

1. Label Overview

Record Label Name: Mon Sweet Petite Inc.,

Owner(s) Name: Leslie Ramsay-Taylor

Address & Postcode:

120 Perth Avenue, suite 809

Toronto, ON. M6P 4E1.

Email: monsweetpetiteinc@gmail.com

Phone number: 416 833-2245

Previous Musical Experience: 20 plus years of experience as a musician

Highlights:

First Born release date 1994 (9-song all original)co- produced by Karen Kane and Leslie Taylor recorded at Pizzazudio, Toronto, ON.

1994 Charted CKLN-FM Toronto

Lead & Rhythm guitar player

2010- 2012Guitar studies with James Brown

<http://www.jamesbrown.ca/Bio.html>

2022-2023 - The Oscar Peterson School of Music formerly the Royal Conservatory of Music.

Preparatory Classical Guitar - James Brown

2020-2020 Humber Music Business Program
1st semester only(deferred due to pandemic)

2021- 2022 6 songs recorded co-producer
Mark Zubeck of Zedd Records

<https://www.zeddrecords.com/>

3 Tracks recorded at Number 9 Studio
Toronto, Ontario

<https://number9.ca/>

1st single release 'Look but don't touch'
November 30th, 2022

<https://www.monsweetpetiteinc.com/>

Presave on Spotify

Any further information:

Retired Social Worker/Educator

B.S.W.

M.S.W.

2. Executive Summary

Overview:

Mon Sweet Petite Inc. is an independent record label that operates in the record production and distribution industry based in Toronto, Ontario, Canada. The focus at Mon Sweet Petite is on signing new artists in the pop, R & B and World genres that face barriers to the mainstream industry because of their identities based on age, ethnicity, sexual orientation and/or gender.

Problem:

The music industry has been facing a gender inequality problem since its conception in the late 1800's. In 2017, only 16.8% of all popular music artists were

women, a number that has actually dropped since the years prior (28.1% in 2016). These numbers reflect poorly on the music industry, where over half of the consumers are female (Walton, S. 2018)

In addition, there are 20% of 18-34 year olds who identify as lesbian, gay, bisexual, transgender, or queer (LGBTQ+), with 92% of all LGBTQ+ consumers being self-proclaimed music fans. Yet, LGBTQ+ voices are rarely heard in the mainstream music scene. Beyond the loss of revenue from not addressing a substantial section of the market, the industry arguably has an unfulfilled responsibility to society to promote equality and inclusion. As LGBTQ+ issues have come to the forefront of political discussions, so has its representation in music. Though LGBTQ+ related music has started to infiltrate the mainstream market, the discrimination and lack of visibility within the industry is still alarmingly high. Given that 53% of LGBTQ+ music listeners claim they would be “lost” without music.

The content and actions of those within the industry have a substantial effect on the lives of LGBTQ+ individuals (Tan, 2018)

Solution:

The goal at Mon Sweet Petite Inc. is to provide under represented artists with the tools and resources necessary to create a career out of their music. This focus on under represented talent allows Mon Sweet Petite Inc. to concentrate all of our efforts on combating the issue of misrepresentation in the industry. Through artist development and continuous marketing and promotional efforts, Mon Sweet Petite Inc. will create a platform that inspires communities that have been left out of the industry a place to look up to and aspire to be a part of.

Primary Target Market:

18-70 year old women, men and young adults who live in one of the following cities: The Greater Toronto area, Montreal, Québec, Vancouver B.C., Los Angeles, CA; New York, NY; Chicago, IL and Atlanta, GA. Our target market's median income is about as diverse as the demographics and is accessible at a variety of price points including free gifts to subscribers and fans. . Primary genres that they listen to are R&B, pop, jazz, Adult oriented Rock (AOR), World music

Market Size:

As stated by the International Federation of the Phonographic Industry (IFPI)

The global recorded music market grew by 7.4% in 2020, the sixth consecutive year of growth... the organization that represents the recorded music industry worldwide.

Figures released today in IFPI's *Global Music*

Report show total revenues for 2020 were US\$21.6 billion.

Growth was driven by streaming, especially by paid subscription streaming revenues, which increased by 18.5%. There were 443 million users of paid subscription accounts at the end of 2020. Total streaming (including both paid subscription and advertising-supported) grew 19.9% and reached \$13.4 billion, or 62.1% of total global recorded music revenues. The growth in streaming revenues more than offset the decline in other formats' revenues, including physical revenues which declined 4.7%; and revenues from performance rights which declined 10.1% – largely as a result of the COVID-19 pandemic. The work and investment of record companies has helped lay the foundations for a predominantly digital industry that proved its resilience against the extraordinary circumstances of

2020. In a challenging year, record companies have worked alongside their artist partners to support them in creating and recording music and the whole sector has continued to drive innovations in the ways fans can experience music around the world.

Growth in all the world's regions

Recorded music revenues grew in every region around the world in 2020, including:

- **Latin America** maintained its position as the fastest-growing region globally (15.9%) as streaming revenues grew by 30.2% and accounted for 84.1% of the region's total revenues.
- **Asia** grew 9.5% and digital revenues surpassed a 50% share of the region's total revenues, for the first time. Excluding Japan (which saw a decline of 2.1% in revenue), Asia would have been the fastest-growing region, with exceptional growth of 29.9%

- Featured as a region in the report for the first time, recorded music revenues in **the Africa & Middle East** region increased by 8.4%, driven primarily by the Middle East & North Africa region (37.8%). Streaming dominated, with revenues up 36.4%.
- Revenues in **Europe**, the second-largest recorded music region in the world, grew by 3.5% as strong streaming growth of 20.7% offset declines in all other consumption formats.
- The **US & Canada** region grew 7.4% in 2020. The US market grew by 7.3% and Canadian recorded music revenues grew by 8.1%.

Source: <https://www.ifpi.org/ifpi-issues-annual-global-music-report-2021/>

History

II. Company Description

Mon Sweet Petite Inc. was founded in 2021 by Leslie Ramsay-Taylor after realizing that within her own career she had to leave a part of herself at the door if it did not fit into heteronormative standards. Despite being a musician that had a substantial catalogue the homophobia and sexism in the Canadian music business was intolerable, yet difficult to prove.

For 22 years Leslie continued to hone her skills in music and social services, and understood the only way to make a dent in this issue of under representation in the music industry was to start her own label instead of insisting that others within the industry be inclusive.

In those 22 years Leslie earned 2 degrees in Social Work specifically a Bachelor of Social Work with honours Ryerson University Class

of 2009; and Factor-Inwentash School of Social Work at the University of Toronto Class of 2010. In addition during the first wave of the pandemic of 2020 Leslie used that time to attend Humber Music's Business Program for the first semester only. The education specific to the music industry is invaluable and was well worth it despite the pandemic. In addition with the production skills of Mark from Zedd Records, based in Toronto Leslie produced a brand new unreleased 6 song EP in her home recording studio, along with her first video. Leslie would like to use her 30 plus years of freelance and professional experiences, including experience as a musician and an entrepreneur and Social Work Educator to solve a horrific problem in the music industry: gender and age inequality and its correlated issues of homophobia.

According to a study conducted by USC Annenberg in 2017, female artists makeup ONLY 16% of total popular music acts. This number has actually decreased from a still abysmal 22% in 2012. This information

doesn't sit well with Leslie an individual who values the state of the industry she loves as much achieving profitable bottom- lines. Therefore, she has set out to create a company that would provide a platform and resources to women in all of their intersections of class, race, gender identity and sexual orientation who are passionate about making it in the music industry. Through constant A&R (artist and repertoire), artist development, marketing and promotion, Mon Sweet Petite Inc. is determined to become a key player amongst rivaling independent record labels.

Mon Sweet Petite Inc. would also like to be seen as an industry player who values social responsibility and issues of equity, while caring for the artist as an individual that requires care and compassion so that they are well in their work as much as the music that is produced.

Through fundraisers and , collaborations with groups such as Women in Music LA, Sound Women, The Canadian Independent

Music Association (CIMA), The Canadian Independent Record Labels (CIRL), The City of Toronto Small Business Support and The Ontario Gay and Lesbian Chamber of Commerce along with other stakeholders to be identified during the course of the business, our goal is to create a brand image built around social reform and the inherent responsibility that comes from reform, as well as quality products that are world wide hits.

Company Mission Statement

Mon Sweet Petite Inc. is a record label that strives to create equal opportunity for under represented artists in the music industry.

The company's main focus is in finding and developing, marketing and promoting these amazing musicians/artists and their products.

Philosophy

Equity, Self-determination and innovation are the three values that drive Mon Sweet Petite Inc. and ensures that the company

direction remains consistent. Creating equity in the industry. Providing creative freedom for our artists with the appropriate innovate tools to compete in a national, and global market place.

Vision

Mon Sweet Petite Inc's vision is to become an internationally distributed record label that is known for its lineup of incredibly talented and creative artists that have been historically under represented because of discriminatory behaviours in the music industry.

Mon Sweet Petite Inc. will be comprised entirely of the artists and performing acts that have been consistently described in the plan by, creating a position in the market that is currently non-existent (search for a lineup made up only of non-mainstream artists). We will help locate and develop new talent, as well as doing everything within our power to properly market and promote artists and their products.

Target Market

Mon Sweet Petite Inc's target market will be people that are under represented that lack a positive role models in the media from the ages 18-70 with any median household income because of the affordability of our product. Irrespective of average household size Mon Sweet Petite Inc. will have many forms of accessibility including some free streams. Our motto is "That no one is left at the door because of lack of resources, there is something for everyone"

Through research and based on the vision a and data acquired from Statistics Canada, LGBTQ2+ communities in Canada: A demographic snapshot " Canada is home to approximately **1 million** people who are part of LGBTQ2+ communities, accounting for **4%** of the total population aged 15 and older"

<https://www150.statcan.gc.ca/n1/pub/11-627-m/11-627-m2021062-eng.htm>

Canada's uniqueness in demographics is also represented by a rapidly aging population and Statistics Canada identified that "On July 1, 2018, a record number of Canadians—6,358,220, or more than one out of six people (17.2%)—was at least 65 years of age, compared with 5,972,733 children aged 0 to 14 (16.1%). In other words, there were an additional 385,487 people in the 65-and-older age group than in the 0-to-14 group"

<https://www150.statcan.gc.ca/n1/pub/91-215-x/2018002/sec2-eng.htm>

This is the gap Mon Sweet Petite seeks to address, the demographic that has a palette for relatable infectious music from artist they can relate to in a healthy and positive way.

