chat to all-comers.

One use for the app is as a party jukebox for social gatherings “or the office radio”, but as with Soundrop, there is potential for artists to get involved.

For example, an artist might create a live playlists based on their new tracks and some of the songs that inspired them, then interact with fans around it.

For now, JoinMyPlaylist is building out its technology and finding an audience, but further down the line those opportunities for artists may help it find a business model from marketing, if not from consumer spending.

There is a sense within the industry that the big streaming services like Spotify and Apple Music could be doing more to foster the conversation around music on their platforms. JoinMyPlaylist is unlikely to be the last startup trying to show them how this could work.
“It’s probably fair to say that AI will change the music industry and lots of other industries a lot more than the internet did,” said Jukedeck CEO Ed Newton-Rex at an event organised by Music Ally and the BPI in November 2016 to discuss artificial intelligence and music.

His company is one of the startups trying to bring about that change. It uses neural-network technology to compose music, with the ability of Jukedeck’s system having improved sharply since its original prototype in 2012.

At the moment, Jukedeck’s main potential customer base has been video creators: from individuals on YouTube to businesses making corporate or marketing content. So far, more than 500k tracks have been created by Jukedeck, with the resulting videos having notched up more than 30m views on YouTube.

“It’s royalty-free and cheap. It’s a cost-play, AI. In the early stages at least,” explained Newton-Rex at our event. However, he also saw other potential uses for this kind of technology, including helping people to make music who might otherwise assume they lack the necessary skills.

Jukedeck’s CEO has also compared the impact of AI on the music industry to that of the original Napster. “I think that AI is probably going to be the same but a hundredfold...”
At the height of Pokémon Go fever in 2016, more than a few music industry executives were heard wondering whether it might spark an equivalent for music. Actually, we already had one: UK-based startup Landmrk.

The company has a platform based on location and augmented reality, capable of running campaigns where digital content of all kinds is “dropped” at physical locations, with fans then guided to them to find it.

The platform cut its teeth on campaigns for Alt-J and Keith Richards, with 56,000 fans interacting with the first of those, which unlocked the band’s new album for pre-release streaming at certain locations the week before its release.

In August 2016, Landmrk worked with Sony Music US Latin on a campaign for boy-band CNCO’s album ‘Primero Cita’, sending fans to “hotspots” in Latin America and Spain to hear tracks from the album, and unlock videos for the wider fanbase.

Sony hid one track per day over the four-day campaign, with hotspots in cities including Miami, New York, Quito, Monterrey, Buenos Aires and Los Angeles.

In December, Landmrk extended into the TV industry, running a Manhattan-based campaign for Showtime’s Homeland series. Pokémon Go may not be making the headlines it was at its peak, but there is more potential in Landmrk to be unlocked.
London startup Mbryonic works with artists and brands around technologies like virtual reality, with a background in the games industry and live visuals to draw on for its products.

At the recent NY:LON Connect conference, founder Tom Szirtes explained how his company sees VR changing the way people interact with music.

“It allows you to immerse yourself in the world of the artist... and an opportunity to create new revenue streams that audiences will be perhaps willing to pay for,” said Szirtes.

“Why go to the expense of staging a gig... when you could stage an entirely virtual gig. Imagine going to see a rock band on top of a mountain with fire-breathing dragons overhead... or a dance club where the walls are pulsating? These are the kinds of experiences that VR can offer.”

Mbryonic has created a toolset to help artists create their own VR worlds, for fans to wander around and listen to and watch their music, as well as interacting with instruments.

It has also created a product for turning old music videos into 360-degree VR experiences – essentially playing a 2D video in a 3D environment that reacts to a music. Viewers can trigger DJ-like effects and interact with the environment.

“There are going to be more and more people who have access to this technology... we have eight million headsets installed, but things like PlayStation VR are really going to push that envelope,” said Szirtes.
2016 saw the launch of a range of virtual-reality headsets, from high-end models like the Oculus Rift and PlayStation VR to Google’s smartphone-focused Daydream View. 2017 will be the year when the clutch of musical VR startups that we first wrote about last year make their commercial debuts.

