

Sample

Top fans target analysis

Cross Artists Analysis



Executive summary

- The analysis indicates that a concentration effect is observed for the selected proxy artist and could be effective for albums and artists promotion for XXX.
 - For key demographic dimensions (age, HH size, HH Income, Gender, State, etc.) looked at for the across all albums analysis, a concentration effect exists where as low as 10% of the US population explains up to 77% of the sales
 - The typical over reacting-top music purchaser for the proxy artists is:
 - 40-59 Years old
 - White collar
 - \$100K-199K HH income
 - Living in specific states-DMAs
 - *Some college education & Post college grad - Single/Partnerships*
 - For those demographic dimensions, to concentrate on the top targets could mean:
 - **Up to 10 times more promotions for the same investment**
 - **Up to 99% more sales for the same initial investment**
 - **Up to 165% more profit for the same investment**
 - The top target represents **1.6 Million target in the specific markets**
 - When using those information and combining those with stores sales data, media habits data and life style data on the top music purchasers for the proxy artist, we are able to select the top marketing-sales opportunities to focus on to have the optimum impact:
 - **Need to focus on MP3 players as a key exposure channel and marginally Radio and Music TV Channels for optimum music exposure**
 - **Top target is not exposed to traditional music exposure not do they use P2P networks for music exposure**
 - **Top target tend to over purchase online-> need to expand online channels for sales with focus on Amazon, Columbia House & MP3**
 - **Top music retailers to focus on for the top target in order to have the maximum potential sales impact: Tier 1: Best Buy & Borders/ Tier 2: Tower Records & Newbury Comics/ Key focus on non main stream retailers**

Sample

Overall Proxy Artists Sales Analysis

Comparison with US population data^() and US music sales data^(**)*

(*) 2000 census bureau data

() All albums sales - Soundscan data**

4/3/2006

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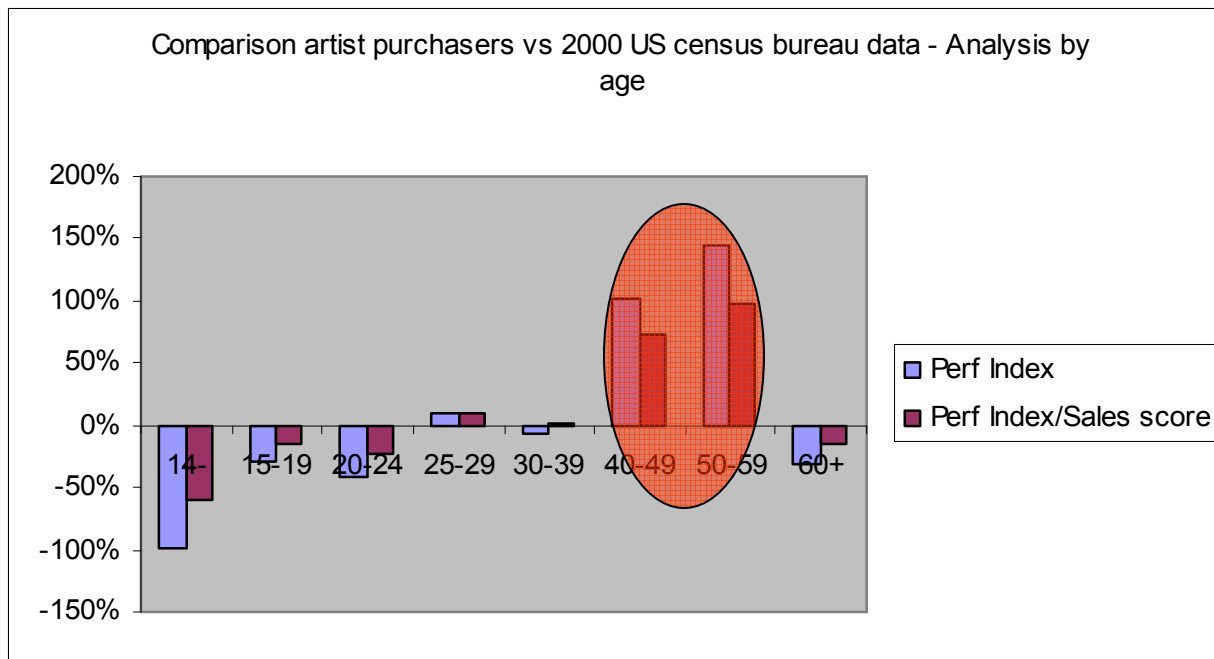
3

