

ZONEZ

*A New Business Model for Artists,
Musicians, Startup Founders & City
Economic Developers*

PROBLEMS:

- Live music industry is \$10 billion, art dealer industry \$9 billion and fashion apparel industry in US is \$200 billion, **YET LESS THAN 1%** of independent artists participate in majority of profits
- Many low to middle income startup founders do not have access to “Friends & Family” round that is typically needed to gain traction to quantify product/market fit that many angels/VCs look for
- Business Improvement Districts and Tourism Improvement Districts (BID/TID) are cost prohibitive for low to moderate income communities that need revitalization the most
- EDOs (Economic Development Organizations) face budget cuts and typically focus on attracting large corporates or FDI (Foreign Direct Investment) leaving little to no support for the small business owner. Many small cities don’t even have an EDO.
- Newly developed retail real estate investments and businesses in opportunity zones face challenges in stimulating foot traffic and tourism or worst yet, little to no investment in the most challenging OZs
- Indie artists do not have opportunity to present their works to public in prime, high foot traffic real estate locations without industry gatekeeper relationships (ex. Bloomingdales, SF Museum of Modern Art, Fillmore Music Hall)

SOLUTION:

- Scalable, decentralized artwalk “Music Improvement Districts”
- Hybrid online/offline marketplace SaaS app based on “Artwalk” model and fashion retail “pop-up” fashion trend where THOUSANDS of people attend local events despite having NO major marquee name performer or brand
- Multi-platform app solution which contains CRM/marketing/e-commerce app for artists/founders on back end with content discovery/delivery on front end for fans
- Startup founders will have access to test their MVP to thousands of potential customers in different markets

MARKET VALIDATION:

30,000

Monthly Visitors Oakland
First Friday Artwalk

"Property owners who have vacant buildings or land may be hesitant to support a new BID since they cannot pass the assessment along to a tenant, but instead, absorb the cost directly"

- NYC Dept of Small Business Services

25,000

Monthly Visitors
L.A. Artwalk

20,000

Monthly Visitors Las Vegas
First Friday Artwalk

"What if my neighborhood is economically depressed?"

Chronically high vacancy rates indicate that stakeholders within a district should focus on business development which will stimulate further private investment before forming a BID"

- NYC Dept of Small Business Services



1969 Woodstock 100k ppl showed up!





1967 - 200k ppl came to San Francisco with flowers in their hair





1971 Bronx Cornell Benjamin, a respected peacemaker was killed trying to mediate a fight between two gangs. This paved the way for a peace treaty with all the different gangs in all the boroughs leading to the birth of hip culture







MARKET SIZE (US only)

288,000

of Painters, Sculptors &
Craft Artists

19,230

of Fashion Designers

8,700

of Opportunity Zones

273,000

of Musicians & Composers

1,000,000+

of DJs

Source: Princeton Center for Arts and Cultural Policy Studies / U.S. Economic Development Administration
/ Economic Development Directory / Bureau of Labor Statistics

PRODUCT



BUSINESS MODEL

\$2.84 million

APPLE/ETSY AFFILIATE
COMMISSION 2-4%

\$113,600,000

Assuming 4% affiliate
commission

+

\$34,465,068

\$2,872,089 per month
Premium

+

\$6,962,640

\$580,220 per month Mid

Etsy 2016 annual sales which also correlates to about 1%
of total fashion retail \$200bn market

580,230

PREMIUM SUBSCRIPTION
CRM/BUSINESS SERVICES
(Freemium \$0/ Mid \$29 /
Premium \$99 Monthly)

Assuming 5% (29,011) of total market
subscribes at \$29 & 5% at \$99

Total # of artists, musicians,
fashion designers (NOT DJ)

BUSINESS MODEL CONT.

- Adtech could be a viable business model at scale
- Sponsorships – Local/National/Corporate
- Lastly, entire platform could be a loss leader by monetizing relationships with cities (ex. M&A/business brokerage/media)

COMPETITION

- LiveNation
- Major real estate stores like Bloomingdales, Forever 21, H & M
- Local clubs, bars, and general nightlife entertainment
- Pre-existing Art Walks and similar outdoor events
- Art galleries

COMPETITIVE ADVANTAGES

- First to market Blue Ocean Strategy which will create network effect
- We are focused on the ARTIST first and foremost
- We succeed ONLY if the artist succeeds and this is evident in our monetization model and company mission/B Corp formation.
- Being musicians and artists ourselves, credibility is important so our company DNA is to continuously support the independent artist which will translate to more artist adoption

TEAM



Cyrus Julian
Founder/Business
Development/Developer

SF native, hippie without
the hair
Certified M&A
Advisor/22 years
commercial/residential
real estate finance,
investment sales. Fan of
clean code/functional
programming
Guitar player & drummer
(wife is fashion designer)



Daniel Aguilar
Artist Relations/
Festival Logistics/
Co-Founder

UC Berkeley
Graduate in
Anthropology

Drummer, DJ & guitar
Has opened for major
acts such as Lynryd
Skynyrd, Joe Cocker,
English Beat
& Cyndi Lauper



Azsa West
Creative
Director/Branding/
Co-Founder

Wieden + Kennedy
in Portland, NY,
Berlin & Tokyo
California College
of the Arts
Graduate
Singer, painter,
fashion designer,
keyboard



Alvin Ceballos
Quality Assurance
/Marketplace/
Co-Founder

17 years Software
Design Engineer/QA
Extensive knowledge
of financial and
marketplace
platforms
Bachelor of Science,
CS Magna Cum
Laude



Ann Oyama
Lead Developer/
Co-Founder

MIT Graduate / 20
years Computer
Software and
Electrical Engineer
specializing in tech
consulting, web, and
custom software
development.
Singer/songwriter/
lyricist



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