More information about Mon Sweet Petite Inc's relevant target market will be covered in further detail in section IV: Marketing Plan.

Industry

Mon Sweet Petite Inc. operates in the recorded music industry along with companies such as Warner Music Group, Universal Music Group and Sony Music. According to the most recent research done by the International Federation of the Phonographic Industry (IFPI), revenues from the recorded music industry increased by 5.9% in 2016. The 5.9% increase is up from 2015's growth of 3.6%. This shows well for the industry, as GDP in the final quarter of 2016 increased by only 1.9% according to the U.S. Department of Commerce (Walton, S. 2018).

Conversely, in Canada as CIMA stated on their website specific to the economic impact of Canada's independent music industry CIMA has proven that the Canadian music industry has had a positive and measurable impact on the Canadian economy. Some of our recent findings:

- Canadian Independent music generated approximately \$292 million in revenues in 2011, and contributed more than \$300 million in GDP to the Canadian economy
- The sector had a GDP impact of \$8.2 million on the Canadian economy for every \$10 million of industry revenue
- More than 13,400 Canadians are employed in the industry, 67% of which are artists
- Outside of Canada, roughly 19% of revenues are come from the US, 3% from the UK, 1% from New Zealand/Australia and 4% from the rest of the world
- The Canadian music scene is largely driven by the independent music industry.

- The local, global and commercial success of a multitude of Canadian independent artists is solid proof that indie music is a viable business model

While the majors continue their overall dominance of the Canadian marketplace, they have come to rely more on the independent sector. Independent companies, be they labels, recording companies, or otherwise, are still willing and able to develop new and emerging artists from across Canada.

Streaming revenues, which are currently accounting for over half of the industry's revenues according to data provided by IFPI, also increased by a staggering 60.4% in 2016. In addition to the tremendous growth seen in 2016, Nielsen Music reported that total audio consumption increased by 10.2% and total on-demand streaming (audio/video) increased by 43% in 2017. These drastic increases in digital consumption are making up for the losses that record

companies have been experiencing since the beginning of the digital age in the early 2000's (Nielsen, IFPI).

Mon Sweet Petite Inc. will focus a majority of its attention on the shift towards digital consumption in the industry. In these early stages of the company, we will distribute products primarily through digital channels.

As physical CD sales continue to decline (-17.7% in 2017, per Nielsen Music), it makes more financial sense for Mon Sweet Petite Inc. to invest primarily in digital and forego trying to compete with larger labels in physical sales. This strategy will keep costs relatively low for Mon Sweet Petite Inc., as packaging and manufacturing of CDs can run up expenses for a small company. The industry will continue to post gains in revenues as long as labels are able to exploit the increased demand for audio streaming.

Company Goals

Short Term Goals (within the first fiscal year)

- **Release Leslie Taylor's new EP and Videos**
- Sign a contract with at least THREE new artists
- Release first full-length project under the Mon Sweet Petite imprint
- “Loyal” fan base of at least 500 people
 - o Measured using Spotify's built in metrics
 - o Measured by following count across different social media platforms
- 25% increase in streams between the first and the second label release
 - o Data provided by streaming services (Spotify, Apple Music, Tidal, etc.)
 - o Benchmarked against the first-week numbers for the label's prior release
- Finish the first fiscal year (2021-2022) with a positive net income (profitable)
 - o Calculated by subtracting total company revenues by expenses required to generate these revenues

Long-Term Goals (1-5 years)

- Sign a FOURTH artist
- 5% revenue stream growth (per year)
 - o Measuring streams, digital/physical downloads and purchases, live performance ticket sales, merchandise revenues, publishing revenues
 - o Comparing company revenue streams year by year, and how this growth (or shrink) compares to revenue performance for the overall industry
 - o Goal is to have a higher growth rate than the industry average
 - Increase brand awareness
 - o Tactics used to measure brand awareness include, but are not limited to, website traffic, search volume data, surveys and social listening
 - o Measured by volume of mentions, reach (potential number of people that we may be seen by) and engagement rate(s)
 - o Results will be compared not only against our past performance, but also the performance of our competitors

- Sign a distribution deal with a major distributor to assist in physical production and distribution of sound recordings
 - Potential distributors who have signed deals with independent labels in the past:
 - The Orchard
 - Alternative Distribution Alliance (Warner Music Group)
 - RED (Sony Music)

3. Products & Services

Sound Recordings

In 2017, total audio consumption increased by 10.2% (per Nielsen Music) and IFPI reported that nearly 96% of all internet users consume licensed music. These numbers indicate the importance to labels of having audio recordings readily available for fans, and also the increasing demand for music.

Outlined in our artist contracts, Mon Sweet Petite Inc., automatically becomes the rights holder of any master tracks (final songs) that are recorded by an artist under the term of the deal. As the rights holder of these tracks, it is our job at Mon Sweet Petite Inc., to exploit these recordings in a way that benefits both the artists and the company.

If one evaluates the current financial landscape of the music industry, they will see that competitors (even the major labels) are bringing in a majority of their income from digital revenues (50% of total industry revenues in 2016 were from digital streaming alone, according to IFPI). With CD sales declining since the beginning of the “digital age” (down 17.7% last year, per Nielsen Music), record companies are focusing on ways to offset these losses through digital revenue streams.

Therefore, Mon Sweet Petite Inc., has decided to forego the physical reproduction of its recordings (for the time being) and focus all of its efforts on exploiting our artists’ sound recordings digitally, making them available to the public in the following ways:

- Digital marketplaces (iTunes and Amazon)
- Interactive or on-demand streaming services (Spotify, Apple Music, Tidal, Deezer, etc.)
- Non-interactive web casters (Pandora, Rdio, ad-supported streaming services)

- Internet radio (SiriusXM, iHeartRadio, etc.)
- Terrestrial radio (FM/AM radio stations)

How are there sound recordings manufactured?

Mon Sweet Petite Inc's., focus on digital revenue provides a competitive advantage by avoiding the costs of manufacturing physical CDs and packaging and keeping expenses relatively low. However, we can't ignore the costs associated with manufacturing a digital copy of a sound recording. These costs can include but are not limited to: studio/recording costs, producer fees, mixing/master costs, travel, session performer fees and background artist fees.

In an attempt to keep these costs low, Mon Sweet Petite Inc., will tap into the abundant pool of resources at CEO Leslie Taylor's disposal. Her relationships with an increasing number of producers, studios and sound engineers will allow Mon Sweet Petite Inc., to acquire the most competitive

rates and fees. Continuous collaboration and increasing volume of product with these individuals will help lower pricing in the future, driving expenses down.

How are the sound recordings distributed?

Sound recordings will be digitally distributed by DistroKid. Through DistroKid, our artists' catalogs and any new releases will be made available on over 150 digital platforms. Digital platforms include the interactive stream services such as Spotify, Apple Music, Tidal and Google Play as well as non-interactive services like Pandora and Rdio.

DistroKid will also be responsible for getting our music into digital retailers like iTunes and Amazon and to internet radio providers SiriusXM and iHeartRadio.

As Mon Sweet Petite Inc., grows and the company begins to develop more capital and increased brand awareness (measured

and benchmarked against past performance) we will consider a change of distributors from DistroKid to CD Baby.

This change would be an attempt to begin physical distribution of our records. CD Baby has a working partnership with Alliance Entertainment, an international wholesale distributor of CDs (currently the largest in the United States). This relationship gives our company the opportunity to sell physical copies of our products in retailers around the world, and in turn increase future revenue streams and reach.

CD Baby also offers economies of scale to labels where prices will drop as volume increases. As Mon Sweet Petite Inc., continues to push physical volume into retailers and grow our output, these distribution expenses will decrease.

However, physical distribution should not be considered until the company is in a financial situation where it can handle these additional costs while still maintaining its other segments.

Pricing/Payments on Sound Recordings

Pricing of sound recordings made available on streaming services is out of Mon Sweet Petite Inc's., hands, as all of the services listed above charge their users a flat fee to gain full access to their available catalogs. For example, a Spotify user pays a monthly fee and is granted unlimited access to the millions of songs available on the streaming service.

Streaming services such as Spotify and Apple Music are granted a license of our music (provided by our digital distributor, DistroKid) which gives them the ability to upload our music to their platforms. Mon Sweet Petite Inc., is paid a royalty every time a listener streams one of our songs.

Ditto music's website states that music streaming services like: Spotify, Apple Music, Deezer, Tidal and Amazon don't have a fixed "pay-per-stream" rate when it comes to paying out music royalties to artists. There are lots of factors that affect how much money one stream is worth in royalties. The main factors include:

- The listener's country and location
- Whether the listener has a paid subscription or a free account
- The specific artist's royalty rate
- The relative pricing and currency in different regions.

Below is a list of what some of the major streaming services are currently paying out (royalties) per stream (provided by ditto music.com):

- Spotify: \$0.00437
- Apple Music: \$0.00783
- Tidal: \$0.01284
- Google Play: \$0.00676
- Pandora: \$0.00133
- YouTube: \$0.00069
- Deezer \$0.0064
- Music Amazon \$0.00402
- Napster \$0.019

Revenue from digital streams (Spotify, Apple Music, Tidal, etc.) will be collected and paid to us by our digital distributor, DistroKid. DistroKid who charges an annual fee of \$19.99 per artist, but delivers 100% of the revenue that each artist earns.

Mon Sweet Petite Inc's., artists will receive a 50% royalty (as outlined in artist contract), and thus half of their share of total revenue paid out to us by DistroKid.

That means if Artist A's music generated \$500 in streams on Spotify last month, they would receive \$250 of that total. The other half of that \$500 is collected by Mon Sweet Petite Inc., in order to recoup the artist's advance and to cover marketing, promotional, manufacturing and other expenses undertaken by the company in order to help sell the product.

