

EIGHT STRATEGIES

FOR DIGITAL MARKETING SUCCESS



BrickHouse
DIRECT

The music industry has been morphing into something quite different over the past decade. And while the future shape of the music industry is unknown, one thing is clear: it is a digital future. Succeeding in this digital future requires a game plan for success. This report is designed to give you a game plan, or framework, for mapping your digital future.

Every artist, every song and every fan are unique. The tools of the digital world enable you to speak to your fans on a personal basis and engage them in ways we never thought possible just a few years ago. Building the audience relationship and dialogue is central to this strategy. Retaining that relationship – deepening it, expanding it – is the key to success. And today's digital spectrum gives artists unprecedented potential for reaching their audience in a very personal way.

The following basics of a successful marketing strategy are the foundation of how we help our clients successfully market their music and artists.

Eight Strategies for Success

1. Know Your Audience and How to Reach Them Directly
2. Know Your Brand and What You Stand For
3. Communicate Across Multiple Channels
4. Establish a Dialogue with Your Audience
5. There's No Place Like Home (or Your Home Page)
6. Artist Engagement
7. Selling Online
8. Spread Like a Virus

In the pages that follow are strategies and examples that can help you succeed in the new digital age of music.

Know Your Audience and How to Reach Them Directly

Knowing your audience and how to reach them directly is a fundamental first step in building a successful digital marketing strategy. This may seem obvious, but many artists don't have a basic system in place to gather names and contact information from their fans. Or they may have this information scattered in many different places. Making a commitment to collecting contact information can be a huge investment in your long-term success. Three words sum it up best: LIST, LIST and LIST. A core list of fans, friends, family (plus influencers, media outlets and prospective promotion partners) is the key to starting and maintaining a targeted, customized "one-on-one" dialogue with your fans. After all, if you don't know who they are, how can you reach them?

We recommend that artists take every opportunity to build their list of fans and friends. This can be done at concerts, through contests, via social networking websites such as MySpace or Facebook and by collecting information on the artist's website. Contests can also serve as a way to capture names at live events and online.

CASE STUDY

RUSH OF FOOLS

In November of 2007, the new Christian band Rush of Fools was just coming off a great debut year with a top-selling single, "Undo." Working with their record label, we devised a special holiday media player that allowed users to download a free holiday song performed by Rush Of Fools in exchange for their email address. Partnering with several online retailers to help drive traffic, we were able to double their email

list by the end of the holiday season. Offering something for FREE in exchange for an email address is a simple, yet effective way to start building your list.



Fundamentally, this is not a breakthrough strategy. It is hard work that needs to be done consistently. But the payoff can be enormous. One of our clients started gathering names at live events a few years ago and now has more than 150,000 contact names in an email database. This database can be mined for tour promotions, sales of new music and merchandise, and in building a loyal base of fans who will tell their friends. The names were collected through a mix of online and offline tactics over the years. The payoff is now that the artist is able to generate more than \$300,000 in annual revenues from their online store and regularly sell-out local concert venues. We find artists of similar stature that don't make every effort to collect names over time generate only a fraction of these online sales.

List Building – More Than Just Email Addresses

Different fans also sign up in different ways. One of our clients observed that a younger demographic base of fans were reluctant to provide their email addresses, yet were willing to provide their mobile phone numbers. This younger generation prefers to receive communications via text messaging. Products like ringtones and digital singles are their preference. While the contact information may be different, the concept is the same. Know your audience and be diligent about collecting their contact information so you can communicate with them directly.

There's a wealth of other information, those "info bits" that can really catapult marketing efforts. Those extra steps – asking birthdays, favorite songs, preferences on how the audience likes to get information about their favorite artists – can have a tremendous impact on future promotional efforts and success.

How Do I Grow My List?

