

Relevant practice case for FairShares Labs: **Resonate**

The purpose of the relevant practice case is to give examples of enterprises that can demonstrate the features of FairShares, social/blue economy or Living Labs in the way that they work and the organisational structures they use.

The name of the Enterprise	Resonate Beyond Streaming Ltd - branded as Resonate https://resonate.is
Main activity and purpose	Resonate is a platform co-operative that provides a music streaming service. Their landing page articulates their mission in terms of 'remaking streaming' by championing artists and serving passionate music fans. The purpose written into Clause 5 of their constitution includes (a) "to provide members with a music exchange platform, which enables the promotion, distribution, sale and/or exchange of music and related products and services" and (g) "to support the Platform Cooperative eco-system by financing organisations established to provide support and assistance to those wishing to found Platform Cooperatives."
What are the values? (Are these expressed?)	The values of the founders are guided by a commitment to music artists and fans, based on a full understanding of the way existing music streaming sites underpay artists and deny them ownership of the supply chain that makes their music available. In their governance, Resonate operates as a member-owned multi-stakeholder co-operative with five member groups (Founders, Collaborators, Music Makers, Fans and Supporters). The founders express their commitment to platform co-operatives through Seedbloom - a sister business that provided the technology for buying Supporter shares in the platform (during their crowd campaign) when people joined as collaborators, music-makers or fans. The source code for their site will be made Open Source as soon as feasible.
Relevance (What is the social problem being solved - or why is the enterprise needed?)	Musicians are underpaid by music companies. With the switch from music sale royalties to streaming systems, musicians often receive only a fraction of 1% of the sale price of their music after music labels and music distributors take their cut. Within Resonate, musicians receive a higher proportion of income from streaming (see 'Stream to Own') as well as 45% of the distributable profits of the co-operative. Fans also receive a patronage refund of 35% of distributable profits (see 'Bonuses + Votes').
Feasibility (What is the business model - does it work?)	Resonate operationalise their values through a 'stream to own' system: fans pay an increasing amount with each stream of a music track until the 9th time they stream. After this, they own the track and can play it as much as they like. This system pays much more to musicians for initial streaming by fans. Fans can expect to pay less than half the cost per month compared to Apple Music/Spotify for about 2 hours streaming per day. The co-operative is young (less than 2 years old) but given full coverage in press and blog entries, there is considerable activity to build and promote their new approach.
Sustainability (What are the long term benefits being created - or changes in behaviour being achieved)	Resonate describe their business strategies on their website (See https://resonate.is/strategies/). The basic business model is 'pay for every play', with tiny amounts for the first stream 0.002, then doubling each time up to the ninth stream, after which the fan owns the track (and pay roughly the same price as a download). By contrast, it takes 150 streams on Spotify to equal the cost of a download. They promote the site by developing relationships with music blogs and seeking coverage in the press.
Who are the owners?	The company have five member groups: founders, collaborators (Labour - internal), music-makers (Labour - external), fans (Users) and Supporters (Investors). All member groups have voting rights in General Meeting.

<p>How are decisions made?</p>	<p>The rule book provides for General Meetings ‘off-line’ through video conferencing, and online collaborative decision-making technologies. All classes of member (except supporters) can propose resolutions, participate, speak (after 3 months) and vote (after 6 months) in General Meetings. Founders are exempt from the 3 and 6 month rules on speaking and voting. An executive team/CEO can negotiate contracts and enter into them with board approval.</p>
<p>Is it a FairShares company? Can it be described as FairShares or can it easily convert to a FairShares company?</p>	<p>Yes - Resonate adapted V2.1 FairShares Model Rules for Cooperatives and registered their cooperative under Industrial and Provident Society laws in Ireland. They display the FairShares Logo on the constitution filed with the regulator and provide a page where they describe how they implement their co-operative values through use of the FairShares Model.</p>
<p>Does the company claim to be practising any form of Social Innovation?</p>	<p>Yes - the ‘stream to own’ system is highly innovative and their mission is to reframe how music streaming services operate, and champion both artist and fan ownership of the music industry. Platform co-operatives are also regarded as an innovation because they switch from a local to global audience and present a new form of co-operation where the common bond is around the product rather than relationship to the co-operative (as a worker or consumer).</p>

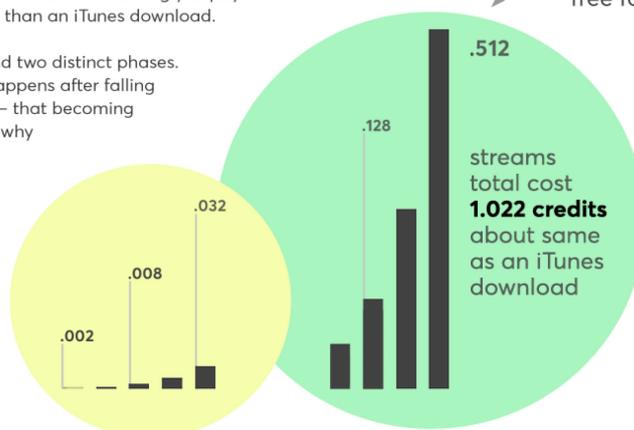
stream to own explained

Stream to own is new but fairly simple – we break up the cost of a download into 9 plays. In the beginning it's super cheap. As you fall in love with a song you pay a bit more to support the artist. In total, a little less than an iTunes download.

Looking closer at this “pay as you go” model we find two distinct phases. **Discovery** is about exploring new artists and **fan** happens after falling in love with their music. It represents a **basic truth** – that becoming a fan leads to wanting to support the artist. This is why we also refer to it as **stream to support**.

discovery phase →
listen **five times**
for around **7 cents**

2 hours a day for
around **\$2-\$4**
per month



bonuses + votes

Supporter shares. Investors receive a pro rata share of this, up to 8% of their total investment.

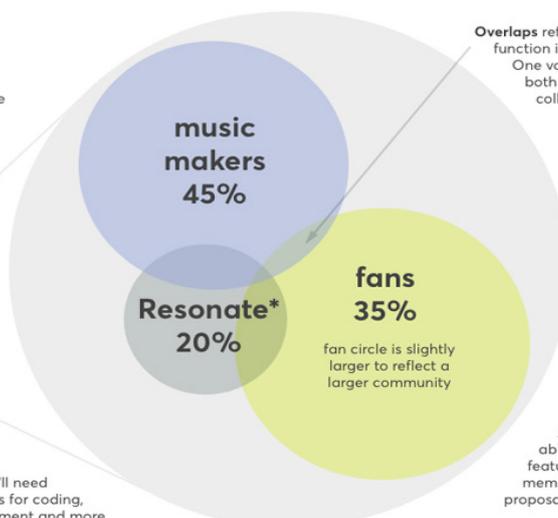
Reserve fund. Standard for multi-stakeholder co-ops, used for emergencies and buying back investor shares.

The 1% community reinvestment fund. Seeds the next generation of coop apps and startups. Administered on the blockchain by Seedbloom.

Outer circle represents Resonate as a complete **collective** and inner circles represent various **communities**. Some votes are community specific, others for the entire collective.



***Resonate** has a big block as we'll need a **large** community of volunteers for coding, marketing, community management and more. Volunteers are **first** to receive bonuses before paid staff.



All members are able to vote on key features, elect board members plus submit proposals and petitions.

<https://resonate.is>