Although streaming pricing is out of our reach, the pricing of sound recordings made available on digital marketplaces such iTunes and Amazon.com can be set by Mon Sweet Petite Inc., Currently, the average price of a single (one song) is \$1.29 and the average price of an album release is \$9.99 (information gathered from Apple iTunes store).

Apple iTunes and Amazon collect 30% on each sale, leaving Mon Sweet Petite Inc. with around 75-90 cents per song and \$6.00-\$7.00 per album.

DistroKid will be responsible for collecting any of this revenue. The Artists will be paid royalties on these revenues the same way that they are paid for streaming.

So, if Mon Sweet Petite Inc., collects \$500 from Artist A album sales, they will receive \$250 (50%), and the company will retain the remaining half (to go towards advance recoupment and covering revenue generating expenses discussed above).

Merchandise

As physical CD sales continue to decline, it is important that we continue exploring other revenue streams to make up for these options. Artist merchandise is a great way for new artists and labels to not only generate revenue, but also build brand awareness and customer loyalty.

We also understand that our new artists may not see a lot of revenue generated from streams in their developing stages of their

career. Therefore, our goal at Mon Sweet Petite Inc. is to use merchandise as a way to ensure that our artists are being paid for the value they bring to the company.

Through the production and distribution of artist merchandise both online on artist/label website and at concerts, Mon Sweet Petite Inc. hopes to identify another profitable segment as well as help extend our artists' reach.

Merchandise will be priced based off industry averages. At the moment, artists signed to independent record labels releasing merchandise for the first time are pricing t-shirts and sweatshirts around \$25 and \$40, respectively. Mon Sweet Petite Inc., wants to ensure that the merchandise sold isn't overpriced relative to what our competitors are charging.

Touring

Touring is usually seen as a promotional effort taken on by labels in an attempt to increase awareness around an album release. However, as CD sales have declined since the early 2000's, labels have used touring opportunities as a chance to make up for these losses.

According to data gathered by the United States Industry & Market Outlook, sales of live music performances increased by 4% between 2016-2017 and is expected to grow another 4.9% between 2018-2019. Also, there were more concerts in sports stadiums this summer than any season since the 1990's (per Wall Street Journal).

The continuous increase in revenue generated and concert attendance is proof that music fans are still demanding live performances and the obvious need for these showings. Touring will still occur only after an artist has released a full-length

project and if it makes financial sense for the company to move forward.

Mon Sweet Petite Inc., needs to be confident that the tour will bring out enough people to generate the revenue it needs to cover other company expenses. Touring expenses will be covered by Mon Sweet Petite Inc., and then recouped from the artist's royalty payments.

Pricing of our first tour(s) will have to be an estimate based on industry averages for the preceding year as well as what competitors (other independent labels) are charging. For example, pollstar.com reported that the average ticket price for worldwide tours was \$84.63 in 2017. Also, Ibeyi, a female R&B/World duo signed to independent label XL Recordings, are charging around \$30 per ticket for their upcoming tour. Based on this information, Mon Sweet Petite Inc., would consider charging somewhere between \$30-\$40 per ticket across all shows. These rates are subject to change based on projected attendance as well as location of

the show. Artist payments from touring will be handled the same way that payments from streaming and digital purchases are handled. As outlined in the artist contracts, Mon Sweet Petite Inc., has a 50% stake in any revenues generated while the act is signed to the label.

Therefore, half (50%) of the money made from ticket sales on any artist tours will be collected by the label and the artist(s) will keep the other half (50%). In the event that one of our performing acts is composed of multiple artists, the 50% will then be divided among the group members. Artists begin collecting their half of touring revenue **AFTER** expenses have been recouped.

Services

Artist Development

Mon Sweet Petite Inc's., music operations are entirely dependent on our ability to discover and develop new talent. In addition to the discovery and development of new acts, Mon Sweet Petite Inc., is responsible for providing the necessary marketing, distributing and licensing of any product produced by these artists. These operations are what Mon Sweet Petite Inc., defines as "artist development": anything required to take the artist(s) from their first stage(s) of development to their breaking point as a star.

From preparing our artists for interviews, helping them understand how to carry themselves on social media, to connecting them with the correct producers and helping find the right co-branding opportunities, with and added attention to self-care and wellness because of the nature of the business our artist development services

are geared towards identifying each act's respective unique selling proposition. Through constant development, Mon Sweet Petite Inc., and their artists work together each day to make sure we offer unique products that are meeting our customer's changing needs.

Marketing and Promotion

Mon Sweet Petite Inc's., marketing and promotion services are geared towards helping our artists reach their proper target markets.

We know that without a proper fan base, talented musicians run the risk of never seeing the success they deserve. The main goal of these services is to help our artists acquire new fans and maintain a relationship with existing fans. Through interviews, album reviews, artist spotlights and other co-branding efforts with both digital and traditional media outlets, Mon Sweet Petite Inc., will help their artists increase audience size and brand loyalty (measured by data

provided by streaming services and digital marketplaces, as well as data available online from social media services and artist websites). More about Mon Sweet Petite Inc's., specific marketing efforts and plan will be discussed in section IV: Marketing Plan.

Copyrights/Trademarks/Performing Rights Organizations:

Although musical recordings gain copyright protection as soon as they take tangible form (are recorded in the studio), Mon Sweet Petite Inc's., plans on filing each song (or album if they are released collectively) through the U.S. Copyright Office. Doing so will provide Mon Sweet Petite Inc., the ability to bring suit against someone who we believe has infringed upon our rights. Without registering with the Copyright Offices, our rights and remedies with respect to our work is limited.

Mon Sweet Petite Inc., may need to also register for trademarks to ensure that our artists' brands are being fully protected. Trademarks protect Mon Sweet Petite Inc., and their artists against the unlawful use of any of our images, designs or other recognizable signs which identify the products and brands.

Mon Sweet Petite Inc., will also register all intellectual property of each artist with the appropriate Performing Rights Organizations (PRO) like SOCAN and its global affiliates.

5. Marketing Plan

The current industry data per IFPI.org identifies that “in 2019, global recorded music revenues posted growth of 8.2%. This was the fifth consecutive year of global growth. Revenues increased in many markets and in nine of the global top 10 markets”. The US has 21.6 billion of the total

value of the recording industry in 2020, while the global industry has 62.1 % of the global revenue streams.

A new trend has emerged in the age group demographic when it comes to streaming and has been identified as an “engagement with audio streaming globally is strong, with 64% of all respondents accessing a music streaming service in the past month – up by about 7% over 2018. The highest rate of growth for engagement is in the 35–64-year-old age group, with 54% of that group accessing a music streaming service in the past month (a rise of eight percentage points on 2018) (IFPI.org, 2021)

Although streaming and overall digital revenues continue to rise, the industry still faces the challenge of making up for losses in sales and downloads.

Each year, physical sales and downloads are falling more and more as streaming becomes gains popularity. In order for competitors of the industry to combat the

problem of declining sales, it is important that they develop and implement business models to take advantage of the changing landscape. It's important, especially for independent record labels, to continue increasing revenue generated from online applications and services as well as other revenue segments that could help offset the losses in CD sales.

Barriers to Entry

Brand Recognition Challenges

As a startup independent record label, Mon Sweet Petite Inc's., biggest challenge will be increasing our brand recognition. In 2016, the three major record labels (Universal Music Group, Sony Music and Warner Music Group) possessed roughly 68.7% of the total market share (via MIDIA research, 2017). This share is due in part to the massive amount of money, workers and other necessary resources that these firms own.

This number poses a risk to Mon Sweet Petite Inc., and highlights the difficulty that independent labels often have in gaining market share.

However, independent labels currently own about 31% of the total market share and still managed to generate \$6 billion in 2016, a 6.9% increase from 2015 (WINTEL report). And these numbers continue to rise MIDia reports that in 2020 indie music accounted for \$23.1B in revenue up 19.6% from 2019. Despite the pandemic eventually subsiding this way of accessing and curating music online has now become a way of life for consumers.

These independent record labels are finding ways to compete with the larger companies by focusing on smaller market segments and outsourcing jobs to third parties in order to cut costs.

For an independent record label to succeed in an industry primarily dominated by a few firms, it is imperative that expenses are kept low and a niche or more specific target market is focused on.

To keep costs low, Mon Sweet Petite Inc., will focus its efforts on digital distribution of its products (a much cheaper route than physical reproduction and distribution) and will tap into third party companies to help with merchandise production and distribution, touring, and other promotional operations. Mon Sweet Petite Inc., will also focus on a smaller target market, discussed later in the marketing plan, to combat the resource advantages the larger labels possess.

Finding Qualified Employees

The average independent record label generating less than \$1 million in revenue typically employs 4 people (WINTEL report). The reason for this is that these small labels don't have the financial resources to pay any more employees. For this reason, many independent labels will hire third parties or use contracts to get work done, rather than hiring a new staff member.

Mon Sweet Petite Inc's., start up is currently managed by CEO Leslie Taylor however, the company will still need to bring on an additional employee or two to help with smaller day-to-day tasks such as coordinating with venues, contacting blogs and writers, managing social media and online content, and other jobs that will help the company push operations forward and increase brand recognition.

Mon Sweet Petite Inc., will post job listings on websites like Indeed, LinkedIn and SimplyHired to target individuals who may be interested in working in the music industry. The company will also make all attempts to appear at career fairs held by various universities. We believe that our push for equity and diversity in the industry and promotion of issues of social justice relevant to everyone will attract young workers who are passionate about the work.

High Production Costs

Relative to the other costs that Mon Sweet Petite Inc. will incur, production costs will weigh the heaviest on our revenues.

Production costs in the music industry can span a wide array of jobs, but Mon Sweet Petite Inc., is currently focused on any costs associated with creating the final form of a sound recording. These costs include studio time, producer fees and royalties, songwriter fees and royalties, travel, session

musicians, mixing and mastering engineer fees, and more.