MelodyVR is one of them. Based in London, the company’s app will launch for a range of headsets early this year, offering a catalogue of live performances shot specifically for VR, through partnerships with artists, venues, festivals and labels.

Launching with hundreds of artists in its content library is a significant statement of intent, with a catalogue ranging “from Skepta to the London Symphony Orchestra, and everything in between” according to the company’s founders.

MelodyVR has been preparing for launch carefully, for example signing a marketing partnership with telco Telefonica to show off the app in more than 600 of its O2 stores in Germany.

In November, it emerged that MelodyVR had raised £3.4m in funding before its launch from a mixture of new and existing institutional shareholders.

Just before Christmas, MelodyVR launched a closed beta of its app for Samsung’s Gear VR headset, targeting up to 1,000 users in the US and Europe. It also signed a licensing deal with Warner Music Group, which is also taking an equity stake in the company.
Swedish startup Mind Music Labs has been winning awards at a host of industry conferences, Midem included, for its first product the Sensus Smart Guitar, which it bills as “the first real smart guitar in the world”.

The Sensus is a fully-functioning guitar with vibrating strings, but it also contains a digital audio workstation (DAW) which can modulate the sounds being created by the instrument, while looping and mixing.

The Sensus is also connected to the internet, able to play songs from streaming services – for the owner to play along with – as well as to share their playing on social media. The device can also control other connected devices, like lighting and projections.

The guitar made its “real stage debut” at the Slush conference in Helsinki in November, and at the end of 2016 Mind Music Labs announced a funding round of SEK 2m ($221k) from angel investors.

The Sensus is part of a wider trend towards exploring connected instruments, often with an educational focus. However, the emphasis here is on the real instrument – it’s not a guitar-shaped iPhone controller like some startups – and on its ability to be played and shared.

As with other hardware startups, Mind Music Labs benefits from being able to sell a physical product to its customers, before using the service around it to keep them engaged in playing the device.
“Ears are not perfect,” explains the website of Mimi Hearing Technologies, which alongside Stagelink and Mind Music Labs was a winner of the Midemlab startups contest in 2016.

Rather than offering people new ways to discover and listen to music, Mimi is more focused on helping that music sound better by tuning it to each listener’s auditory requirements.

Specifically, Mimi’s technology tests their hearing to come up with what the company has termed an ‘earprint’, with its software then personalising music based on that data.

The company launched that as Mimi Hearing Test, a free iOS app, in 2016, with the two-minute test producing an earprint – complete with an audiogram that can be exported and discussed with doctors.

A separate Mimi Music app for Android and iOS actually processes the user’s music – the company describes this as “Mimification” – with a sliding scale of impact depending on whether they are in a noisy or quiet location.

While Mimi has started with smartphone apps, it has ambitions to strike deals to include its technology in other kinds of devices, from laptops and televisions to cars.

While its consumer brand has been the focus thus far, it may be the B2B deals that get its technology working behind the scenes that offer a bright future for the company.
Resonate is a rarity: a consumer-facing digital music service that is making use of blockchain technology. The company emerged in Berlin in late 2016, describing itself as “a blockchain-based streaming music company owned by artists, fans, labels, managers, agents, and anyone else... all as equals”.

The company is ambitious, promising artists that it expects to pay them up to 2.5 times more than its established competitors, while also offering them better data tools.

The ownership aspect is interesting: Resonate plans to charge people an annual $5 membership fee, which will enable them to vote on key issues with the platform, elect its board members, and get cash bonuses if and when it turns a profit.

Meanwhile, Resonate plans to operate a “stream to own” model for its users. They will pay 0.002 credits for the first stream of a track, then the cost will double with each play until it reaches 1.022 for the ninth stream – at which point the listener will own the track.

At launch, Imogen Heap, Shlohmo and Meat Beat Manifesto are among the most prominent independent musicians on the platform. By January 2017, it had attracted more than 850 musicians and more than 120 labels to its platform.

Life as an independent music-streaming service can be exceedingly tough, even without the challenges of forging new technical and business-model ground. But in that sense, Resonate shows why the music industry needs to nurture these kinds of experiments: just as a lot of musical innovation comes from independent musicians away from the mainstream world, so might music-streaming invention come from smaller, indie services.
Independent artists have found plenty of ways to make cheap yet eye-catching videos in recent years. Now Rotor wants to do the hard work for some of them, with its “make your own music video” service.