There really is no magic answer to growing your list. We recommend a variety of tactics, including:

Running promotions at live events

Contests

Working MySpace and Facebook websites by proactively reaching out for new “friends”

Blogging

Viral marketing promotions

Newsletters

Email sign-ups

Text messaging

The key is to begin now and start collecting this information in an organized fashion. A large list will help build a long-term career. Hit singles may come and go, but your list is forever and will help to sustain you during different periods of your career. A larger list will also allow you to develop promotions that are targeted toward specific fans and demographics and, ultimately, be more successful.



Know Your Brand – What Do You Stand For?

What is it that attracts and connects music fans to artists?

The reasons may be as varied as each individual fan, but fans are fans because they find something relevant in either the artist or the music. It may be linked to fun, romance, spirituality, or a level of empathy with the artist or music projects that strikes a very personal chord. They like what artists and their music stand for, and what you stand for is your **brand**.

If an artist invests time in defining their own sound, their own “presence,” look and message, they create a brand. And that brand will be the core of every marketing activity and communication. It will differentiate the artist, the artist’s music and what it stands for. And it will help strengthen all future communications and promotions. It neatly packages everything together in the mind of the consumer.

Branding and image really matter. For new artists, hitting the market with a strong sense of who they are and what they stand for will have a tremendous impact on success. We’ve helped numerous new artists with their digital debut by providing a **brand-focused media player** to introduce their music and help drive pre-sales.

CASE STUDY

RONNIE FREEMAN

Ronnie Freeman is a gifted Nashville songwriter who has written some great songs for several artists. He had released one solo record – in 2007 he was preparing to release his sophomore album. Working with Ronnie, we developed a special media player that not only presented a new song for him, but also helped to brand him in the marketplace among his competition.

The song GOD SPEAKING has gone on to

receive critical acclaim and substantial airplay. In addition to the promotional benefits, a brand-focused media player gives the consumer a vision of who the artist is, where they come from and what they stand for... well ahead of the new release.

ABOUT RONNIE ORDER the CD WEBSITE STORY BEHIND the SONG

RONNIE FREEMAN

My Inheritance

Ronnie Freeman, Chad Gable, Tony Wood

What is silver and gold or
anything I could hold
Compared to You,
compared to You
What is fame and success, it's all
just vain emptiness
Compared to You,
compared to You
All that You hold in store is all
that I want O Lord

I WILL SHOUT, I WILL SING
JESUS YOU'RE MY EVERYTHING
YOU'RE MY TREASURE,
MY INHERITANCE
I AM RICH, I AM BLESSED
IN YOUR LOVE AND
FAITHFULNESS
YOU'RE MY TREASURE

GET THE LATEST RELEASE FROM RONNIE: **GOD SPEAKING**

ORDER NOW! **\$9.97** Now Playing: "My Inheritance"

