



ENTERTAINMENT
Artist/Career Development & Branding

Partnerships/relationships desired for a successful Sponsored Music venture:

1. Music Licenses (Echo, Streamwaves)
2. Music Download Distribution & Subscription Technology (Echo, Streamwaves)
3. Providing Content-Advertising-Profile ddb relationship and delivery capability (Echo?, Streamwaves?, ExperClick)
4. Sponsors (direct contact, obtained through YaYa*, ad agencies, talent agencies (e.g. CAA), etc.)
5. Offline retail component (music retailer(s), national franchisers)
6. Community/relationship builders (Friendster, Match.com, race-specific sites, hobby-specific sites, etc.)
7. Provide real-time online auction capabilities for sponsorships (ExperClick, Streamwaves?, Echo?)

**Note: YaYa's intro to sponsors would be of interest to YaYa because they would have the opportunity to build the interactive "cool" sites for the sponsors – sites that would be a must if sponsors want consumer click-thrus that matter.*

Services to provide:

1. Consumers: Sponsored (free) music, especially to those who won't purchase (college students and those who don't quite understand or agree with current copyright law) or don't have access to a credit card (college students, under 18, families that make cash-only purchases for various reasons).
2. Sponsors: Targeted advertising/marketing dollars; chance to create a rapport with consumers; research; validated data on reach; real-time access to target group; cachet of being associated with music and artists that consumers like, where they consume it; opportunity to direct/drive consumers to their online or offline properties; access to 90% of online music consumers, giving them what they want, where they want it; opportunity to sponsor specific artists or concerts and promote corporate tie-ins.
3. Labels: Opportunity to create an income stream where non exists (from consumers who are illegally downloading music); opportunity to spend less money prosecuting illegal downloaders and eliminating the need for illegal file servers; access to research data; promotional opportunities; opportunity to get paid for what used to be free (e.g. promotional downloads); opportunity to promote unknown/new artists by sponsoring popular artists.



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4. Artists, Managers, Merchandisers, Ticketmaster: Opportunity to promote ticket sales, merchandise, media appearances by sponsoring artist or “like” artists.

Benefits for Streamwaves:

1. Create income streams (sponsorships, research, etc.) in addition to subscription and/or download revenue.
2. Opportunity to increase profit margin with sponsor auctions of “hot” properties.
3. Overcomes corporate reluctance to use P2P.
4. Opportunities to partner with online/offline retailers and community builders.
5. Eliminate credit card transaction charges, increasing profit margin.
6. Allows non-credit-card-holders to participate in music consumption community

Benefits for Echo:

1. Create income streams (sponsorships, research, etc.) for themselves and/or clients in addition to distribution and licensing fees.
2. Opportunity to increase profit margin with sponsor auctions of “hot” properties.
3. Provide majority investors (music retailers) with sponsorship opportunities.
4. Eliminate credit card transaction charges, increasing profit margin.
5. Allows non-credit-card-holders to participate in music consumption community.

Where is the growth?

1. Increase of online downloaders, meaning more content to attach advertising. (By the way: Contrary to industry hopes, illegal file sharing increased in Q4 of 2003).
2. Auction capability for advertisers.
3. Strategic ad/promotion programs that include either (or both) online and offline retailers.
4. Provide service to other entertainment, lifestyle, consumer product, and entertainment download sites.
5. Provide other retailers opportunities.
6. Video on demand services.

Online Music Models:

1. Pay Per Download
2. Subscription