Artists use it by uploading their track, which Rotor’s system analyses to identify the beat, tempo and loudness of the song. They then choose from one of the company’s set styles, and can then use their own video clips or those from Rotor’s library to personalise the video. The company’s system will then create the video, cutting the visuals to the music.

Rotor allows artists to create videos for free, then charges them if they want to download the finished results for use elsewhere. It costs $10 for a watermarked 360p video, or $20 for a non-watermarked version; $25 for a non-watermarked 720p-quality video; and $35 for a non-watermarked 1080p video.

Rotor has also set out some of its plans for new features in the months ahead. The company is creating an iOS app to help people shoot footage to use in their videos, with advice on each of its styles to help them shoot the correct clips.

Rotor is also planning to introduce the ability for artists to perform in their videos – through footage shot using the app – complete with automated lip-sync. The company is also working on features to create lyrics videos, and video-centric electronic press kits.

While Rotor may be most obviously applicable for independent artists on a tight budget, it could also be useful for larger acts trying to create a quick series of videos – for example lyric videos for an album, in advance of official promos.
UK-based startup Sonalytic was mentioned as one to watch by several industry figures during the research for this report – despite being under the media radar so far.

On one level, it is comparable to Shazam, with technology to identify not just individual songs, but shorter clips and “mixed content” (think mash-ups and remixes). The technology will be offered through a web interface for ‘low-volume’ clients, and through a full API for bigger customers. The ability to locate musical stems within derivative works taps in to a problem being tackled by several other companies, from SoundCloud to Dubset and MetaPop.

Sonalytics also offers monitoring technology for rightsholders, creating a database of music plays from TV channels and radio stations around the world, then providing detailed analytics to clients to understand what’s being played where. The company is also planning to work with venues and festivals to monitor what’s playing – displaying the results in their apps and websites using its widget.

Meanwhile, Sonalytic is also tackling the music-discovery challenge, with machine-learning technology to learn the preferences of music listeners, then recommending suitable tracks and playlists. If Sonalytic’s technology can deliver on its promises, clients should not be hard to find.
When Apple bought Semetric and Pandora bought Next Big Sound within months of one another, it left a hole in the market for independent analytics for labels and managers. Soundcharts is one of the startups trying to plug that gap.

Based in Paris, the company’s platform pulls in data from streaming services, charts, radio airplay and social networks, presenting them in a dashboard for clients to make sense of.

Universal Music, Beggars Group, Believe, Ultra Music and Epitaph are among its clients, with the company putting an increasing emphasis on its ability to monitor playlists on Spotify, Deezer and YouTube, to help clients refine their promotional strategies.

In June 2016 Soundcharts raised a €320k seed-funding round, noting that it had more than 6,000 users – a number that has since swelled to more than 9,000. The company has also widened its target market to include advertising agencies as well as music industry clients.

The company has also been working on a mobile app – currently it is a web-based tool – with the aim of delivering notifications to keep clients up to date on their key metrics.
Swedish startup Soundtrap launched in June 2015 armed with $1m of funding for its collaborative music-making platform. A rival to BandLab, it wants people to “make music together” whatever device they’re using at the time: smartphone, tablet or computer.

That involves playing with hundreds of software-based instruments as well as Soundtrap’s library of loops, although users can also use their own instruments for the recording process. Initially available as an HTML5-based platform, Soundtrap launched a native iOS client in April 2016.

The company has adopted a familiar business model for the apps world: freemium. People can sign up to and use its service for free, working on up to five projects and with access to 770 loops and 151 instruments and sounds.

A $4.79-a-month subscription expands that to up to 50 projects, 1,920 loops and 176 instruments and sounds, while the top-tier $9.59-a-month subscription offers unlimited projects, more than 2,810 loops and 210 instruments and sounds – as well as Auto-Tune functionality.

Although anyone can use Soundtrap, its roots are strongly in education: the five-month beta test before its launch saw more than 120k users, including a number of schools. Soundtrap has also become a Google for Education Partner, thanks to its development for the Chromebook laptops that are used in a number of schools.