>> Tell A Friend About Ronnie's New Song <<

Your Email: Friend's Email: Send

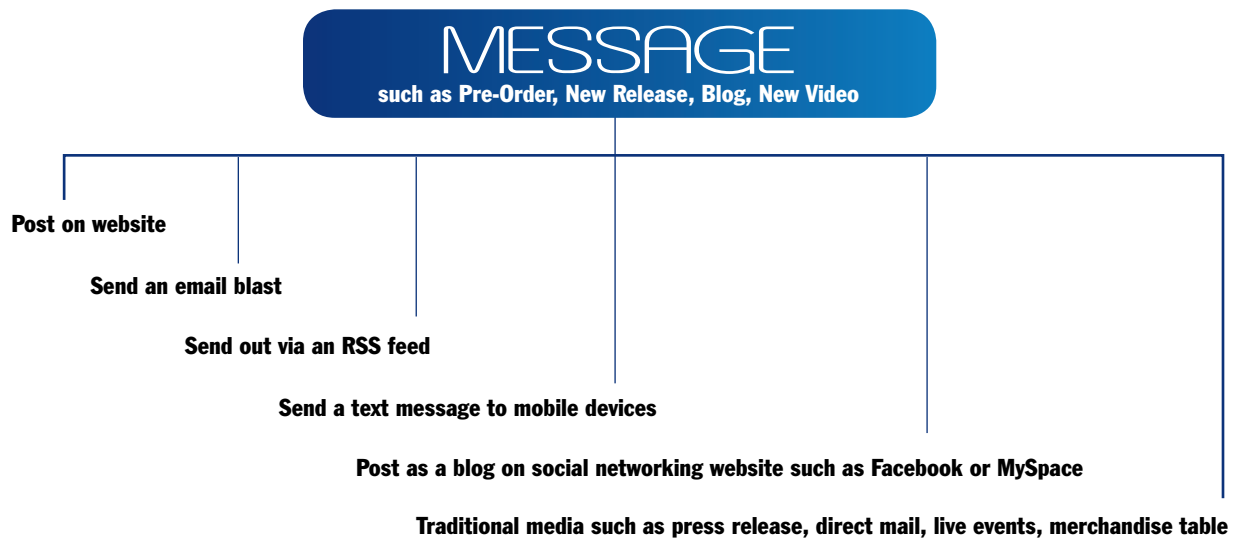
Communicate Across the Digital Spectrum

Consumers have personal preferences in receiving information: mobile phone, MySpace, email, text messages. It is necessary to communicate your branding message consistently across this spectrum.

The potential marketing outreach of a tool like MySpace is mind-boggling. With more than 185 million registered users, it's a boon to the music industry and one-on-one marketing. And MySpace is not the only social networking site out there that artists can use to build an audience.

Social networking sites are key to any digital marketing strategy because they provide fans with access and enable them to promote the artist themselves. For instance, we helped 33Miles promote themselves through a contest on MySpace.com and other websites. Fans posted web banners on their own pages and websites, extending the communication and promotional reach exponentially.

There are multiple outlets and ways to get to fans in their preferred medium. But that doesn't mean that multiple communications are necessary. With the benefit of a communications game plan and creative use of technology, you can create content (music, video, writing) once and distribute the same content in multiple media.



You'll reach the maximum number of fans in their preferred medium. And since you'll be reaching more fans, always encourage them to share your information with their friends.

In fact, whenever possible, submit your fan communications to RSS feeds, all the channels that will help potential fans find the artist and "sign up." Each communication should include that roadmap to the website and online store. And each page of the website should include an "opt-in."

CASE STUDY

ONLINE TEAMS

Social networking sites make it easy to gather and organize your fans. We have run several successful online teams using a mix of new social networking sites and our own online team software. Together, these technologies allow us to motivate fans and have them engage in "missions" to help promote an artist online. Individuals receive points for their efforts that can later be redeemed for prizes, tickets and more. Additionally, online teams and social networking sites make it easy to recruit new team members and find new outlets for the artist.

Tracking sources of fans and inquiries is one of the most important elements in a successful marketing strategy. Periodic review and analysis of the source of the biggest hits on the website or online store will help in future planning efforts and in segmenting the fan base.



Create a Dialogue with Fans

Creating a dialogue with fans has never been easier. The tools of the web enable fans to visit message boards, participate in live chats and engage with other fans like never before. The dialogue you create with fans can turn them into powerful advocates for your music.

Building a relationship with fans requires a two-pronged communication approach. First, a game plan and schedule of what you have to say – and when you plan to say it – establishes organized outgoing communications. Secondly, identify the channels and audience you wish to reach.

With a clear brand identity, the topics and tone will help deepen that relationship with the fan base. The underlying or key messages in each outgoing communication reinforce the fan's connection to the artist. As more comments and inquiries are received from fans, timely response to incoming communications closes the circle into a true dialogue, thereby deepening the relationship.

The internet offers all kinds of exciting opportunities to communicate with fans, from streaming music to video blogs, e-cards and e-newsletters. We've helped artists use these tools to provide fans with a regular stream of the information they crave. From promoting new releases, tours, special events, or just providing background info, insights and opinions, it's how fans continue to stay engaged, whether or not there's any real "news."

Comments and questions from fans – *incoming* communications – can help develop topics for future, non-event-specific *outgoing* communications. So, when there's no news, per se, the dialogue doesn't stop.

