

# How new technologies and new medias will change the music business



THE MONTREUX JAZZ FESTIVAL CASE STUDY

MATHIEU JATON: CEO MONTREUX JAZZ FESTIVAL - 01.03.2022



# The Montreux Jazz Festival ecosystem

How to adapt a Festival structure to respond  
to the new paradigm of the music business

# Montreux Jazz Festival: a Brand



## ——. **Who are we?**

We are more than just a Festival! We are a music ecosystem active in Entertainment, Education, Hospitality and Media that produces Experiences and Content for artists and music lovers.

## ——. **Our mission**

Leverage the MJF Brand and Audiences, to create and curate music experiences as well as Content that Entertain, Inspire and Inform.

## ——. **Our vision**

We believe in heritage serving the future, so we are always looking at ways to leverage our legacy to reach new and younger audiences in a modern and relevant way, with innovation at the heart. We believe in a sustainable approach to music, keeping the emotion, the intimacy and the human element at the core.

# Montreux Ecosystem



## Montreux Jazz Festival

A PREMIUM LIVE MUSIC EVENT SINCE 1967

- › Unique live and customer experiences with artists & labels
- › Talent booking
- › Strong international partnerships
- › Hospitality expertise
- › Event production, logistics & infrastructure

## Montreux Jazz Artists Foundation

A PUBLIC FOUNDATION FOR EMERGING TALENT & MUSIC OUTREACH

- › New talent scouting
- › Support & promotion of young talent
- › Concerts, workshops & exhibitions development
- › Academic & institutional network

## Montreux Media Ventures

A MEDIA CONTENT AND EXPERIENCE COMPANY

- Content production & distribution <
- Editorial & publishing <
- Branded content creation <
- Experiential music events <
- Digital innovation & technological expertise <

## Montreux Jazz International

INTERNATIONAL BRAND DEVELOPMENT COMPANY

- Café, restaurant & bar franchises <
- International Festivals & pop-up event licences <
- Retail and licenced products <

### A UNIQUE LEGACY

One of the most important live music brands  
The largest UNESCO-protected audiovisual musical collection  
A unique collection of art posters

# NFT & Metaverses



How and why will they change  
the music business?

# Traditional music industry context



- . The **traditional music industry** was built upon **three pillars**:
  - Touring (which includes merch)
  - Records
  - Publishing
- . **The importance of those three pillars has changed completely** during the past 20 years
- . **The deals** with each of the respective companies **that specialize in those three categories were and are essentially all the same**:
  - Pay upfront a ridiculous amount for your content and the marketing of your content, and then pay back in a bad royalty deal (or if you're lucky, a rev split). This is what a record contract, a publishing contract, or a tour promotion contract typically look like.
- . **Web 2.0 birthed the crowdfunding world**: Patreon, Kickstarter, GoFundMe, IndieGogo etc. This began the direct monetization of fans beyond eCommerce, but the perks offered to fans were essentially nothing more than experiences and specialized merch.

# And then the NFTs arrive...



- . In the same way that an **artist can use a crowdfunding site to raise money** for a project, an artist **can also sell an NFT**. And that NFT is something that can **benefit the artist BUT ALSO BENEFIT the fan**.
- . Inherent scarcity means that if the **artist becomes more popular** over time, the **NFT goes up in value**.
- . **3 phases for the NFT business companies** (like OneOf)
  - **Phase one** is collectibles for artists (posters, art, etc...)
  - **Phase two** is actual music as NFTs.
  - **Phase three** is fractional royalties as NFTs. NFTs will not replace the labels nor the publishers nor the promoters. Instead, they will eventually allow an artist to delay the point at which they need to do a deal. This benefits everyone in the ecosystem: the label benefits because it has to take less risk, the artist benefits because it gets a fairer deal with the label. Everyone wins.