Sample

Artists purchasers - Age analysis

The analysis by age indicates a clear bias for the 50-59 with a close second tier on 40-49 age groups

By focusing on 26% of the US population, 58% of the sales are achieved



Business implications for you:

- Assuming average cost/CD @ \$3 (inc. Mktg)
- Assuming average price/CD @ \$13.29 (NPD)
- Assuming average revenue/CD @ \$7.5
- Assuming 20000 CDs for full scope
- Total cost: \$ 60K
- Total sales: \$265K
- Total revenue: \$ 150K
- Total profit: \$90K
- ROI: 50%

Investment on 26% population:
\$15.6K investment

Number of additional album promotions with savings:
3.9 times more promotions

Total sales with total promotions:
\$ 530K or +99% (*)

Total Profit:
\$ 238K or + 165%

For the same initial investment!

NPD data & 2000 census bureau data

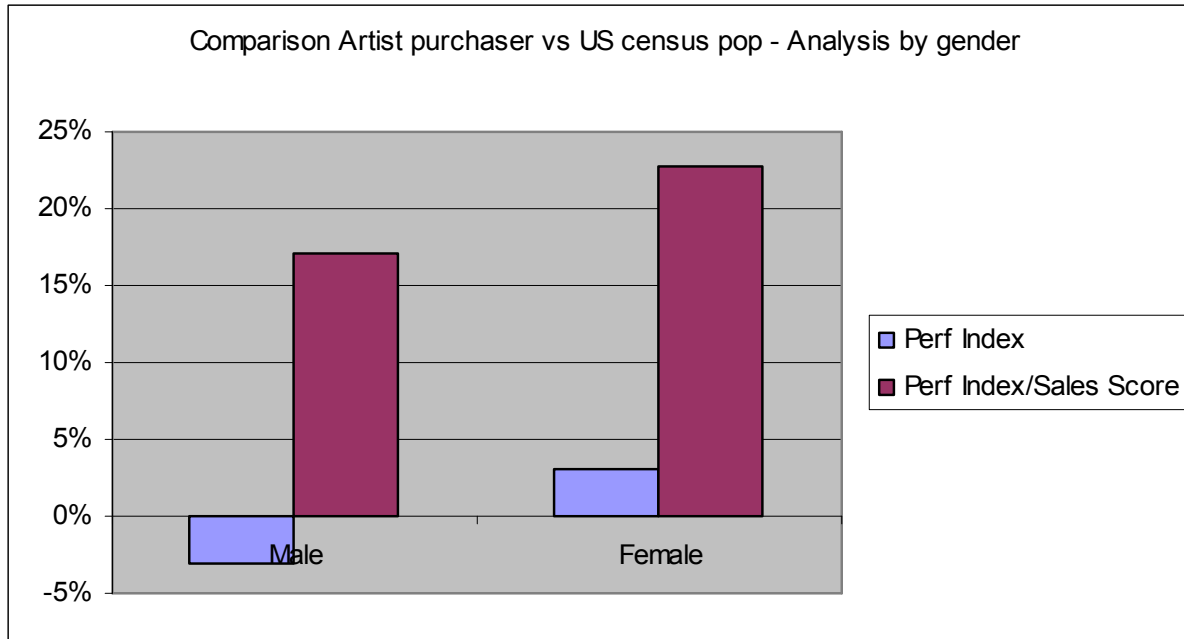
(*) including 10% artists decay effect from one promotion to another even if the albums are different