Can you imagine the impact of crediting a fan with a question or topic used for a blog or newsletter item? It brings invaluable personalization to the artist and illustrates accessibility, which is key to one-on-one marketing. Using *incoming* communications as fodder for *outgoing* communications is a win-win for artist and fan alike. It facilitates a true dialogue and gives fans a greater stake in the artist.

There's No Place Like Home (or Your Home Page)

While it is important to communicate in many places to reach your audience, it's also important to have a home on the web. The one place your fans know they can go for the most accurate and reliable information about the artist and their brand is the artist's **Official Website**.

The Official Website is designed to be the center of your online marketing mix and the one place people can go to get the official word on everything happening in the artist's world. And, for many artists, the official website is also a store where the artist can capture a significant revenue stream from the sale of music, merchandise, fan club memberships and even tickets. By controlling their websites, artists, their managers and labels can manage the message and drive sales.



Pre-Sale Campaigns and Free Advertising on Your Own Web Properties

Pre-sale campaigns that drive traffic to the artist website can be one of the most effective list-building and revenue-generating tactics. In the example here, we worked with our client to post a banner ad for her pre-sale offer for her new book and music directly on her MySpace page at no cost. This technique of advertising on your own web properties drives additional awareness and sales and drives users back to the Official Store, generating sales.



Using Offline Tactics to Drive Users Home

Live events present one of the best ways to capture names and drive traffic to your home online. Every piece of event and artist communication – programs, flyers, CD pages – should include a roadmap to the official website and online store and an incentive to go there. Once the visit is made, you can capture the information that will help facilitate a personalized, ongoing dialogue.

Know where each fan comes from. If your audience is given a special promo code for a discount or freebie at your online store, and that code is traceable to a specific show's program or flyer, you'll know where the fan came from. Growing your fan base with a much more customized level of communications becomes easier.

Adopting a membership philosophy for those who attend shows regularly and are loyal to the music is beneficial in two ways. First, it enables you to segment raving fans from occasional ones. They might need different communications and incentives. Second, it enables raving fans to turn into "apostles" and help market your music on a very grassroots, but effective level. It's a frequent flyer club, if you will, that reaps the benefits of membership. And there are lots of creative ways to make die-hard fans feel special.

Fan Clubs

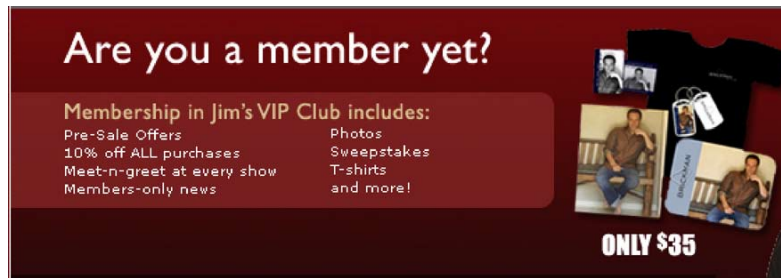
Fan clubs are a great way to engage and reward your best fans. And creating a special home on your web site where those fans can congregate, build community and connect is an effective strategy to grow your business online.

We recommend that artists develop a password-protected section of their website where fan club members can connect. This section can have special features, including:

- *Message boards where the best fans can connect online*
- *Live chats with the artist, their management and special guests*
- *Special content such as unreleased tracks, photos and behind-the-scenes videos*
- *Discounts on the purchase of products in your online store*
- *Special members-only merchandise*
- *Passes to attend meet-n-greets at every show*
- *Special pre-sale ticket access to purchase the best seats*

JIM BRICKMAN VIP FAN CLUB

We developed a strategy for pop-pianist Jim Brickman that integrates the live concert experience with a fan club as a way to grow the membership.



Are you a member yet?

Membership in Jim's VIP Club includes:

- Pre-Sale Offers
- 10% off ALL purchases
- Meet-n-greet at every show
- Members-only news
- Photos
- Sweepstakes
- T-shirts
- and more!

