

The Kontakt Virtual Instrument Market

- *A review of the current state of play* -

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Like any other commercial sphere the Kontakt instrument market is a moving target. Once it was possible for a Sample Library owner to simply sample instruments, and load them into Kontakt, possibly adding some FX for convenience and they would have a saleable product. This situation with this level of product sophistication changed slowly, right up to the point where it changed quickly.

From the inception of Kontakt based libraries, in the mid-late 90's, gradual changes to product complexity was the norm, each new generation of products added more multi-samples per note/region/articulation, beginning with 4 velocity samples we quickly moved to 8, which then became 16 and this escalation continued all the way to 128 samples per note, so a unique sample for each MIDI velocity value. This pattern was repeated with both bit depth and sample frequency (16-bit 44.KHz - >32bit 96Khz), eventually we passed the point of utility for end users: most users in a blind test can't spot the difference between 24 and 32 bit audio, I know I can't.

Given the sampling and audio fidelity wars were effectively over, something else had to happen to make products stand out from the crowd. So by 2013, "something new had to be done", previously simply sampling, and sometimes sampling a massive amount of sound, was all you needed to do, now that wouldn't fly anymore.

A number of things happened:

As I've pointed out we reached the ceiling in the sampling and fidelity wars, more sampling and better fidelity were not adding anything useful to libraries, in fact the inverse was happening, these additional fidelities were adding bloat to the size of libraries, not good in the all new download-only distribution world.

The market for virtual sampled instruments hit saturation, no one needed another multi-gigabyte grand piano library, there were 20 or more of them already. - you could replace "piano library" with just about any "standard" instrument - drum, violins, bass, guitar in fact any major recognised orchestral or popular instrument as well as some not so obvious ones too; multi-sampled gigabyte sized Glockenspiel library anyone?. The market had the basics (and more) covered.

KSP(the kontakt scripting language) reached a level of sophistication, and the coders who worked with it a level of experience that useful unique instruments could be created.

A bunch of smaller developers arrived, and they were willing to differentiate themselves with KSP. So they did. Using KSP provided the added advantage that you were no longer forced to undertake the long-march of gigabyte sampling that previous products had required, you could, but you didn't have to.

So these last two points meant there were a lot (and I mean A LOT) more products out there in the Kontakt space. A quick tour through <http://www.sampleism.com/> will show you what I mean. Certainly some are rubbish, 90% of everything is rubbish, but the rest are good products with great functionality and cool new ideas. Library owners were no longer competing with 3 or 4 of their peers, but with hundreds of potential competitors.

Inevitably the unit price of products has come down, from what seemed like around \$130.00 to nearer \$50.00. Even then the number of sales of each product has fallen considerably, once we all sold in the thousands, now we sell in the hundreds, if we are lucky. Plus these instruments now must have a compelling and interesting graphical interface, be highly usable and powerful and include some useful functionality over and above the quality and playback of the samples that have been recorded for it. Over 2013-14 this new level of sophistication became the base-line for Kontakt libraries: For example if it's a guitar instrument it will need some strum and chord playing mechanism, hammer-ons, pull-off management system etc. if a violin it will need an expressive and musical approach to glides, bowing, plucking, legato etc. a drum ROMpler will need a mixer, sequencer, midi player etc. etc., Loop players need to be capable of replaying multiple loops at the same time, follow DAW tempo and have some sort of mixing interface. Today without this valuable and hopefully unique functionality any product stands very little chance in the crowded and competitive market.

So here we are in 2015, or whenever you are reading this, and these are the sorts of instruments the kontakt library space is filled with. What does this mean?

In the development process for a 2015+ Kontakt product the instrument/source sampling and audio editing is now amongst the least complex and difficult activities to be undertaken. Just like VSTs and AUs before it the coding is now where the heavy-lifting is being done.

Meanwhile revenues from these instruments are falling - fast.

So we are now on the cusp of the situation where there is almost no viable model for the KSP developer to be paid enough to make a living and the library vendor to make enough sales to recoup their costs. Apart from a very few high profile products the days of the bespoke Kontakt instrument are over. Sorry if you missed the boat, I know I mostly did.

What then is a prospective Sample Library vendor supposed to do if they wish to expand into the Kontakt marketplace? There are a number of options:

1. Learn KSP yourself - KSP is not a complex or overly difficult programming environment, there is a large and very helpful community, it should be possible to release a usable product that uses KSP within 6 months of starting to learn it, it might however be 2 years before you have the chops to build a product of sufficient sophistication to make an impression on the market
2. Hire a developer - There are around half-a-dozen gun-for-hire regular developers at the moment, these guys have been doing this for years and are well aware of the current situation in the market, they are not cheap. They are also well aware of market conditions, so are reluctant to take a percentage share in the current market and will often ask for an up-front fee. You may find a cheap(new) developer but they won't stay cheap for long. Besides, everyone needs to make a living, and underpaying one of your most vital resources is a recipe for failure in the long run.
3. License your content(samples) into a 3rd-party product. You lose some control, but you also lose a lot of the headaches. You make a lot less money as you will only see a small percentage on sales, and you are taking a percentage so it's a risk if the product doesn't sell well. But you may be able to license to multiple 3rd-parties and hope to recoup through volume sales, licensing this way however reduces your percentage cut across in each instance.
4. License a Kontakt Engine. The newest response to the current market situation is for some developers to offer preconfigured functionality in a number of specific areas, ROMplers, Drum ROMplers, Drum Machines, Loop Players etc. These have varying capability, and can be visually modified to match your UI requirements but don't offer you the chance to design your own instrument from the ground up, see point 2 above if you want to do that. You don't control the available functionality but you do control the product and its sales.

If you are a Sample Library vendor then these are the approaches you can take.

Option 1 will require a considerable amount of time and effort, time and effort that you are not dedicating to Sample Library creation.

Option 2 is clearly untenable in anything but the short-term for everyone except the deep pocketed, the vanity publishing and lucky organisations.

Option 3 is unpalatable to a lot of Sample Library owners, who believe their samples have unique qualities that would be depreciated by mixing them amongst other audio content, if that's not you then this may be a way to go.

Option 4 seems to be a viable response to the current market. It's a compromise but there are upsides, like access to free product updates and support, that provably add additional sales to products. The Sample Library vendor still controls marketing, sales and audio content, but don't have to deal with the huge KSP development costs and complexity. Of course there are downsides, your product doesn't have unique functionality, just unique audio.

Overall we think option 4 is just about the ONLY practical way to proceed from 2015 onwards. But we would say that wouldn't we, it's what we do at www.channelrobot.com