In 2017, Warner Music Group (WMG) spent roughly \$628 million on product costs associated with revenue generated. This is the scariest number for independent record labels like Mon Sweet Petite Inc., WMG has an incredibly large pool of financial resources that allows the company to take larger risks and spend more on making the product. Mon Sweet Petite Inc., is unable to operate in a similar way, and will be forced to keep costs low in order to break-even and generate comparable margins.

In addition to costs required to produce sound recordings, Mon Sweet Petite Inc., will also have to consider the costs associated with marketing and selling the product. For example WMG spent \$472 million in 2017 on selling and marketing expenses, an 8% increase from 2016.

Major record labels are continuing to increase their investment into marketing and other associated selling expenses.

SWOT Analysis

Strength - Low Fixed/Variable Costs

Mon Sweet Petite Inc's., digital-only strategy allows us to keep both fixed and variable costs relatively low. Our goal is to keep expenses at a minimum in our first year of operation, as we know we may not see much revenue generated. To accomplish this goal Mon Sweet Petite Inc., will focus most of its spending in its first year on marketing the completed product and producing an affordable series of videos to support the singles when they are released. There is already a working relationship with Zedd Records in Toronto that is a fully equipped production studio. In addition, Mon Sweet Petite Inc., has a fully equipped home recording studio that is used to keep

production costs low and enhance the production skills necessary to complete each project.

Mon Sweet Petite Inc., will forego all physical manufacturing and distribution of our sound recordings in its first year of operations, freeing up additional capital to be spent on any marketing and promotional efforts needed to help sell our products.

Mon Sweet Petite Inc., can utilize these low costs as a competitive advantage.

Although we may not physically distribute like some of our competitors, we still possess the same ability to digitally distribute all of our products to the same retailers as the biggest labels in the world. The access to high speed internet has truly evened the playing field in the music industry.

Through our digital distributor, DistroKid, Mon Sweet Petite Inc., is able to upload an unlimited amount of product to over 150+ digital retailers for only \$19.99 per artist. The more sound recordings we are able to upload and promote successfully to a global audience; the higher the opportunity is to generate revenue and break even.

Weakness - Lack of Resources

The biggest risk in running a record label is that a newly signed artist may never “break” and make money for the company. If an artist fails to produce for the label, they have ultimately wasted a large sum of money (sometimes over \$1 million for new artists signed to major record labels) on an unprofitable product line. However, the major record labels are able to handle these defeats because they usually are employing at least one “superstar” artist who can make up for these losses.

Without a “superstar” act that can potentially produce millions in profits each year, the risk runs higher for Mon Sweet Petite Inc., Therefore, we must be more cautious with the acts due to our lack of “safety stock”. The best way to combat this potential weakness is to ensure that all of our expenses are revenue-generating.

Mon Sweet Petite Inc., can’t afford to spend money in its beginning stages if we aren’t going to see a return on investment or increase in brand awareness. Mon Sweet Petite Inc., is also aware that the brand because of its representation of non-mainstream artists that might or might not be a part of LGBTQ plus communities understands there will be push back from communities. Mon Sweet Petite Inc., will use these moments as a teachable moment while ensuring the safety of our artists against virulent inexplicable hate.

Opportunities.

Opportunity in Asian Markets

In 2017 before the Global Pandemic converted the entire world to a new normal independent labels accounted for 89% and 65% of total digital revenue in South Korea and Japan, respectively. Compared to the 40 % market share of digital revenue that independent labels have in the Global North, there is great potential for the artists at Mon Sweet Petite Inc., to gain access to these markets that are relatively open minded and eager to hear music that encourages inclusivity and wellness in all forms.

Expanding into countries abroad would give Mon Sweet Petite Inc., an incredible opportunity to increase brand awareness and reach. These additional markets may also provide additional revenue segments from which Mon Sweet Petite Inc., can capitalize.

Differing consumer needs in different geographic locations may warrant additional product lines, depending on the potential and demand that these new markets offer.

Prior to the global pandemic and as stated by IFPI, recorded music revenue also grew by 20.3% in China. This gain was fuelled by a 30.6% rise in streaming in the country. As an organization who is focusing a majority of their efforts on digital revenue segments, an increase in streaming anywhere around the world poses an opportunity for us.

IFPI.org 2020 identified that the top 10 music markets where the U.S.A., Japan and the United Kingdom respectively (IFPI, 2020 Global recorded music revenues by Segment report)

(See Fig. 1.1)

Global Recorded Music Industry Revenues 2001-2019 (US\$ Billions)

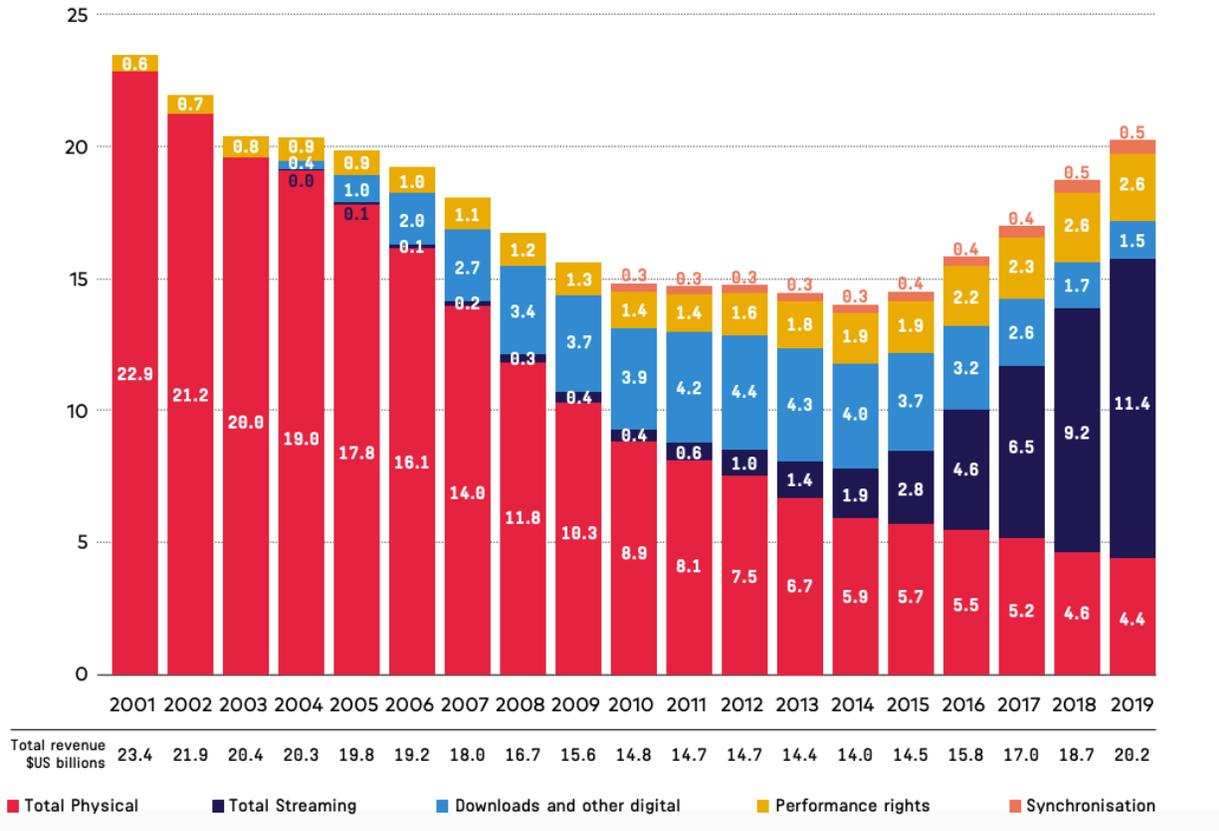
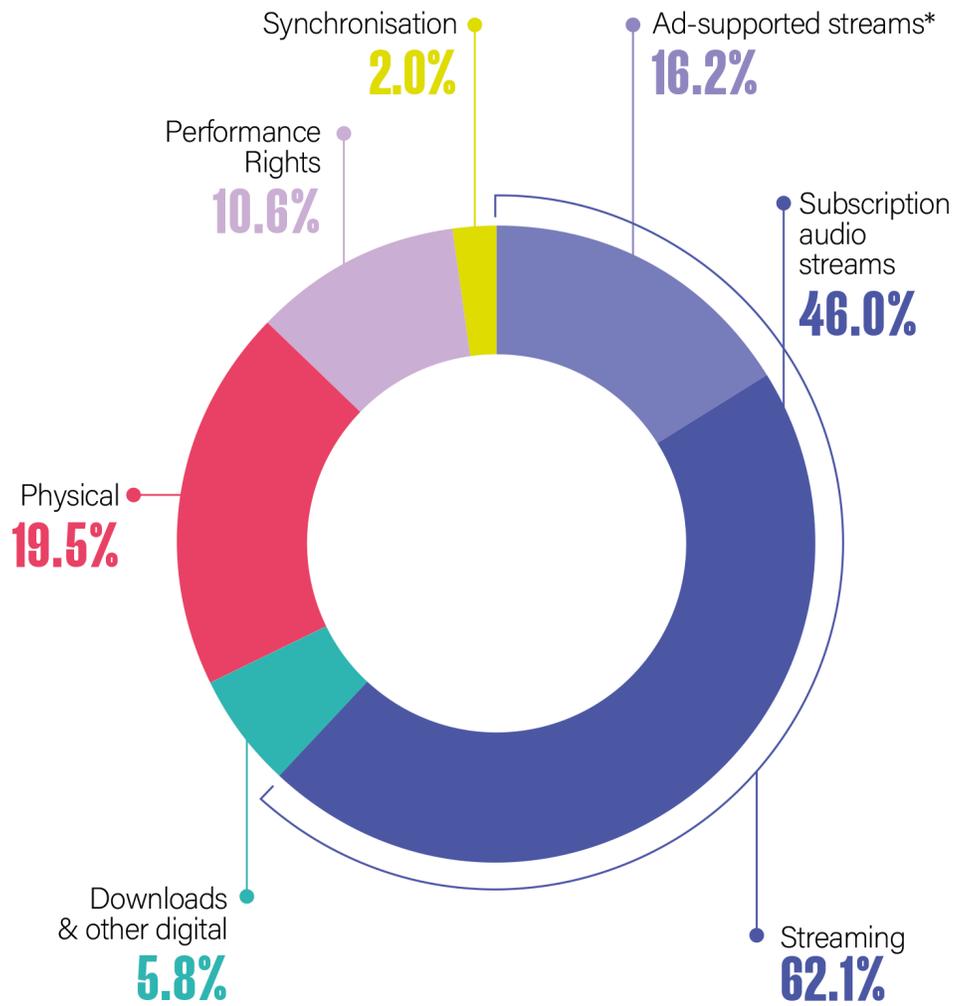


Fig. 1.1

Streaming services like Spotify, Deezer, Pandora and Tik Tok with over 112 million current users, make it easier for a startup company like Mon Sweet Petite Inc., to break into other markets around the world. Also, music blogs like Pitchfork, Fader and Complex have readers all around the world. This gives us the ability to reach music fans in different countries without having to invest in expensive marketing or promotional plans. As evidenced by Fig. 1.2 it is clear that revenue streaming during the Global Pandemic is now where the majority of music lovers access their music.