ONLY \$35

This strategy combines live-event promotions with online marketing by selling fan club memberships directly at the merchandise table. The hook to pull in fans is that a membership purchased at the show provides access to a special meet-n-greet with the artist that night. Creating the personal connection between the fan and the artist can create a powerful bond and a loyal fan.

After purchasing the membership at the show, the fan can then log in to the artist website to redeem other benefits such as a membership kit, access to message boards and other content.

A strategy that combines the live concert experience with an online home for your best fans can be an effective way to grow revenue and build a loyal audience over time.



• CONTACT • PRESS

JIM BRICKMAN

• HOME

STORE NEWS ON TOUR ABOUT JIM VIP CLUB RADIO SHOW MULTIMEDIA

Welcome to the New VIP CLUB!

You must be a member to enter this part of the website. If you are not currently a member,

Reminder, your account login information stored with us is case sensitive.

Member Login

Required Information

Username:

Password:

ACCESS THE VIP CLUB

Forgot Your Password?

Tell Your Friends to Join the **VIP Fun!**

Why Become a Member? You'll gain access to this exclusive area including: Members Only News, Message Board, Photos, Sweepstakes, T-shirts, Pre-Sale Tickets, 10% off all purchases & more!

JOIN THE VIP CLUB

Artist Engagement

There are numerous ways for artists to be personally engaged in communications with their fans. That engagement is critical to success. In addition to the autograph signings, meeting fans, doing special appearances and touring, artists need to be a key voice in the ongoing dialogue. They are the brand. They need to reinforce it and protect it.

Again, the digital spectrum presents so much opportunity for the artist to stay connected. Regular blogs are one of the best ways. Video blogs make it possible for the artist to stay in front of the fans while talking about their inspiration for a certain song, or personal insight. Even if there are no events planned, fans are always interested in the “story-behind-the-story” from their favorite artists. These can be efficiently produced, several at a time, then downloaded on a regular schedule.

CASE STUDY

ONLINE EPK

Recently, we did a special promotion for Universal-Records South to help promote country artist Katrina Elam. She was getting ready to launch a new single and video. We were hired to help find a way to make it easy for the industry and press to learn about her and the new song. We developed an online media player that presented both her entire EPK and new video. Additionally, the press could download the entire video or EPK for commercial/press use.



Having a professional digital press kit is important, but there are also other ways to get play through testimonials and comments about another artist's or band's music. Sending in a rave review or comment that may be used repeatedly on a “third party” site is another great way for the artist to stay in front of fans.

Sharing tracks is perhaps the best way for an artist to stay in front of fans. Offering free MP3s on the website and elsewhere provides great exposure. In fact, we recommend music sharing as a core component of your digital strategy, including streaming music on your website, downloads and special tracks. It's a worthwhile investment in growing the fan base and driving sales. The more you give away, the more you will get in return. Just ask Radiohead!

Selling Online

Music is a great product to promote. We recommend establishing a promotional calendar in six month intervals to take full advantage of every opportunity to drive sales.

Every promotion is a call to action, an incentive for people to buy. Promotions can be built around a new product, a special event, a contest, a holiday, or even a charity. The internet empowers artists to reach out to consumers in an immediate and cost-effective way. The potential of cyberspace should be fully exploited.

CASE STUDY 1

JACI VELASQUEZ PRE-SALE

In this example, an email blast was sent to members of Jaci Velasquez' email list with an offer to order a pre-sale of her new release. The offer included a Listening Party for everyone who ordered early and had a compelling call to action of limited time to get the advance copy. This presale campaign significantly boosted first-week sales numbers and improved placement on new release charts.



CASE STUDY 2

SEASONAL PROMOTIONS OF MERCHANDISE

In this example, we are promoting new merchandise just in time for spring. This is a good example of keeping fresh offers in front of your audience during a time of year when there is not active touring or a new release. The promotion includes multiple offers for a variety of merchandise and a free gift for larger orders. This particular promotion generated significant sales of new merchandise exclusively from Amy Grant's online store.



