Problem space

The music industry has a long history of artists suffering in toxic relationships with overbearing record labels. Johnny Cash, Michael Jackson, and Dr. Dre were all engaged in extended disputes with their record labels, just to name a few.

Why are artists mistreated?

Artists historically have not had the means (both in terms of finances and connections) to break into the industry, book gigs, get publicists and marketers, and book studio time. The labels in turn have the money, marketers, and connections in the industry, and stand to profit from the revenue the artist’s music generates. The artists, often coming from less privileged backgrounds, are enticed by the perks and the short term lump sum, and aren’t aware of all of the terms of their agreements, and how much of their profits they are signing away.

The solution

Allow artists to sell portions of their future earnings/royalties on their own terms through tokens.

Effect on artists

Artists are in control of their terms, but can still access funding. Artists can leverage their fan-base to fund-raise directly.

Effect on fans

Fans can feel like they have a stake in their favorite artists success, and be rewarded for supporting them from the start.

What would DeMu look like?

DeMu would be a web 3.0 platform (desktop site) on which artists could draft contracts to sell of portions of their future revenue as tokens. A marketplace of these tokens would be available to consumers, who could then invest in their favorite artists. The artists can use this capital to fulfill the role of a traditional label.
Step one: Generating contract terms

1. Artists get suggestions for assets they can include in their contracts i.e. Future royalties, streaming revenue, show revenue etc.
2. Artists choose how much of each of these assets they would like to tokenize (for example they could choose to tokenize half of future royalties and 10% of future streaming revenue) and how many tokens they would like to mint (for example they could choose to mint 20 tokens, in which case each token would represent 2.5% of royalties and .5% of streaming revenue).
3. The contracts would then be generated by DEMU to be signed by the artist

Step two: Minting Tokens

1. Once an artist has signed a contract, they will be prompted to create a wallet on the Solana blockchain.
2. They will then receive the amount of tokens they chose to mint in their wallet, which is linked to Demu

Step three: Tokens listed on DeMu marketplace

1. The artist can then choose to list any number of their minted tokens on the marketplace, for sale to fans and investors
2. An artist’s offerings will be listed both on their artist profile on DeMu (which can be linked through socials), and the DeMu main page will have featured / trending listings

Step four: Artists get funding, fans get a stake

1. As the tokens are bought, the artist receives the sale price. In exchange, fans now own a stake in the artist’s success. The artist can use this capital to pay for music/business expenses, and the fans can profit when the artist does well.
For Artists

1. Spend lots of time researching what you would like the structure of your contract to be like— you have the power to decide, so make use of it.

2. Set an initial token price that you think reflects the value of what you are offering, and is also enticing to fans to buy / invest in.

3. Plan your financials long term— decide how much you want to raise through your initial token sale but keep some minted tokens to sell later.

4. Advertise your tokens directly to fans on social media, conversion rates will be higher if the customers are fans who feel like they can have a stake in their favorite artist’s success.

For Fans

1. Keep an eye on musical trends to scoop up good deals. Identifying artists who will have successful careers will let you earn money just like on the stock market.

2. Pay close attention to what is being offered, some artists will offer a much larger share of profits than others.

3. You can either buy tokens directly from artists through their initial token sale, or buy these tokens from other fans on the market. The tokens for sale on the market are more likely to have a price that matches the “value” of the token, as the price is set by supply and demand rather than the artist.

4. In addition to “dividends” you will receive from the artists token, you can also sell the token to another fan or investor. You will likely receive more than you paid if the artist’s career has developed since the purchase.