Fashion Institute of Technology

“Vinyl Exchange” Digital Marketing Plan

Marissa Lee
DM435 OL1
Professor Consorte
April 30, 2021

Vinyl records are one of the most popular methods by which people listen to music. In 2020, vinyl records outsold CDs for the first time since 1983, and are continuing on their 15-year upward trend. (Rosenblatt, 2021). However, due to the physical nature of vinyl records and the environmental concerns linked to their productions, people may begin to shy away from purchasing them. Vinyl Exchange is an online trading platform that allows people to temporarily trade vinyl records with other members of the platform, and return the records when they're done. This way, the process is circular and sustainable, and users don't have to commit to paying for and keeping an entire vinyl record.

We plan to attract male millennials as our target audience, as they fit the bill of who would realistically be interested in consuming vinyl records in a sustainable way. Internal strengths (sustainability, holding fee for accountability, moderated platform) and weaknesses (potential loss or damage) as well as external opportunities (community initiatives and celebrity endorsements) and threats (larger, more competitive platforms) have all been factored in to the Vinyl Exchange experience, and are the foundation of the five-pronged digital marketing scheme we have established for out startup based on the $50,000 budget.

The multifaceted digital marketing campaign involves five initiatives, three of which are designed for customer acquisition, and the other two of which are more specifically targeted to customer retention and engagement. Social media advertising, display ads and SEO & paid search, carried out with the use of Google advertising, will be used to attract new customers that are frequenting similar sites and have interests related to the vinyl listening experience. Once customers have signed up as members through Vinyl Exchange's website and have downloaded the app, they will receive regular emails and push notifications specifically tailored to their recent searches and activity through the app.

The digital marketing efforts are designed with specific metrics and goals in mind for each branch of the marketing plan, and specific metrics and ROI projections calculated for each branch. Sticking closely to the allocated $50,000 this digital marketing plan is made to ensure that Vinyl Exchange yields a positive ROI on the digital marketing efforts and can emerge as one of the leading sustainable vinyl platforms.

Despite the heightened popularity of streaming services such as Spotify and Apple Music as a primary means of consuming music, the vinyl record industry has made a miraculous comeback in recent years. Having been on a 15-year uptick since 2005, vinyl had its biggest year since the 1990s in 2020, selling 27.5 million units in the United States alone, up 46% since the year prior in 2019 (Richter, 2021). This aptly named “vinyl revival” has given rise to a new appreciation for vinyl records across all age groups, with consumers aged 24-35 years old just as likely to purchase a record than those aged 55+ (Department, P., 2021).

However, with the increased consumption of physical media, such as vinyl records, comes concerns about their longevity and the sustainability of the actual discs. Due to the harmfulness of the Polyvinyl chloride from which the discs are made, as well as the responsibility of owning and caring for the record years after its purchase, people may be hesitant to purchase every new record they desire. The common idea to remedy this issue is reselling one’s records and buying other records secondhand. In fact, entire platforms and communities have been established around this model, the most prolific being Discogs, the largest online database of vinyl records on the internet, and Vinyl Exchange’s main competitor. Many users take to Discogs to buy used vinyl records, and having sold 5,814,855 records online in 2020, it is the largest online source for used vinyl (Discogs, 2020).

However, not everyone wants the commitment of holding on to the vinyl record forever, having it collect dust among their already-expansive record collection, or taking up space in a small home or apartment. Enter Vinyl Exchange, an online forum where people can temporarily trade or exchange their vinyl records, without the commitment of keeping the vinyl forever. Going back to the good old days of borrowing a friend’s record and taking it home for the weekend, this platform allows people to take temporary ownership of someone else’s records, and send it back when they’re finished listening to it.

Users can openly communicate with each other via the platform, post their record collections and contact those whose records they’d like to borrow. After initial contact, users can arrange how long they will trade their records for, and give proof of their actual ownership of the vinyls. To eliminate fraudulent activity and hold users accountable for their trade, they will put down a holding fee for each trade that is aggregated to the value of the records they are trading, which will be returned in full once the records are returned in original condition to their rightful owner. Should damage, loss or theft occur, the fee will be forfeited. In addition to this, if the traders do not come to an agreement on records they realistically want to trade, a user may pay the other a fee to borrow their records instead of trading records of their own. In order to profit off of the exchange, Vinyl Exchange also takes $1 from every trade.

