

**Business Concept Paper for
New Dimension Entertainment LLC
DBA Rave-Nation.com**

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Problem

Ravers are people that actively attend Electronic Dance Music (EDM) Concerts AKA “techno concerts” or “raves”. Ravers enjoy the electronic music played at these concerts and are influenced by the culture of electronic music genres. Ravers want unique and customized products that will make them stand out from others. They also want them for specific dates, usually the date of the next concert they are attending. These products are often rare so there are only a few suppliers. Many companies that do offer them do not offer a variety of different products, have poor customer service and a lack of customization. Also many of these companies are located outside the US, and they can take quite some time to ship out orders. Ravers often require their products by the date of their next concert. This is a big shortfall to ordering from overseas and from multiple companies.

Products

Rave-Nation.com offers rare and customizable products in one place. Ravers can find nearly everything they need for their next event at one website instead of multiple websites. Our customization allows customers to purchase just part of an outfit instead of the whole thing, make requests for specialized clothing, and provide custom options and additions to many products, such as adding spikes, extra lenses, and extra decals to goggles. Rave-Nation has two product types:

Apparel – Clubwear and items not generally seen in everyday society such as Cyber falls, and Fluffy boot covers.

Accessories – Products used at a rave, such as Glowsticks, LED Glowsticks, and LED Hula Hoops.

Customer

Ravers can be defined as anyone that enjoys Electronic Dance Music (EDM) and frequently goes to EDM Concerts. These individuals want to be seen as unique and they express this uniqueness at raves through clothing and accessories. The majority of ravers are between the ages of 18 and 25, many of which are college students. Three main types of ravers:

Kandi Ravers- Dress in lots of colors and wear a lot of fur. They also wear beaded jewelry, and enjoy fast paced music.

Gogo Girls- Typically paid dancers that work in groups with similar outfits of fluffies, clubwear, and hosiery.

Cyber Ravers – Wear black clothes with bright colors. Interested in LED gas masks, LED goggles, and UFO pants.

Market

Market Size: Actual market size is hard to determine. The largest EDM Concerts and festivals have attendances between 100k and 200k people. Below are estimates on the size of the largest Dance Parties in the US. Some of the below events happen multiple times in one year. The CEO of Insomniac Events, the promotion company in charge of the Electric Daisy Carnival stated: “We’re doing 16 festivals in 2012,” (Amter, 2011). Again it is hard to find list style statistics, but there are tens of DJs that have the ability to attract tens of thousands ravers with their name alone. These events are occurring every weekend and many weekdays of the year, across the entire US. The bigger events with attendances in the 100 thousands, happen frequently as well. Six of these largest events are listed below but this is not a complete list of 100 thousand + person events.

Electric Daisy Carnival – 140,000 (Wake, 2012)

Ultra Music Festival – 150,000 (Wake, 2012)

Movement Electronic Dance Festival – 100,000 (Wake, 2012)

Monster Massive - 100,000+ (Makarechi, 2011)

Together As One - 100,000+ (Makarechi, 2011)

Winter Music Conference - 100,000+ (Makarechi, 2011)

General Market Trend: Electronic Music has been around for quite some time, but has recently starting picking up momentum. This can be seen in the amount of ads using Electronic Music, the number of radio stations being started specifically for electronic music, and the general increase in electronic music being used within other genres of music, an example of this is the use of House, and Dubstep music in the hit songs "Till the World Ends" and “Hold it Against Me” by Britney Spears.

Competition

There are about 20-30 websites specializing in selling rave gear. Here are some examples of main competitors.

Raveready.com– This company offers a both apparel and accessories. This company has very poor customer service. I have had numerous customers tell me they could not contact raveready about their order. Raveready is ranked well in the search engines. In regards to apparel, raveready has a lack of customization options.

Amazinglights.com- Also offers both apparel and accessories. This company ranks well in the search engines. They also have started opening brick and mortar stores in select cities.

Orbitlightshow.com (OLS) – This company specializes in LED toys, and has created the “Orbite adapter” used to make orbits. They have one the best collections of microlights and microlight options available, but tend to focus only on these accessory type products.

Customers will buy from Rave-Nation for the customization of orders, high levels of customer service, and the wide selection of products. Our customer service includes a response to inquiries in fewer than 12 hours on any day of the week, and guaranteed delivery dates. Our selection of products allows customers to find everything they need from one place.

Marketing Strategy

Currently we find most of our customers by utilizing SEO, Google Adwords, and commission based referral programs. For SEO we are actively engaged in a campaign targeting 12 specific keywords. We are currently ranking on the first page of Google search results for 10 of these 12 keywords, and in the Top 3 results for 4 of the 12 keywords. We use Adwords to target high value/low cost per click keywords. Our referral program reaches out to ravers who would like to spread the word about Rave-Nation for a product based commission.

Some marketing strategies we hope to employ soon:

Target new Ravers:

The search term “how to rave” is searched for on Google 3.5 million times a month globally, and 1.5 million times a month within the US. These searches are not just “how to rave” but also include things like “how to rave dance” or “how to throw a rave party”. This gives Rave-Nation an opportunity to reach out to people interested in raves and new to the scene also meaning they are likely to not be customers of a competitor. To target new ravers I can create content pages on my site for information such as how to rave dance with information on different styles and techniques, with links to related products. To target new ravers searching for things like “how to dress at a rave” I can create content pages that contain information about different dress styles and products matching those styles.

Target Specific Rave Events:

Ravers tend to search online for specific upcoming raves. For instance, the rave “Electric Daisy Carnival” is searched for broadly 130 thousand times in the US monthly but will spike closer to the event. We can create content pages for information on these specific raves, again with links to products that are likely to be used at each event. I would also like to pay people to flyer cars at rave events. This is a strategy employed by rave promoters but not by my competition. Working with promoters that are already paying to flyer cars would be very helpful here. Finally I would like to advertise directly on sites that are selling tickets for raves and/or sell these tickets through Rave-Nation.com.

Sales Strategy

Rave-Nation.com has simple sales only. To gain more returning customers we can offer a percentage discount on any future purchases made within a certain amount of time. In order to improve our conversion rate Rave-Nation needs:

Photo and videos– Since customers cannot physically see, touch or wear the products we sell, it is important to accurately portray them. Any bit of doubt as to what a product really is could lead to loss of sales.

Other On-Page Information - such as free shipping offers, delivery guarantee offers, warranty information etc

Revenue Model

Rave-Nation has simple single sales, but most products have short product lives, because ravers want new and unique items. Gross Revenue per sale ranges drastically. Many items sell for under \$20 while some outfits can go up to the \$200 range. All operations have been bootstrapped from the beginning.

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