4/3/2006

Sample

Artists purchasers – Gender analysis

The analysis by gender indicates no clear bias for a particular gender



Business implications for you:

- Assuming average cost/CD @ \$3 (inc. Mktg)
- Assuming average price/CD @ \$13.29 (NPD)
- Assuming average revenue/CD @ \$7.5
- Assuming 20000 CDs for full scope
- Total cost: \$ 60K
- Total sales: \$265K
- Total revenue: \$ 150K
- Total profit: \$90K
- ROI: 50%

NA

NPD data & 2000 census bureau data

(*) including 10% artists decay effect from one promotion to another even if the albums are different

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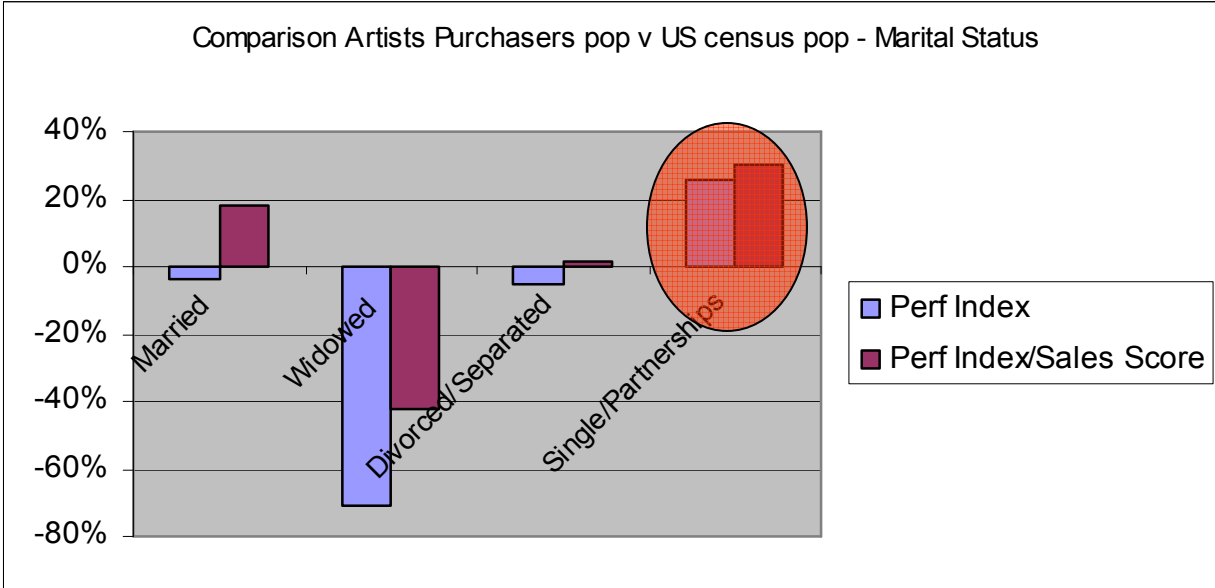
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Artists purchasers – Marital Status analysis

The analysis by status indicates a slight bias for the Single/Partnership targets

By focusing on 29% of the US population, 36% of the sales are achieved



Business implications for you:

- Assuming average cost/CD @ \$3 (inc. Mktg)
- Assuming average price/CD @ \$13.29 (NPD)
- Assuming average revenue/CD @ \$7.5
- Assuming 20000 CDs for full scope
- Total cost: \$ 60K
- Total sales: \$265K
- Total revenue: \$ 150K
- Total profit: \$90K
- ROI: 50%

Investment on 29% population:
\$ 17.4K investment
Number of additional album promotions with savings:
3.5 times more promotions
**Total sales with total promotions:
\$ 298 K or +12% (*)**
**Total Profit:
\$ 107K or + 19%**
For the same initial investment!