Soundtrap raised $6m of first-round funding in October 2016, saying at the time that it was on course to reach one million users by the end of the year.
Stagelink was part of the first cohort of independent music company Marathon Music’s Labs accelerator in 2016.

Stagelink holds out the promise for artists to crowdsource their touring plans, asking fans where they’d like the artist to play, and how much they’d be willing to pay for a ticket.

They start by connecting their Facebook profile to the platform, then collecting votes from fans on the desired concerts. Analytics are provided back to the artist, and once the concerts are planned, fans who’ve pledged to attend are notified.

Stagelink’s involvement can go right through to checking in those fans at the venue using its app, with the company taking a 15% cut of each ticket’s selling price.

Stagelink has a number of artists from its homeland using the platform, but has also attracted international artists like Tiffany Alvord and Hannah Trigwell – both of whom built their initial audience base on YouTube. Asking fans where they should tour next is a natural step on for those kinds of artists.

Stagelink has also added some industry veterans to its advisory board, in the form of 24-7 Entertainment founder Frank Taubert, former Sony Music digital boss Thomas Hesse and former Warner Music Central Europe boss Gerd Gebhardt.

Their experience, plus Stagelink winning a Midemlab award in 2016, sets the company up for more growth in 2017.
Searching for greater transparency within the music value-chain has become something of a buzz-phrase in recent times. Stem is one of the startups promising to provide that transparency for the creators of music.

On one level, it’s a digital distributor: musicians can use it to upload their music and videos to platforms including Spotify, Apple Music, YouTube and SoundCloud.

However, it also offers a dashboard to track revenues across those services, and perhaps most interestingly, functions as a platform for creating and managing contracts with an artist’s collaborators – including sharing revenues with them automatically.

Stem has operated an Artist-in-Residence program to ensure it’s responding to the needs of modern artists. Its co-founders include former United Talent Agency digital talent agent Milana Rabkin and musician and entrepreneur Tim Luckow.

It is also one of the better-funded startups in the artist tools space, having raised $4.5m in funding in April 2016. While led by investment firm Upfront Ventures, the round also included music management figures Scooter Braun and Bradford Cobb, as well as management firm Three Six Zero Group.

Music is not the only string to Stem’s bow though: it also sees itself as a platform for online-video creators, which should include a sweet spot for musicians who emerge on YouTube, rather than through traditional label deals.
Superphone is a mobile-focused marketing platform that first came to light in March 2016, when its founder – artist and producer Ryan Leslie – raised $1.5m of seed funding for his new venture.

The tool he created can be used by artists and marketers to sign up fans to receive text messages, bringing that fanbase in from social networks, live events and other channels.

The platform enables artists to send out targeted messages promoting music, merchandise and tickets, while gathering detailed analytics on where those fans are; how much they’re spending and how engaged they are in the community.

At the time of that seed funding, the likes of Lil Wayne and Kevin Jonas were already trying Superphone, along with Leslie himself, who has made it the centre of his fan outreach. Mike Posner is among the artists who have since joined the platform.

Part of its appeal is its simplicity: participating artists get a single ‘Superphone number’ which they can distribute to fans through all their marketing channels.

Superphone is much more nuanced than simply sending out mass marketing messages, however. From texting individual fans to say thanks for a purchase to creating smart auto-responses to incoming messages, it adapts to each artist’s needs and time.

Since Superphone’s debut, we’ve also seen the emergence of chatbots within messaging apps – including some for artists – which could be seen as competition.

One of the company’s advantages is the way it’s rooted in the artist world, however: in creating a tool focused on his needs, Leslie has appealed to his peers. Superphone also won a Music Ally Digital Music Award in 2016.
Chatbots made big waves in the tech world in 2016, even if the excitement was more about the potential of this technology and the scale of the platforms these bots live on, rather than the (often limited) capabilities of the first wave of launches.

One of the most successful bots for music, however, was the one developed by agency We Make Awesome Sh for dance artist Hardwell.

His bot, available on Facebook Messenger, has been interacted with by more than 500,000 fans so far, helping fans vote on their favourite tracks, submit ‘shout-outs’ for Hardwell’s radio show, and get news, content and marketing messages.