The target audience for the Vinyl Exchange are male millennials aged 24-35, who are cited as the group with the highest propensity for buying vinyl records, at 21% (Department, P., 2021). This target group lives in cities such as New York, Seattle and San Francisco, and are college-educated individuals who work in industries such as tech, music and marketing and have a sizable disposable income. Despite their relatively high income, they live in smaller apartments due to the high rent in the cities in which they live. They are environmentally conscious, enjoy indie movies and music and have friends and significant others that hold the same values.

Strengths: This website is the first of its kind in terms of an established trading post for records, as opposed to doing it through an unmediated source such as Reddit or social media, where certain record fanatics currently congregate. This platform offers a sustainable and circular way to consume vinyl and is the attractive option for environmentally-conscious vinyl fanatics, as well as those with limited space to house their collection. The holding fee is aggregated to the value of the records being traded and ensures that traders are careful to return the records on time in the original condition.

Weaknesses: The trading experience is at the mercy of the users, which could occasionally result in damage or theft. In addition to this, shipping poses an extra cost on the experience, and delays with international shipping may be an issue.

Opportunities: Opportunities for community outreach and initiatives are possible, such as local record stores listing some of their records for trade (or temporary rent) through the Vinyl Exchange platform. Other opportunities exist as well, such as celebrity guest appearances on the platform, contributing their own content to the platform, even offering limited edition versions of their vinyls for trade or purchase, only available with a membership to the website.

Threats: Users may be hesitant to offer up their vinyl collections to be shipped to people they do not know or necessarily trust. Other, more established record platforms, such as Discogs, also hold the advantage with a larger market share. It is possible that, once this idea catches on, Discogs may establish their own form of copycat record-trading feature.

The Vinyl Exchange will employ a multi-faceted digital marketing approach to ensure that the $50,000 marketing budget is best spent. The marketing approach will consist of email marketing, social media and display ads, SEO and paid search as well as mobile marketing. The objective of the marketing campaign at large is to attract and retain new customers to our startup platform, with different facets of the marketing campaign involved as customers travel along the customer journey.

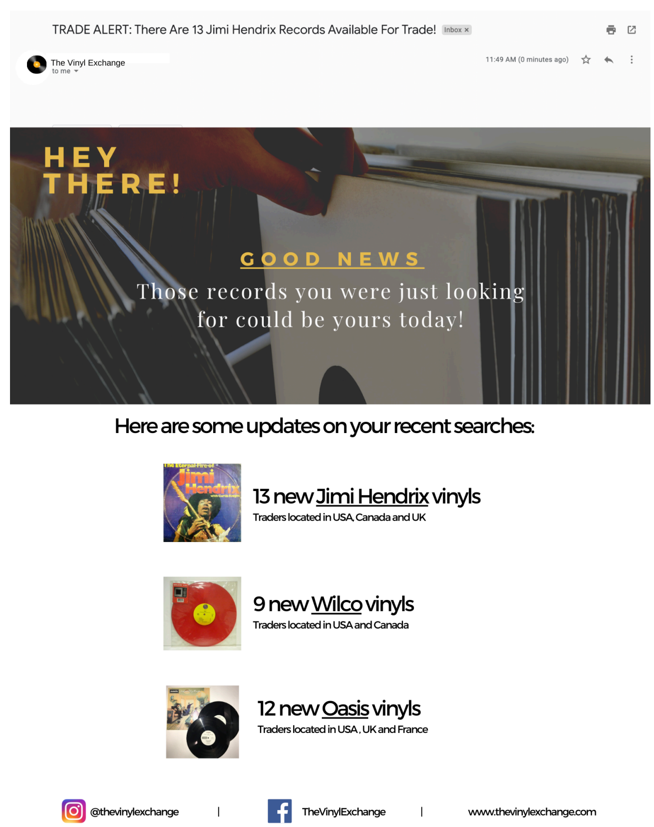
Social Media: The social media marketing aspect of the digital marketing campaign will involve a combination of paid advertising and posting through our own social media in order to attract new customers to the website. Vinyl Exchange is prepared to pay $2,350 a month on social media advertising ($7,650 for the whole of Q3, including extra boosted post ad spend), creating 60 social media posts per month across four networks, eight boosted/paid posts and twelve custom image posts a month. While the posts that appear on the Vinyl Exchange's own feed will highlight their selection, collaborations and other fun and miscellaneous content in order to increase customer loyalty and retention, the boosted posts will specifically outline and explain the trading process and the sustainability factor in order to attract new customers. We hope to attain an 8% audience growth rate per month across our channels, with 6% engagement and 33% on global reach on Instagram specifically.