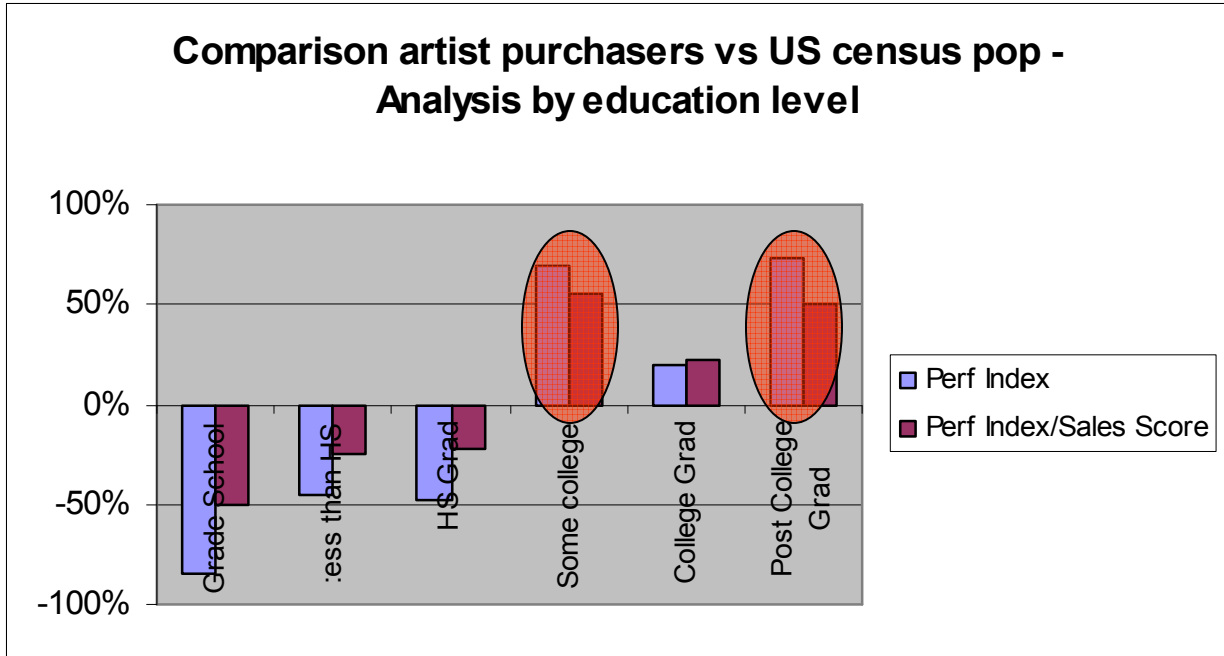
NPD data & 2000 census bureau data
(*) including 10% artists decay effect from one promotion to another even if the albums are different

Sample

Artists purchasers – Education level analysis

The analysis by education level indicates a bias for some college & Post College Grad target

By focusing on those targets or 30% of the US population, 51% of the sales are achieved



Business implications for you:

- Assuming average cost/CD @ \$3 (inc. Mktg)
- Assuming average price/CD @ \$13.29 (NPD)
- Assuming average revenue/CD @ \$7.5
- Assuming 20000 CDs for full scope
- Total cost: \$ 60K
- Total sales: \$265K
- Total revenue: \$ 150K
- Total profit: \$90K
- ROI: 50%

Investment on 30% population:

\$ 18K investment

Number of additional album promotions with savings:
3.4 times more promotions

Total sales with total promotions:
\$ 411 K or +55% (*)

Total Profit:

\$ 171K or + 90%

For the same initial investment!