In early 2017, We Make Awesome Sh rolled this technology out as The Bot Platform, a system to help other clients – in music and beyond – set up and run their own chatbots.

That involves providing “starter” templates to account for common interactions, as well as the service to set everything up and provide support while the bot is still interacting with fans.

The Bot Platform is keen to make bots a practical tool that delivers return on investment for marketers, rather than just headlines for doing something whizzy. Axwell /
Ingrosso, for example, sold £10k of merchandise in two months through their bot using the platform.

“These things aren’t sexy, they’re utilitarian,” founder Syd Lawrence told Music Ally at launch. “We held off on this launch because we wanted to make sure there was actual business value in these, rather than just hype. This costs you money, and if it costs you money, you have to make money back – and more money back than it costs you.”
Although often bracketed alongside MelodyVR as a music-focused virtual reality startup, the experiences being produced by the two companies are actually quite different.

Armed with $2.5m of funding raised in August 2016, this US startup is less about placing 360-degree cameras in a venue for a live performance, and more about creating a VR experience that feels akin to being immersed in the stage visuals of a show.

“What we’re building is a bit like Rock Band, except real. Those are actual musicians on the stage, and the people booing in the audience are real people. Although hopefully they won’t be booing,” is how CEO Adam Arrigo described it to Music Ally last year.

Arrigo previously worked as a lead sound designer at Rock Band developer Harmonix, before leading the product development team at social music apps firm Zya.

TheWaveVR sees its experience as social at heart: hoping for people to enter a virtual space to enjoy a performance together, rather than solo multi-angle viewing. Meanwhile, the artists don’t just perform and let someone else handle the virtuality – they can control the visuals.

We compared it to “somewhere between a VJ set, a shared social experience in a virtual world (Second Life back in the day, for example) and a game”, where the venue becomes a giant, immersive 3D music visualiser.

TheWaveVR has been testing its technology with a series of ‘VR raves’, but 2017 should be the year when more music fans get to experience it.
Tido started life as a partnership between musician Brad Cohen and music publisher Edition Peters, who created a format for digital sheet-music, adding in video, audio, tutorials and other content to make these interactive scores more interesting.

It is based on something called the Music Encoding Initiative (MEI) – “an open source framework to represent music notation, rooted in music scholarship and critical editing”. So far, Tido has launched two iPad apps using that technology: one under its own brand, and the other a partnership with Chinese classical musician Lang Lang.

Both are educational in their aims, and focus on the piano. Tido Music offers a mixture of scores and lessons from top pianists, as well as studio recordings of the music for inspiration. Users pay a monthly subscription of £2.99 for access to the app’s content.

Tido’s second app is Mastering the Piano with Lang Lang, which was launched as a partnership with publisher Faber Music. It’s designed to teach people to play piano over five levels of ability, with 40 videos of Lang Lang provided to help them with their technique. The app includes more than 350 exercises and 118 pieces. Each level is sold as an individual £3.99 in-app purchase: another spin on the freemium model that has proved popular on Apple’s App Store.
The top video livestreaming apps built significant audiences in 2016, often with a focus on the kind of vloggers who a few years ago would have been seeking out their audiences on YouTube.

Musicians can play on these platforms too, but in 2017 there is an opportunity for livestreaming apps focused on the music experience. One of the first this year was also a curveball: Vertigo Music.

Released initially as an iPhone app, it combines live video chat with the sharing of Spotify playlists. A user can link their Spotify account to build a playlist and ‘broadcast’ it to their viewers, while chatting to them via video-link, and receiving comments in return. Using Spotify is Vertigo’s strategy to ensure it stays on the right side of licensing rules.

“It’s like a combination of Spotify and Twitch, and like JoinMyPlaylist, there is potential for it to have an impact as a platform for artists on the promotional trail for a new album or track.”

“The young demographic doesn’t separate what happens in their virtual lives from what happens in the real world,” founder Greg Leekley told TechCrunch. “When we asked them, they were more interested in hearing songs that their friends were listening to than celebrities.”

In the longer term, the competitive threat may come from streaming services like Apple Music and Spotify deploying technology for artists to ‘go live’ in a similar way to their fans; or indeed from the established livestreaming apps like YouNow and Live.ly adding a Spotify integration for playlist sharing.
Through existing apps like Pacemaker and Serato Pyro, the areas of playlists and DJing crossed over in 2016. Vibble was a new startup from Norway whose app also explored that territory.