(See Fig. 1.2 and Fig. 1.3)

Fig. 1.2

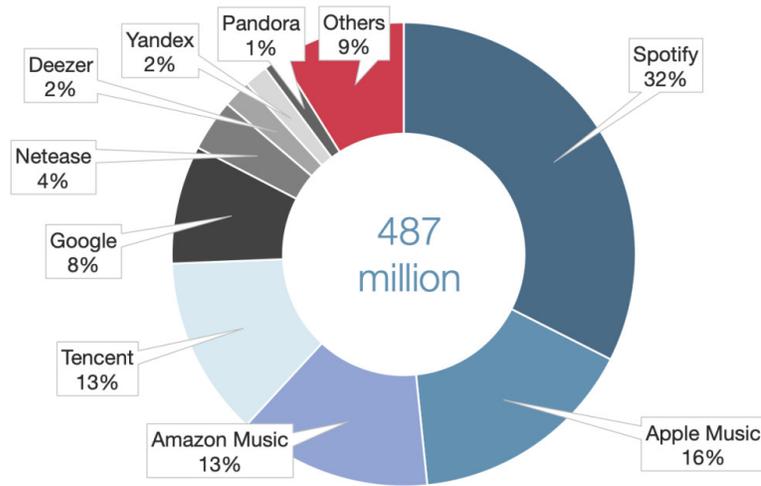


*INCLUDES AD-SUPPORTED STREAMS AND VIDEO STREAM REVENUES.

Fig. 1.3

Spotify maintains subscriber market share lead but Amazon, Tencent and Google made big gains

Streaming music subscriber market shares, Q1 2021, global



Source: MIDiA Research Music Model (06/21)

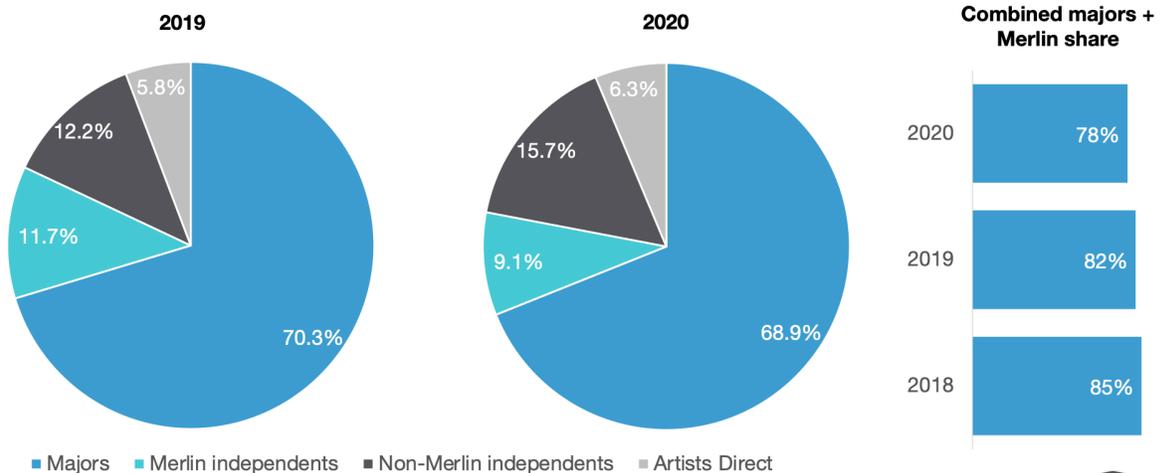


And lastly the Music Industry is noting the rise of the Independent labels

Independents gained market share once more on Spotify in 2020, but we are also seeing the rise of the new independent

Share of Spotify streams by industry segment, 2019 and 2020

Fig. 1.4



Source: Company reports and MIDiA Research



(See Fig. 1.4)

More Frequent Artist Releases

For artists signed to a major record deal, it isn't uncommon for them to have creative restrictions and control implemented upon them by the label. Oftentimes, major labels will require their artists to produce "commercially satisfactory" recordings. What this means is that the company will only take recordings from their artists that they believe will sell and turn a profit. Also, major record labels often plan months in advance for an artist release in order to facilitate distribution and marketing plans.

At Mon Sweet Petite Inc., we understand the importance of new artists releasing music to their fans as often as possible to help build that initial following. To make up for our comparative lack of marketing funds, Mon Sweet Petite Inc., will implement a strategy that focuses on consistently releasing product to promote brand awareness and

help our artists develop their image and sound. Through more frequent artist releases, Mon Sweet Petite Inc., will also be provided with more updated demographic and engagement information. Data acquired from each release can be analyzed and used to help ensure a more successful and profitable release in the future.

Threat - Major Record Label(s) Capitalizing on our Vision/Philosophy

Mon Sweet Petite Inc's., biggest concern is the threat of major labels on our business plan and strategy. What concerns the company is the idea that a major record label could utilize their expanding budgets and enormous staff in order to capitalize on the problem that Mon Sweet Petite Inc., is trying to solve.

This company is built around our philosophy and vision and having that appropriated by a larger company in order to increase their market share could potentially leave us at a competitive disadvantage.

One of our biggest advantages in the future will be our brand image; one built around social justice, solving the age, gender and LGBTQ plus misrepresentation problem(s) and ultimately creating equity in the industry. For a major record label to exploit this strategy with larger financial and personnel resources may leave us struggling to refine our vision to regain the market share appropriated by the labels with large financial resources .

In order to combat this potential issue, we need to be sure that Mon Sweet Petite Inc., is constantly keeping an ear to the newest and freshest sounds in our respective genres. It is important that we have the upper hand when reaching out to our artists by approaching them first and with a clear and definite vision.

Product/service features and benefits

Products

An Attempt to Solve the Industry's Biggest Problem

In 2017, only 16.8% of all popular music released was by a female recording artist based on USC Annenberg's study of the popular music industry.

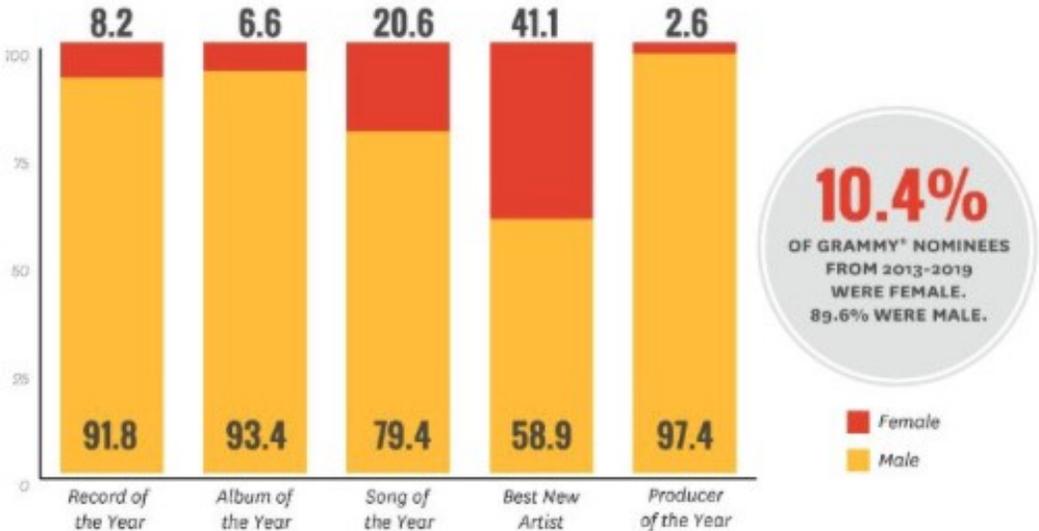
Compare this number to the 28.1% of total popular music in 2016, and one can see that the problem of gender inequality in the music industry ISN'T improving (see Fig. 1.5).

Mon Sweet Petite Inc's., products and offerings are our attempt to try and solve this problem. With a lineup composed entirely of acts that would not be able to access mainstream audiences , we believe the benefit of our offerings are derivations of the products themselves.

(Fig. 1.5)

THE GENDER GAP AT THE GRAMMYS® IS REAL

Percentage of Female Nominees by Category, 2013-2019



A study performed in 2016 published in the Journal of Consumer Marketing reveals that a social identity experience exerts significant effects on music consumption.

Our lineup and the fact that more than half of on-demand streamers are females (MINTEL report), allows Mon Sweet Petite Inc., to offer a sense of social identity and a reflection of values that we believe is important to this majority. In addition, despite being major consumers and trendsetters in the music industry the LGBTQ plus communities are storming into the music business with class, creativity and excellent product.

Rolling Stone the well known trade magazine for the Music Industry stated, that

The idea of a queer musical superstar is now fully accepted. In recent years, we've seen musicians talk openly about their gay identity and same-sex relationships. Others have proudly

shared their stories about being transgender rockers fighting for visibility. And pop stars have even proclaimed their pansexuality. Fans may openly embrace a gay Elton John, Melissa Etheridge or Ricky Martin now, but over the past 50 years or more it's been a struggle for most queer artists to live their lives openly and without shame and persecution. Some of these figures – Arthur Russell, Sylvester, Amanda Lepore – have earned cult followings, while others – Jackie Shane, Jobriath, Lavender Country – have remained obscure. But all of their tireless efforts matter ([Rolling stone.com](https://www.rollingstone.com) retrieved Nov. 21st, 2021).