NPD data & 2000 census bureau data

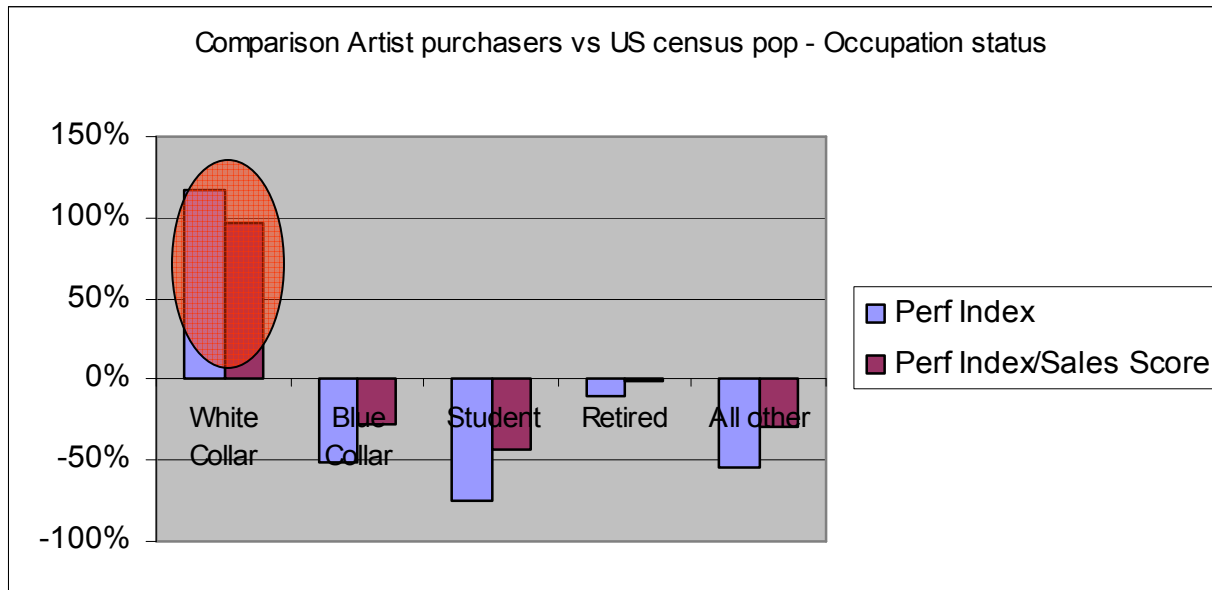
(*) including 10% artists decay effect from one promotion to another even if the albums are different

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Artists purchasers – Occupation analysis

The analysis by occupation indicates a clear bias for White Collars target

By focusing on this target or 30% of the US population, 65% of the sales are achieved



Business implications for you:

- Assuming average cost/CD @ \$3 (inc. Mktg)
- Assuming average price/CD @ \$13.29 (NPD)
- Assuming average revenue/CD @ \$7.5
- Assuming 20000 CDs for full scope
- Total cost: \$ 60K
- Total sales: \$265K
- Total revenue: \$ 150K
- Total profit: \$90K
- ROI: 50%

Investment on 30% population:

\$ 18K investment

Number of additional album promotions with savings:

3.4 times more promotions

Total sales with total promotions:

\$ 524 K or +97% (*)

Total Profit:

\$ 234K or + 161%

For the same initial investment!

NPD data & 2000 census bureau data

(*) including 10% artists decay effect from one promotion to another even if the albums are different

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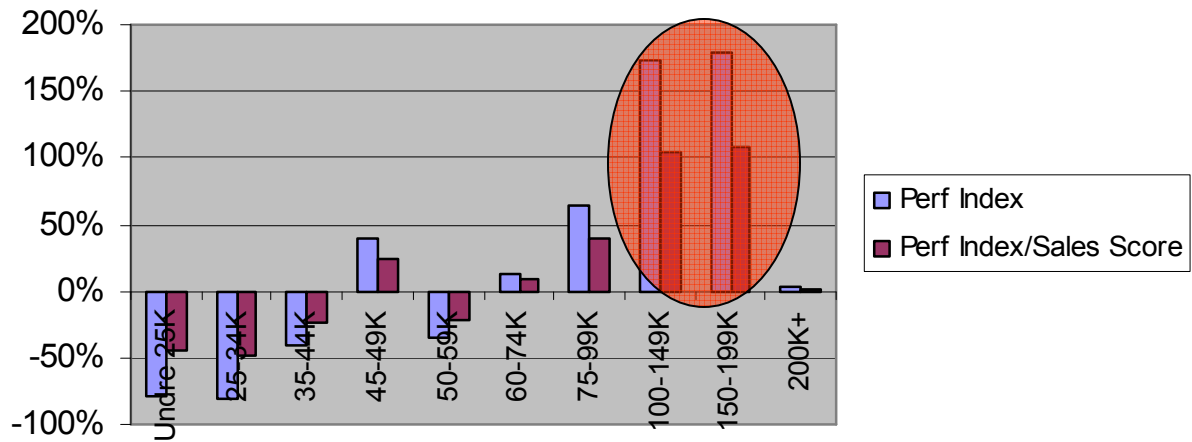
Sample