The company’s app promises to “turn your favourite playlists into creative mixes” with the minimum of DJing experience required. Instead, music fans swipe from left to right on the touchscreen to control the mixing between tracks. The aim has been to make mixing much easier for people who’ve never been behind a pair of decks.

The company also offers “sound packs” offering effects and samples for people to trigger, some of which have been developed in partnership with producers and artists.

At launch, Vibble sourced music from SoundCloud as well as users’ own iTunes collections, although there is clearly potential to tap into other streaming services, with both Spotify and Deezer already used by existing DJ apps.

Some of those rivals have already experimented with freemium business models, charging for DJ effects while making basic mixing free. It remains to be seen whether Vibble will follow suit, if it can build an audience from its initial free version.
Weav came to prominence as a new “interactive music format” created by UK-based startup Cute Little Apps, and first shown to the media in May 2015. The headlines then focused on co-founder Lars Rasmussen, who had previously worked at Facebook and Google – including co-creating Google Maps and Google Wave while at the latter company.

Weav’s technology provides “adaptive music that recomposes in real-time, constantly changing to suit your exact context”. It’s based on two pieces of software: the Weav Mixer for creating tracks, and the Weav Player for playing them back.

Key to this technology is the fact that the artist controls how their track changes as the user increases or decreases its tempo. Both Mixer and Player are in beta at the time of writing, but in early 2017 Weav released an iPhone app, Weav Run, to show off the technology.

The app is aimed at joggers, and comes with a library of adaptive tracks designed to match the running pace of their user – something that aims to help their performance. The app also tracks the data from each run to show the user’s improvement over time. It’s free to download, but will cost $0.99 a month for users to continue having access to the library of tracks.

Weav Run is the first of five projects based on the company’s technology, with musicians having already created around 100 tracks using the Mixer. The company has also said that it is interested in talking to labels about licensing existing tracks and giving them the Weav treatment.
The startups panel at our NY:LON Connect conference included Ben Bowler, CEO of MusicUp; Sachin Premnath, partner, global entertainment and industry group at Reed Smith; Graham Davies, director of strategy and digital at PRS for Music; and Benji Rogers, founder of Dot Blockchain Music.

The moderator was Jeremy Silver, CEO of Digital Catapult, who kicked things off by
referring to eMusic boss-turned-VC David Pakman's widely-shared blog post about the 150+ startups that (so he claimed) the music industry has "buried". Was it fair comment, he wondered.

"Maybe it’s not the best vertical to start a startup in, in my opinion, at this moment in time," said Bowler. "The Pakman article laid out how the industry is structured through its long history in a way that is different to a lot of industries where startup culture fosters a lot more reliable successes."

Yet MusicUp is trying to foster better relationships between budding startups and the music industry, based on Bowler's experience with startup Chew. "It’s a very hard industry to be successful in. A lot of that sets up this false dichotomy where labels and startups are pitted against each other in this fight over who controls how content should be used, and who decides which models should be allowed."

"I think changes are happening," added Bowler. "There is more interest in openness and supporting schemes. Abbey Road Red is run by Universal, and there is interest in other majors I talk to to support that digital innovation category."

Premnath chimed in with his views, based on the new businesses he sees coming across his desk at Reed Smith. "From a legal perspective, the two big obstacles for any music startup that license music are punitive advances... and MFNs [Most Favoured Nation clauses]. If you have two very engaged labels who believe in your product, and one that doesn't and gives you a very onerous deal, with MFNs you're lumbered with the worst deal."

Premnath talked about the desire for a licensing structure that helps early-stage music startups get up and running without facing those challenges. That's something that British collecting society PRS for Music is working on, said Davies.

"There does need to be a fair playing field in the market, so people can come up with an idea, get it out there, get some interest and start to build it," he said. "Having said that, it’s also important that services are licensed."

Silver warned against short-termism from the industry, squeezing each wave of startups dry of their investment capital, assuming that another wave will be along shortly. He suggested that there may be a self-destructive licensing model at work here: the terms of the licensing deals are
what guarantee that the startups fail.