Display Ads: The paid social media ads will act as a branch of our display ad campaign, which will also serve to attract new customers. However, beyond social media, the display ads, in the form of banner and retargeting ads, will appear on relevant websites in order to attract customers that are

visiting similar platforms. The ads will specifically use topic targeting, keyword targeting and demographic targeting in order to be seen by customers in our target market. These display ads will be created in conjunction with the SEO and paid search facet of the digital marketing plan through the use of Google AdWords. For this reason, the cost of these facets is combined. An example of a Vinyl Exchange banner ad is attached above.

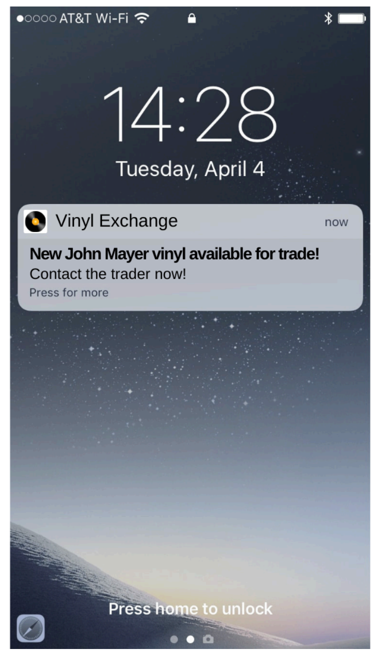
SEO/Paid Search: As mentioned above, the SEO and paid search efforts will be carried out in conjunction with the display ads through the use of Google advertising. According to WordStream.com, the average business spends around $9,500 a month on their Google advertising efforts. Vinyl Exchange plans to spend $28,500 during Q3 on SEO/paid search and Google display ads. The key search words for the campaign will be directly related to Vinyl Exchange's content, with terms such as "vinyl trade," "sustainable vinyl" and "vintage vinyl" being the key words.

Email Marketing: The email marketing facet is geared towards retaining customers who have already signed up through the website and give them a call to action to return to the site. According to numerous digital marketing firms, email marketing yields an extremely high ROI, making about $43 dollars for every dollar spent, and is still the primary channel used to ensure not only customer acquisition, but customer retention (Mohsin, 2021). Over the three-month timeframe of Q3 in 2021, the Vinyl Exchange plans to spend $600 a month on email marketing through a service such as WebFX, which utilizes profit-maximizing A/B tests. In addition to the $900 initial investment involved through their service, the email marketing strategy comes to $2,700 for Q3. The email marketing strategy involves customers



submitting their email address when they register for a membership through the Vinyl Exchange website. They will then begin to receive weekly emails specifically personalized to their interests and the types of vinyls they have searched for through the website, which they can directly click into to view the selection. We hope to achieve a 25% click-to-open rate for our emails, and a benchmark click-through rate of about 3%. We will also integrate our social media into the emails so that readers have a call to action to view our social pages. An example email is attached above.