CASE STUDY 3

COMBINATION OFFERS

In this example, we combined several offers into one communication. This email promotes a cruise, new merchandise and fan club memberships. By combining promotions in a single email blast, you can reach a wider audience at a lower cost. In this example, each promotion was fulfilled through the online store.

As these examples illustrate, selling online can take many forms and offers. The key is building an audience who is receptive to these offers and presenting them in a compelling format. Best of all, each promotion is sold and fulfilled online, opening a new channel for artists to connect with fans and generate revenue.



Spread like a Virus

These days, viral marketing is a buzzword you probably hear at every industry luncheon or mentioned in every trade publication. And while it may be over-mentioned, its importance cannot be overplayed. Simply put, viral marketing is giving people good reasons to talk about your product and help you promote it.

If you think about, most of your purchases come from either doing research or talking to your family, friends and co-workers. There is a tremendous amount of power and respect when you hear someone you trust give a recommendation or opinion on something you might have an interest in. These days, viral marketing in the music industry is about combining the latest technology with good, old-fashioned word of mouth to deliver bottom-line results.

Technology makes it easy to spread the word. Studies show that a person will tell up to 12 people online about a good product, up-and coming musical artists, the latest movie or even an interesting website. That's almost five times as many people as they will tell offline.

When looking at making your online promotions viral, you need to make sure that you have a clear marketing message, easy to use web tools (e.g "tell a friend") and a catchy premise or offer. We can't all have the next big video on YouTube or a fun website like ElfYourself, but we can offer simple and meaningful rewards for the user. Free downloads or discounts work well, as do contests and games.

CASE STUDY 1

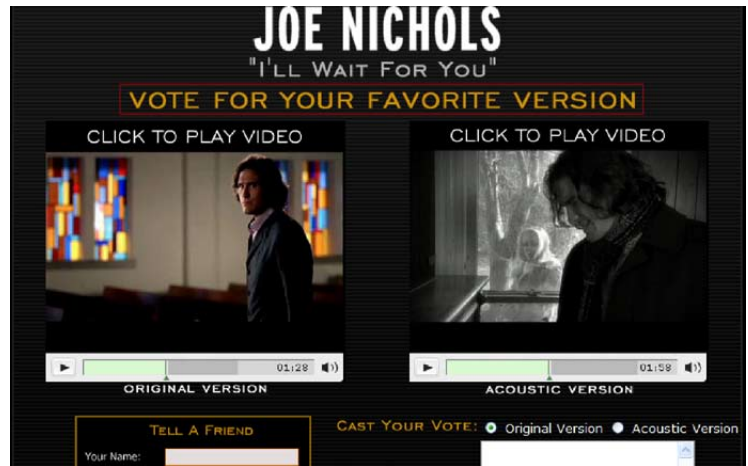
JENNIFER HANSON

Country music artist Jennifer Hanson was releasing a new single to iTunes called JOYRIDE. Working with her record label, we developed a viral video game that allowed users to answer questions about her new single and video. One winner was chosen at random each day and a Grand Prize winner received a trip to Las Vegas. The game also had easy-to-use features for the user to tell a friend and to get more information from Jennifer. The same contest was later brought back for the holidays and re-branded when Jennifer revised her song to be SLEIGH RIDE.



JOE NICHOLS

We developed a viral video promotion that presented two different versions of a Joe Nichols video on the artist website. Fans could vote for their favorite version. In addition to promoting the video, the fans were pulled into the process with the artist in a very personal way.



The key to all viral programs is giving people a reason to talk about it. You need a hook to keep the promotions interesting, free, challenging, controversial or timely.

A Roadmap for Success

The wild new world of the Music Industry of the 21st Century presents artists, their management teams and their labels with the opportunity to connect with fans and monetize those relationships in many ways. In this report, we have outlined eight strategies for digital marketing success and have shown you examples of the work we do for our clients to make them successful. We hope you find this information useful in running your own business. If you would like to learn more about how we can apply these strategies to your business, visit us online at www.brickhousedirect.com or contact us at **1.888.274.2562**.



www.brickhousedirect.com