# And what does it mean for the promoters? (like MJF)

- . **With an NFT** that is kept "on platform", **we can guarantee a resale royalty** in perpetuity on any NFT. This means, that **the scalpers become a source of additional revenue** in the future.
- . It also means that **the fan buys a "ticket stub"** that has **inherent value** and is "proof" of attendance. That collectible can:
  - **become valuable** (for example, imagine having an NFT ticket to Billie Eilish's first concert)
  - **create a new means of communication with the fan/customer** (for example, building the platform so that every NFT has a content "vault" - we can deliver anything to the owners of specific NFTs -- such as advance ticket sales, upsale packages, and so much more)

# Conclusion



- \_\_\_\_. **NFT will change the balance** between the music business stakeholders
- \_\_\_\_. **NFT will bring closer artists and fans/community** defending their own benefits
- \_\_\_\_. **NFT will give new opportunities for promoters** to monetize customer experience and not only to sell regular tickets
- \_\_\_\_. **NFT will give back the power to the artists and his community:** the creator economy

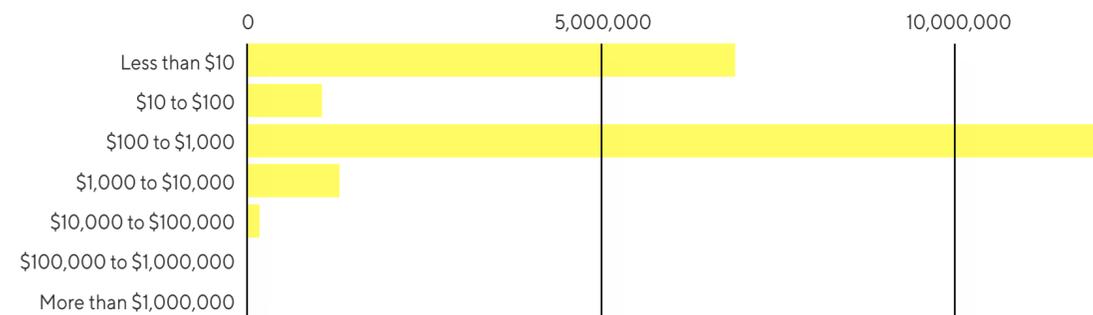
# Some numbers and examples



- \_\_\_\_. **NFT sales volume totalled \$24.9 billion in 2021**, compared to just \$94.9 million the year before
- \_\_\_\_. **Tomorrowland Around the World**: 1 million visitors, \$20 million revenue for \$10 million costs
- \_\_\_\_. **Sofiane Pamart album release** with NFT portrait: Euro 1 million direct revenues on NFTs only

## Most NFTs are under \$1,000

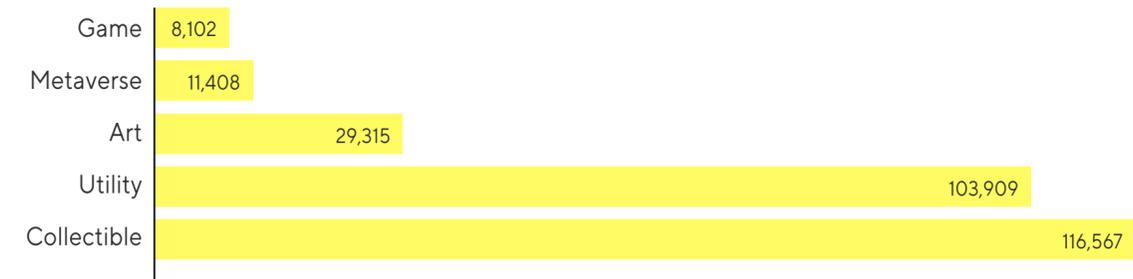
Number of non-fungible token sales in each price bracket in 2021



Note: Data only shows transactions on the ethereum blockchain and excludes "off-chain" sales  
Source: NonFungible.com

## Collectible NFTs are most popular

Number of non-fungible token sales in popular categories in past month



Note: Data for the month January 10, 2022. Data only shows transactions on the ethereum blockchain and excludes "off-chain" sales  
Source: NonFungible.com

Thank you for  
your attention