He asked Rogers, a veteran of the music/tech world, why he's still launching new music startups given the hurdles outlined above.

"It's worse than that, I'm actually investing in music startups as well!" said Rogers. "This is the most extraordinary time to invest in music startups. I think the potential is absolutely huge, because of what's coming... We're going to go through a really painful bit: it's going to get worse! My prediction is we'll be at $100bn a year as an industry in two years, but it's going to be really painful to get there."

He noted that startups are still in a tight spot around licences: signing direct deals may be expensive, while building on Spotify's licences via its API "means your business relies on Spotify doing the right thing" – in the same way that startups building on Facebook's platform rely on the social network not suddenly tweaking an algorithm and destroying their traffic.

Rogers added that there are still lots of angel investors looking to invest in early-stage music startups – "for whatever kinky reasons!" said Silver, before questioning how we go from that healthy angel-investment scene to $100bn of annual revenues.

Rogers said that the interoperability layer of the music industry is going to be "solved" by startups like Dot Blockchain, groups like the Open Music Initiative, and other entities. He suggested that this will mean the music itself will contain its licensing permissions, which in turn, will bring larger investors back who may have been running scared of music/tech startups that require rights.

"If you combined the publishing and the performance information into a tradeable asset, you can make bets based on its provenance, and licensing becomes ten times faster," he said.

The panel talked about the gap between early-stage seed/angel investing to larger
Series A (and beyond) rounds. Premnath: "It's actually often easier to raise large numbers than it is small numbers, because VCs aren't that interested in smaller Series A amounts," he said, before warning that not all non-VC capital is appealing.

"I'm not sure as an industry how healthy it is to be in existence at the whim of some city guys who fancy getting into music because it's cool," he said. "You could also question whether music startups need investment," he added, citing Mixcloud as an example of a music startup that has been entirely bootstrapped. "That's the exception rather than the rule," noted Silver, to which Premnath agreed.

Davies said that PRS has seen a swell of startups working around the "mechanics" of the music industry, like access to the data from music consumption. "Over the last few years we've seen a lot more organisations – Jaak, coming up later [in the conference], we've been working with them for a year," he said. "Any startup starts with enthusiasm then hits the wall of complexity that sits there. But that's part of the role that we see: helping the industry to change."

Rogers talked about how the music industry could help startups with their investment challenges. He recounted the tale of a friend with an impressive prototype iOS app, who wanted to get music into it. "He didn't know who to go to at Universal, or what PRS was. No concept of it... What happens is, the heartbreak starts to kick in where the developer says 'I wanna just pay everybody, so if I make £100 can I give everybody £70 proportionally?' And I said no, because you've got to talk to 800 people to make that happen..."

Rogers called for some kind of hub where this kind of developer can go in, get the necessary licences in one place, and then the licensing deals scale up according to usage of their product. Will we get there, wondered Silver?

"The bet I've put in with my own money, time and effort is on Dot Blockchain being the rail upon which that runs. If it works out, I think it's going to work very quickly," he said.
Davies was asked if he recognises this ideal scenario. "Hmm," he said. "I agree with Benji, but I think it comes from if there's a better way, people generally start to use that. There’s been a lot of exploration around how we can improve that data-sharing. I think it's as much process as it is technology and blockchain... I think it's a really big task, but I think everything from last year is pointing to there's a lot of desire to make it happen."

The panel talked about startup categories they're excited about. Bowler said he's keen to see what chatbots can do for music, citing British startups The Bot Platform and TalkBe as examples. He also said he is hoping to see some startling music-based VR content, to match what games developers have been doing with VR headsets.

Premnath said he's enthusiastic about the potential for high-res music format MQA, while Davies said he's looking for more innovation on the data-processing side. PRS is keen to see new technology – from cloud-computing to AI – deployed to improve efficiencies in this area.

Rogers agreed that VR is "one of the most hungry consumers of music... in the VR experience, if you turn the music off, suddenly it’s as if you’re not there". He also pointed to what he called the engagement economy, and startups that will help artists to reach their fans directly, even if they tap in to the APIs of Spotify and other streaming services to do it.

Read our NY:Lon Connect coverage