Supplying an Increasing Demand

Mon Sweet Petite Inc., is at an advantage compared to the major record labels in that we are able to release music more frequently.

Major record labels often employ marketing strategies and distribution plans that stretch across multiple months. These plans work great in generating buzz around the release, but the time it takes to coordinate marketing and promotional efforts along with physical and digital distribution can increase the time that could otherwise be used to release more product.

Because distribution plans that stretch across multiple months. These plans work great in generating buzz around the release, but the time it takes up to coordinate marketing and promotional efforts along with physical and digital distribution can eat up time that could otherwise be used to release more product.

To resolve this supply chain issue Mon Sweet Petite Inc., is implementing a digital-only strategy at the beginning of its operations. This will allow us to have a much lower lead-time in how long it takes to get our product on the “shelves”.

This is extremely important for Mon Sweet Petite Inc., in its inception stages, where we need to be further developing brand awareness and recognition and building our audience. Major record labels already possess large audiences or resources to create them, therefore they don't need to push as much product.

More frequent releases also allows Mon Sweet Petite Inc., to help supply the increasing demand in the industry. With digital music consumption and on-demand audio streams up 20.5% and 58.7%, respectively, and monies from digital segments accounting for half of all revenue, it is critical that Mon Sweet Petite Inc., supplies this increasing demand of digital content in order to remain competitive.

Services

Concentrated Artist Efforts

One advantage that Mon Sweet Petite Inc., possesses because of its size is that we are able to focus more of our attention on fewer “products” or artists that we have signed.

Majors like Warner Music Group might have over 50 artists signed to just one of their sub-labels (Atlantic). That means the record label has even more artists underneath it across its other sub-labels that they are responsible for overseeing. These large rosters of artists on these major record labels provide the economic balance these major seek because it provides the company with a better opportunity to have a star breakthrough.

However, Warner Music Group has to divide its attention and budgets across hundreds of different artists. This typically leaves the label's smaller acts with very little support while the bigger, higher grossing artists, receive a majority of the marketing and promotional support.

At Mon Sweet Petite Inc., our roster size allows us to concentrate more of our efforts on our artists. We believe this concentrated support and focus provides a benefit to the artists who are looking for a well run supportive label to sign that has a viable and sustainable business model that they can also use to ensure their success. Collaboration between the label and the artist is one of our many pillars.

Mon Sweet Petite Inc., guarantees that none of our acts are disregarded and that we do everything within our collective abilities to help create a sustainable career.

Mon Sweet Petite Inc., understands the risks involved when an artist does not get enough audience engagement to generate revenue and break even especially in the developmental stages.

Therefore, Mon Sweet Petite Inc., ensures that each and every signed artist will be provided with the support and necessary resources and tools that will sustain their careers. Included in this tool kit of success will be access to resources that support wellness.

How many more artists do we need to bury as a result of incompetent abusive record labels that devolved their artists to only product? The abusive behaviour in this industry is legendary and in keeping with a new way it is our responsibility as a kinder and more responsive industry to ensure that our artists have access to safe spaces, and that healing is highly encouraged.

In some instances we have observed a rise in sales once the now problematic artist has succumbed to his or her bad habits based in trauma.

Mon Sweet Petite Inc., will institute an accessible program through an Employee Assistance Program (EAP) service provider like LifeWorks formerly known as Morneau Shepell for all signed artists.

***We invest in all of the aspects of our artists
Their lives matter they are not just product
to exploit and dispose of when the very
industry that was supposed to have
nurtured and supported them turned on
them. If we want a different way we have to
be the way. Yes, I am a proud Dreamer!!***

50/50

When new artists sign to a major record label such as Warner Music Group, Universal Music Group or Sony Music, they are often given a moderate to large advance (anywhere from \$50,000-\$1,000,000). This advance is nice for the artist as it provides them some financial security over the following months while they are creating their first release under the label.

However, what this also means for these new artists is that they won't see a penny of their revenue generated until they have completely paid back that advance. So, the labels reach into the artists' pockets every time they make money from streaming, merchandising, touring and other relevant segments until they have recouped the full amount that was advanced. These contractual obligations are now commonly referred to as 360^o contracts.

Only then will the artists begin to see any of the money that they've earned. However, the money they receive is slim compared to what the executives at the labels are putting in their pockets.

Most of these new artists sign contracts that give them a 10-15% royalty. This means that the artist only receives 10-15% of the revenue that THEY have generated for the company. Therefore, making money, if you do happen to pay your advance back, becomes extremely challenging for newer artists with smaller audiences.

Mon Sweet Petite Inc., like many other Independent record labels, agrees to a 50/50 split with all of the artists that we sign. This means that the artist will see half of the revenue that their products generate, after any production or marketing costs have been deducted. Although we can't offer large sums of advance money to our new

artists, we believe that this 50/50 split and immediate access to artist revenue provides our acts with the financial security they need over a longer period of time.

After major label artists have paid back their advances, they are still only seeing a small percent of their revenue (10-15%). Our artists will keep a higher percentage of their value generated for the company, which we believe provides us with a competitive advantage over the majors.

We hope the artists we are working with view look to Mon Sweet Petite Inc., as a partner not only because we are fighting to provide them with an equal platform, but also because they will be guaranteed a larger piece of their revenues gained through understanding the Music Industry.

Mon Sweet Petite Inc., retains half of the revenue generated by our artists in exchange for our marketing and promotional efforts as well as our ability to help build the act's audience and brand in the early stages of their career.

Mon Sweet Petite Inc., is taking on risk in investing our money in acts that may not be able to make that money back, therefore we keep 50% of revenue as a return on our investment.

Target Market

- Age: 18-70
- Gender: Everyone in that age group
- Location: Toronto, Ontario Canada
- Toronto is one of the main hubs of diversity in all aspects of society and openness to music that is not always mainstream and as CIMA has identified “ The Canadian music scene is largely driven by the independent music industry. The local, global and commercial success of a multitude of Canadian independent artists is solid proof that indie music is a viable business model (CIMA website, retrieved November 22nd, 2021).”

In addition as previously stated The Canadian Independent Music Industry generated approximately \$292 million in revenues in 2011, and contributed more than \$300 million in GDP to the Canadian economy. The sector had a GDP impact of \$8.2 million on the Canadian economy for every \$10 million of industry revenue

However to realize the full potential of our revenue streams these are the other markets that can support our roster of artists especially because of the larger policies of inclusion that indicate the growth of civil society, specifically in these American cities.

- Los Angeles, CA: \$70.3 million
- New York, NY: \$40.5 million
- Chicago, IL: \$15.5 million
- Atlanta, GA: \$13.1 million
- These four cities account for \$139.4 million (45%) of the total \$306 million revenue that companies with 1-4 employees are projected to generate in 2018
 - Income: Median income is about \$51,000 based off of information provided by the U.S. Census
 - Education level: Completion of a secondary education or higher
 - Primarily listens to R&B, pop and hip-hop music genres

o In 2017, these three genres made up 44.2% of total music consumption with an average growth of 24.5% from 2016.

Proposed Location:

Toronto, Ontario, Canada

Mon Sweet Petite Inc., believes it has a greater chance of seeing early success if we set up shop in Toronto.

For record labels with 1-4 employees such as Mon Sweet Petite Inc., projected sales are expected to be higher in Canada than in any country based on data throughout this business plan by CIMA. (See target market section for further details)

To ensure the success of Mon Sweet Petite Inc., overhead is kept low by using live/work space that is a fully functioning recording studio and home office.

In addition to the large sales potential we know that the cost of living has skyrocketed in Toronto, post pandemic so moving at this stage when there is a fully functioning

location is an unwise business decision. Mon Sweet Petite Inc., is centrally located in the heart of one of the many artists' enclaves in Toronto hence there is no need to move. Location, location, location.

Key Competitors

Heart Lake Records

“Radically reimagining the business of music” - CBC

Heart Lake Records is an Ontario based, queer women-owned and operated, independent record label. As a community focused organization our mission is to provide funding, project management, distribution and mentorship while developing 2SQTBIPOC women, non-binary, gender nonconforming artists and allies creating Hip Hop, RnB and Soul music. Our goal is to challenge and transform the outdated views that surround urban arts and

music culture in Canada, while amplifying the voices of talented, yet underrepresented and marginalized creatives.

<https://www.heartlakerecords.com/about>

In the article “ 7 Canadian Record Labels You should Know” by Brendan Lee specific to non-mainstream labels with LGBTQ plus content here are the current change makers in the Canadian Music Industry.

Coax Records

ESTABLISHED: 2015

GENRE: Folk, Heavy Wave, Electronic, Surf, Anarchist Klezmer

ARTIST ROSTER: Kimmortal, Wax Mannequin, Rae Spoon, Corwin Fox, Bird City, 敬兒

RESPECTFULCHILD, G.R. Gritt, Parlour Panther, The Naysayers, Eve Parker Finley and more.

Coax doesn't fall under one category or genre of music, instead choosing to work with under-represented artists of all genres; from heavy wave to funk to electronic to Yiddish gangster folk. The label was founded by Rae Spoon, a non-binary performer, composer, music producer, visual

content producer/director and author based on the territory of the Lekwungen speaking people in Victoria, BC. Spoon has dedicated their label to providing marginalized individuals with a welcoming space to tell their stories and speak their truths.

Trans Trenderz

ESTABLISHED: 2016

GENRE: Rap, Hip Hop, R&B, Pop, Soul, Afro Trap, Trap, Electro

ARTIST ROSTER: Blxck Cxsper, Lady Londyn, Jupiter Gray, Jæ, Heather Hills, Steph Durwin, Apollo Flowerchild

Founded in 2016 by rapper and producer, Blxck Cxsper, *Trans Trenderz* strives to provide the means necessary for Black and trans musicians to rise above the perpetual barriers built by a society that favours suppression. Among a million other things on the go, the label has a new Blxck Cxsper EP that serves as a Pride anthem and is also raising money for a discretionary emergency fund for trans people in Montreal.