Mobile Marketing: Lastly, the mobile marketing facet will involve the creation of an app and mobile application push notifications. The remaining $11,150 of the $50,000 budget will be spent on the creation of the app and mobile marketing efforts, which on average costs about $10,000 (Dogtiev, 2021). The app will allow users to access the Vinyl Exchange trading interface, while also providing them with push notifications, similar to the promotional emails that let them know about the vinyls they have recently searched for. These push notifications are specifically designed to keep users who are already members coming back to the app and trading. We want to achieve an 8% open rate on push notifications, and a 20% increase in actual app activity through push notifications regarding relevant vinyl searches. A mobile push notification will look like the following.



The following is the rough cost breakdown for the digital marketing campaign.

E-Mail Marketing	$600/mo + $900 Initial Investment: $2,700
Social Media	$2,350/mo + $600 boosted post ad spend: $7,650
Display Ads	$28,500
SEO + Paid Search	
Mobile Marketing	$11,150
SUBTOTAL	$50,000

The individual facets of the digital marketing campaign all have their own projections in terms of response and ROI. The individual projection breakdowns are as follows.

Effort	**Cost**	**Projected Metrics/Goals**	**Projected ROI**
Social Media	$7,650 ($2,550/month)	- 8% audience growth per month (~25% across all of Q3) to attain an audience of 100,000 followers across four platforms - 6% engagement per post and 33% global reach on Instagram specifically - 10% conversions from social media monthly	(30,000 conversions - $7,650)/$7,650 = **292% ROI**
Display Ads SEO/Paid Search	$28,500 ($9,500/month)	- 1000 website visits a month, 3% ad CTR - 15% conversion rate, $20,000 a month in from ads, $60,000 over Q3	- $2.10 profit for every dollar spent ($60,000/$28,500 = $2.10) - ($60,000 - $28,500)/$28,500 = **110% ROI**
Email Marketing	$2,700 ($900/month)	- 25% open rate, 3% CTR - 15% conversion rate throughout an email list of 50,000 subscribers	(7,500 conversions - $2,700)/$2,700 = **177% ROI**
Mobile Marketing	$11,150 ($3,716.67/month)	- 8% open rate on push notifications - 20% increase on app activity and downloads - Goal of 60,000 downloads	(60,000 downloads - $11,150)/$11,150 = **438% ROI**

We are predicting positive ROI and a large number of conversions thanks to our multifaceted digital marketing plan. We hope to attract our intended audience through our social media ads, display ads and SEO initiatives, while keeping them invested and coming back to our platform with the help of our email marketing and mobile push notifications.

Sources:

D. (2020, August 28). *Discogs Mid-Year Report 2020* (Rep.). Retrieved April 18, 2021, from Discogs website.

Department, P., & 26, J. (2021, January 26). Vinyl buyers in the U.S. by AGE 2019. Retrieved April 18, 2021, from https://www.statista.com/statistics/1008779/vinyl-record-buyers-us-by-age/#:~:text=Consumers%20in%20the%20age%20bracket,than%20in%20the%20previous%20year.

Dogtiev, A. (2021, April 09). App marketing costs. Retrieved April 18, 2021, from https://www.businessofapps.com/marketplace/app-marketing/research/app-marketing-cost/

How much does email marketing cost in 2021? (n.d.). Retrieved April 18, 2021, from https://www.webfx.com/email-marketing-pricing.html

How much does social media marketing cost in 2021? (n.d.). Retrieved April 18, 2021, from https://www.webfx.com/Social-Media-Pricing.html

Mohsin, M. (2021, March 05). 10 email MARKETING statistics you need to know in 2021. Retrieved April 18, 2021, from https://www.oberlo.ca/blog/email-marketing-statistics

Richter, F. (2021, January 15). Infographic: The vinyl comeback continues. Retrieved April 18, 2021, from https://www.statista.com/chart/7699/lp-sales-in-the-united-states/#:~:text=In%202020%2C%2027.5%20million%20LPs,when%20the%20vinyl%20comeback%20began.

Rosenblatt, B. (2021, March 12). Vinyl is bigger than we thought. much bigger. Retrieved April 18, 2021, from https://www.forbes.com/sites/billrosenblatt/2018/09/18/vinyl-is-bigger-than-we-thought-much-bigger/?sh=1825e6931c9c