ESTABLISHED: 2021

GENRE: Electronic, electronic pop

ARTIST ROSTER: Devours, The Golden Age of Wrestling

Back in March of 2021, Vancouver's own flamboyant phantom of electro-pop, Jeff Cancade (*Devours* and *The Golden Age of Wrestling*), launched a new label aimed at advocating for queer, under-represented, and under-appreciated voices in Vancouver's underground music scene. Check out STG's curated Spotify playlists, the label's first official album release from Devours, titled '*Escape from Planet Devours*,' and keep an eye on the Instagram for the next move in Cancade's master plan.

Neon Taste Records

ESTABLISHED: 2015

GENRE: Punk, Hardcore, Thrash

ARTIST ROSTER: Chain Whip, Imploders, Bootlicker, The Dirts, Headcheese, Nutrition

Cash doesn't typically rain from the sky for most punk, thrash, or hardcore bands unless they find themselves exceptionally lucky, and it's even more true for record labels in the genre. Josh Nickel

started the label to help get cassette and vinyl releases for his own band, and others, into the hands of diehards in the local DIY scene in Vancouver and beyond. It's a passion project for a genre of music that survives and thrives on individuals like Josh and the artist-oriented labels that live for the music.

In order to compete with established independent labels it is important that Mon Sweet Petite Inc., increases its production capabilities through a distribution deal with a major distributor. As Mon Sweet Petite Inc., continues to release music digitally, increase bottom-line and build a loyal fan base, our goal is to sign one of these distribution deals to help push more product.

Distribution Channels

As described earlier in the business plan, Mon Sweet Petite Inc., will implement a digital only strategy for at least the first year of operation. We do this in order to keep costs low and avoid the expenses of

manufacturing and distributing physical CDs. As bottom-lines increase and Mon Sweet Petite Inc., is able to better cover our expenses with our existing revenue segments, we will consider physical distribution of our sound recordings through a working relationship with distributor CD Baby or DistroKid depending on the costs.

We also need to consider distribution for the merchandise that Mon Sweet Petite Inc., plans on selling via the company website.

Sound Recordings

Sound recordings will be digitally distributed by DistroKid, an online distributor who helps artists and small labels upload their music into over 150+ digital retailers. For a fixed rate of \$19.99/year per artist, we are able to upload an unlimited amount of songs or albums to all of these services. With the help of DistroKid, Mon Sweet Petite Inc., will have the ability to upload our entire catalogs to the following digital applications:

- Spotify
- Apple Music
- Tidal
- Google Play
- Deezer
- YouTube music
- Apple iTunes
- Amazon.com
- Pandora
- iHeartRadio
- SiriusXM
- Rdio
- 150+ other outlets through DistroKid's partnership with MediaNet, including:
 - o Beatsmusic
 - o Songza
 - o MTV
 - o Yahoo Music

As Mon Sweet Petite Inc., grows and we are able to generate more revenue in the years to come, our goal is to develop a working relationship with distributor CD Baby. The reason Mon Sweet Petite Inc., would like to eventually switch our primary distributor is because CD Baby also offers the ability to

distribute physical product in over 15,000 record stores around the world.

A working relationship with Alliance Entertainment, the world's largest wholesale distributor of physical CDs, allows CD Baby to get their clients' products into a variety of brick and mortar establishments beyond the reach they may already possess. In addition to helping with physical distribution, CD Baby helps their clients who move more product with promotional and marketing services. As Mon Sweet Petite Inc., increases the volume of physical CDs that we are distributing via CD Baby, additional promotional help will be provided in order to further increase sales and reach.

Artist Merchandise

Artist merchandise can be purchased in one of two places: at a Mon Sweet Petite Inc., artist concert OR on the Mon Sweet Petite Inc., company website.

Any merchandise that is sold to fans at our shows will be delivered immediately to the purchaser. Merchandise will be sold at every event that Mon Sweet Petite Inc., actively participates in.

For artist merchandise that is purchased via the company website, Mon Sweet Petite Inc., will provide fulfillment services on their own, at least until overall company margins have increased.

All merchandise that needs to be shipped will be packaged and delivered by individuals who work for the company. This will be done in order to keep company costs low. Since we don't anticipate seeing a large volume of merchandise sold in our first year of operation, it makes more financial sense for the company to take up as much responsibility as possible with regards to shipping and order fulfillment.

In the future, Mon Sweet Petite Inc., would like to establish a working relationship with Manhead Merch.

Manhead Merch is a full-service merchandise company that caters specifically to the music and entertainment industries. They offer services ranging from product design, e-commerce, tour and retail services and customer service. As the volume of merchandise purchased by our audience grows, we will want to not only increase the distribution in order to meet increased demand, but we will also want to make sure we can efficiently track every order that is fulfilled. Manhead Merch provides the services needed to hold, ship and fulfill any necessary orders as well as handle any customer service that may be needed upon purchase.

How we market and advertise our products

Mon Sweet Petite Inc., will continue its focus on digital through to the marketing and advertising channels. We will concentrate most of our marketing efforts through online outlets such as blogs, online radio, social media, email marketing and our company website. The reason we have chosen to

continue this concentrated focus on digital is due to the potential pool of individuals we can reach at such an affordable cost.

According to studies done by Pew Research Center in 2018, 95% of Americans own a cellphone of some kind, with 77% owning a smartphone. Also, 94% of individuals ages 18-29 currently own a smartphone, according to the same study. This group of people falls under our “target customer” umbrella, and thus provides us with a large potential market to tap into.

Other ways we can improve our marketing efforts is through co-branding opportunities with organizations such as Girls Incorporated, National Organization for Women, She Runs It, and Women in Music. These organizations are setup to help create opportunities and equity for women in the United States and beyond . Mon Sweet Petite Inc., believes that these kinds of collaboration opportunities will help the company further demonstrate our brand image and strengthen awareness in consumers’ minds.

The image that Mon Sweet Petite Inc., wants to project is one that values equity of opportunity, representation and fair treatment for those who are underrepresented. Although our focus is under represented artists in music, the bigger image revolves around the idea of inclusion for EVERYONE in any industry, irrespective of your gender, gender identity race, age, ethnicity or sexual identity.

Effectiveness of digital marketing campaigns will be measured in the following metrics:

- Increase in social media following (Twitter, Instagram, Tik Tok, Youtube)
- Higher engagement rate per post (measured individually within each social media platform)
- Increase in reach (measured by comparing the audience we previously reached to the new audience we are reaching)

Social Media Marketing U.S. Market

In 2018, Pew Research Center determined that 88% of individuals ages 18-29 are using at least one social media site. To provide some context on this statistic, there are around 30 million people just age 18-24 in the United States. This means approximately 26,000,000 people, 18-24, have used or are using at least one social media platform. Social media platforms that Mon Sweet Petite Inc., will target include Twitter, Instagram, Pinterest.

In 2021 and according the MI College of Contemporary Music report's website The usage data of social media platforms, in 2021 TikTok now boasts up to 1 billion worldwide active users.

In 2021, TikTok proved that you don't need the backing of traditional media platforms to carve your place in the music industry.

<https://www.mi.edu/in-the-know/tiktok-boom-impacted-music-industry/> retrieved November 27th, 2021

Most users depend on other social media platforms like WhatsApp, Instagram, and Facebook to share their account handles. This move is perfect for getting new, unique viewers every time they post. An artist can now solely ride on TikTok to promote music and get exposure to other social media apps, due to its incredible reach and influence.

Older stats identified that 32% use Instagram and 24% use Twitter. Therefore, Mon Sweet Petite Inc., will focus its social media marketing efforts according to this information, with the most priority on TikTok and Instagram while using analytics to gauge whether or not this is a viable platform for artists.

Also, of ALL adults online using social media, women ages 18-29 are the majority users across all three of these platforms. TikTok has no age limits so with using all of these social media platforms Mon Sweet Petite Inc. will be able to reach our target customer in the most direct way via social media.

Canadian Market

In the Canadian market a Journal of musical things as of September of 2021 and sources from MRC Data which is a data and analytics provider to the music business and consumers MRC Data services all digital service providers (DSPs), labels, airplay, and music retailers. MRC Data includes Billboard charts, which first launched in 1940.

Watch out Spotify.

Back in June, YouTube's Global Head of Music, Lyor Cohen, suggested that YouTube Music was the "fastest growing subscription service out there".

Today, he's doubled down on that claim, via the announcement that YouTube has surpassed the milestone of 50 million YouTube Music and Premium subscribers, including trial lists. (YouTube Music is available as a standalone subscription platform, or bundled into a YouTube Premium subscription.)

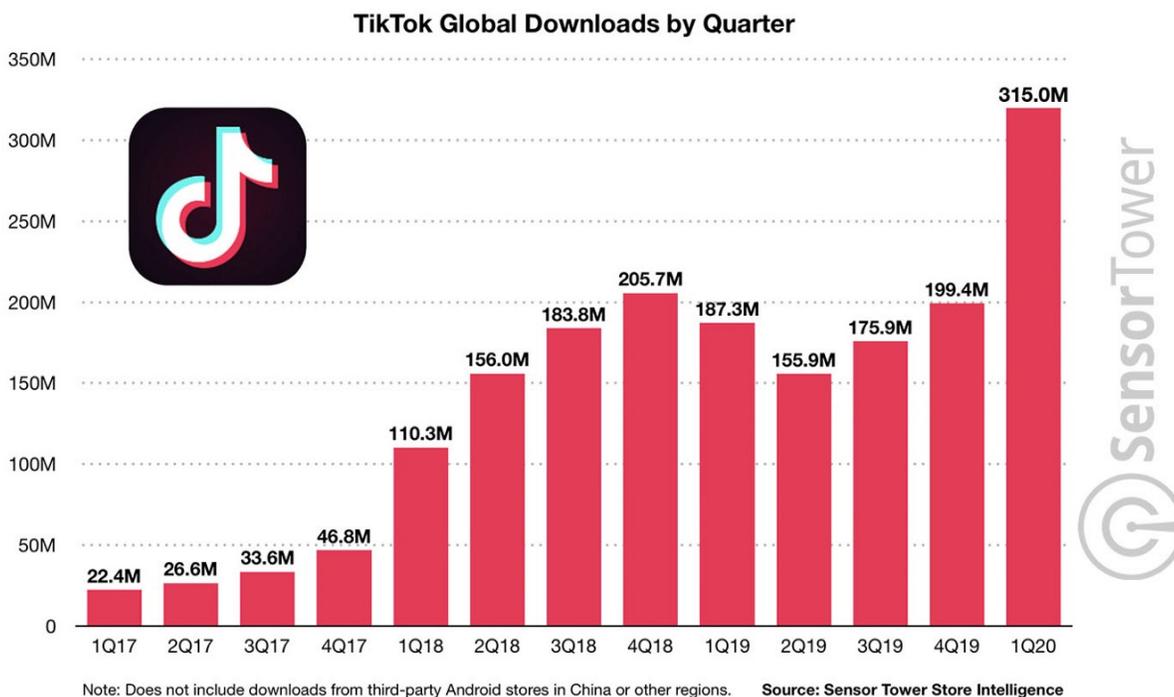
This means that YouTube Music has grown its subscriber base by around 20m in the past 11 months, or in other words, it's added around 1.8m subscribers per month since October 2020.

Rival Spotify revealed in July that its global Premium Subscriber base grew to 165 million in Q2 2021 (ended June 30), which was up 20% year-on-year, and up by 4%, or 7 million subscribers, on the 158m that SPOT counted at the end of the prior quarter (Q1 2021).

Apple Music, meanwhile, announced it had surpassed 60m subscribers in June 2019, but hasn't confirmed an updated subs number since then.

Cohen revealed the 50m milestone in his industry newsletter today (September 2), in which he notes that YouTube Music is “seeing impressive growth in countries like South Korea, India, Japan, Russia, and Brazil”. He also stated that YouTube is “investing in new features and exclusive benefits for our members”.

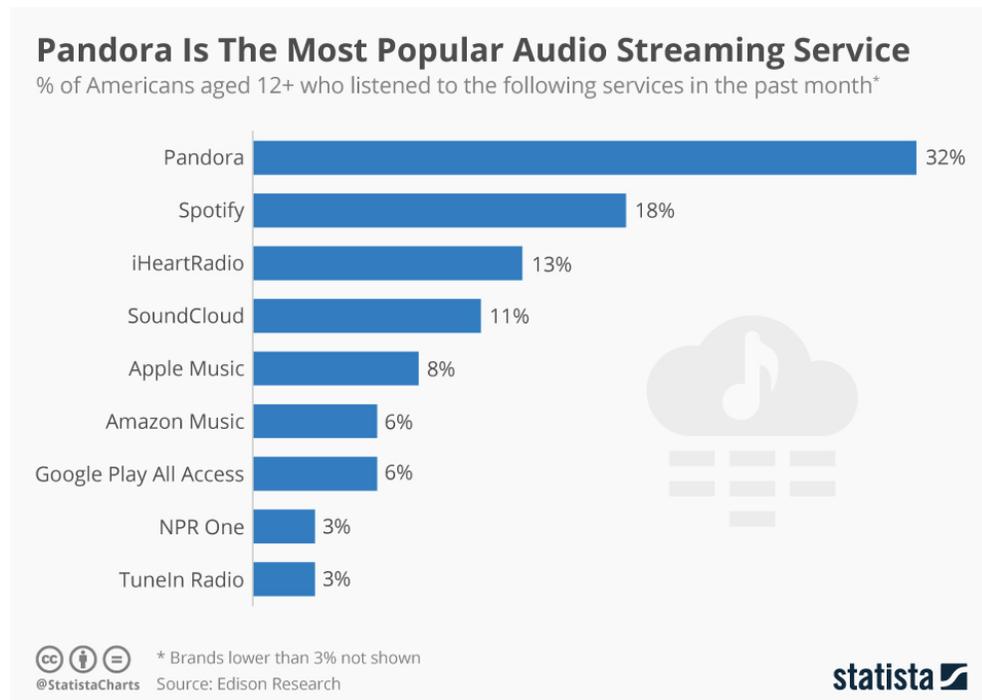
However Mon Sweet Petite Inc., recognizes the importance of a social media platform like Tik Tok especially because it is not curated and runs according to an algorithm that shows the consumers short form videos according to their online habits. (See Fig. 1.6)



It's famous for spawning viral songs and funny mime videos.

Typically people spend 52 mins a day on the app, and this daily usage number is 26 mins, 29 mins and 37 mins for Snapchat, Instagram, and Facebook, respectively.

<https://towardsdatascience.com/why-tiktok-made-its-user-so-obsessive-the-ai-algorithm-that-got-you-hooked-7895bb1ab423>
retrieved November 27th, 2021



Facebook and Instagram offer paid promotional services that allow individuals and companies to put money behind their posts in order to increase reach and engagement. With Facebook, users can put any amount of money behind a campaign, and the results will correlate directly with how much was spent. Thus, if a company spends \$50,000 on their marketing campaign, they will see a wider reach than the company who only spends \$5,000 on a campaign. As a new company, Mon Sweet Petite Inc., will have to experiment with different pricing options on Facebook in order to best understand how to utilize the platform. As time moves on, we will gain a better idea as to the amount of money we need to spend in order to reach our desired number of individuals. One of the company's main goals in its first year is to increase brand awareness, and using paid ads on Facebook is an incredibly easy and affordable way to reach an audience that would have been inaccessible beforehand.

We also recognize as Facebook transforms into the newly accountable MetaVerse because of insider whistleblowing specific to their incitement of world wide agitation by refusing to remove posts that incite violence. Mon Sweet Petite Inc., will have to consider whether or not the soon to be revamped FB is an ideal given the large amount of data breaches which can immobolize an online company. It is critical to be aware of the community standards of online communities and where our interests and safety is best served.

Email Marketing

In addition to reaching our prospective audience via social media, Mon Sweet Petite Inc., will also collect email addresses from fans and customers. Each time an individual purchases an item from the Mon Sweet Petite Inc., store, an email address will be collected. If an individual visits the Mon Sweet Petite Inc., website simply to browse content, he/she/they will be asked if they would like to sign-up for email updates.

As we collect emails from our customers, it gives us a chance to reach out to them directly when we have news about products being released, upcoming events and with updates on what the company has been working on recently.

Mon Sweet Petite Inc., believes that this direct line to our audience will help us stay in touch with our most loyal patrons as well as reach new customers in an informal yet informative way. The goal of our email marketing campaigns is to not only provide our audience with new information, but to also acquire new consumer information from them. Constant rapport with our customers allows us to gain insights into what they are interested in seeing or hearing from us, as well as aspects of our operations that they may have liked or disliked in the past.

Music Blogs

Our main digital outlet for promoting new music will be blogs. Blogs have become an important place for individuals to find new music as more people are streaming as well as utilizing a mobile device now more than ever. Rather than attempt to stretch the resources of Mon Sweet Petite Inc., there are established publicists with excellent track records that will be hired specifically Eric Alper who is a Canadian music correspondent, blogger, radio host and former director of media relations, at eOne Music Canada based in Toronto, Ontario. Since 2016 Alper has run a music public relations company That Eric Alper, and is the host of @ThatEricAlper show on SiriusXMtastemakers.

In collaboration with Eric, Mon Sweet Petite Inc., is gaining a thorough professional with longterm relationships in the Canadian and Global Music Industry that are growth oriented, and wise.

Promotional Budget

Mon Sweet Petite Inc's. promotional budget will be split between social media promotion and hiring Eric Alper.

Eric Alper's costs are \$500 CDN/month plus \$150 per song for DMDS with no minimum months. DMDS specializes in the distribution of music and music video to promotional outlets like radio stations, TV networks, Media/Press outlets, etc. These are the people and places that expose your music to the masses, which drives sales and royalties and builds your fan base. The music distribution companies like Tunecore, INgrooves etc., provide online music distribution for retail sale on various online music stores like iTunes and streaming services like Spotify and Radio.

<https://v5.dmds.com/DMDS.WebApp.Public/StaticContent/Footer/FAQStatic.aspx> retrieved Dec 7th, 2021

More money will be allocated towards social media promotion if we are unable to lock placements with the proper playlists.

The promotional budget will be updated and fixed according to the effectiveness we see in our first campaigns. Mon Sweet Petite Inc., will utilize the resources of Eric Alper given his stature and reputation in the Canadian music industry because the skills are inherent. Mon Sweet Petite Inc., will then branch out into PR once the initial healthy relationships have been established by a veteran in the industry with the appropriate contacts. Mon Sweet Petite Inc., recognizes and acknowledges that these industry relationships are built over a long period of time and based on successful collaborations that are able to monetized effectively for all parties involved.

V. Operational Plan

shorter period of time to build engagement around the “release” post.

- \$100 playlist placements influencers and other individuals online who may be of assistance in promoting and advertising our products. Some of the blogs that Fearless has already developed contact with include, but are not limited to:

- Complex
- Fader
- DJBooth
- Pigeons & Planes
- Pitchfork
- Hype Machine
- Earmilk

target market will be people that are under represented that lack a positive role models in the media from the ages 16-70 with any median household income because of the affordability of our product. Irrespective of average household size Mon Sweet Petite Inc. will have many forms of accessibility including some free streams.

More information about Mon Sweet Petite Inc's relevant target market will be covered in further detail in section

IV: Marketing Plan.

This will be accomplished by releasing music, organizing tours and securing press coverage for the acts signed to the label. In addition this label seeks to address the disparities between labels and artists by using an empowerment model that will enable artists/musicians to eventually become artist/entrepreneurs that are able to manage and sustain their entire careers.

This business plan will demonstrate how Mon Sweet Petite Inc. will create strong brand recognition within Toronto's profit will be generated through royalties, ticket sales, merchandise and other revenue streams.