Artists purchasers – HH income analysis

The analysis by occupation indicates a bias for 100-199K HH income targets

By focusing on this target or 10% of the US population, 27% of the sales are achieved

**Comparison Artist purchasers vs US census pop -
Analysis by HH income**



Business implications for you:

- Assuming average cost/CD @ \$3 (inc. Mktg)
- Assuming average price/CD @ \$13.29 (NPD)
- Assuming average revenue/CD @ \$7.5
- Assuming 20000 CDs for full scope
- Total cost: \$ 60K
- Total sales: \$265K
- Total revenue: \$ 150K
- Total profit: \$90K
- ROI: 50%

Investment on 10% population:
\$ 6K investment

Number of additional album
promotions with savings:
10 times more promotions

**Total sales with total promotions:
\$ 467K or 76% (*)**

**Total Profit:
\$ 204K or 126%**

For the same initial investment!

NPD data & 2000 census bureau data

(*) including 10% artists decay effect from one promotion to another even if the albums are different

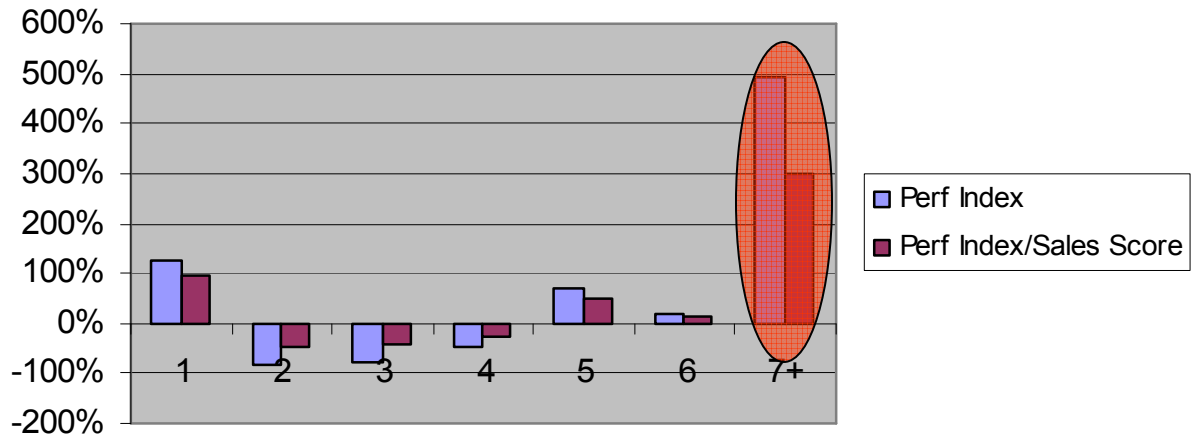
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Artists purchasers – HH size analysis

While the analysis indicates a bias for 7+ people HHs, the size of the target and its potential impact on sales and profit do not justify a particular focus

Comparison artist purchasers vs all US - Analysis by HH size



Business implications for you:

- Assuming average cost/CD @ \$3 (inc. Mktg)
- Assuming average price/CD @ \$13.29 (NPD)
- Assuming average revenue/CD @ \$7.5
- Assuming 20000 CDs for full scope
- Total cost: \$ 60K
- Total sales: \$265K
- Total revenue: \$ 150K
- Total profit: \$90K
- ROI: 50%

NA

NPD data & 2000 census bureau data

(*) including 10% artists decay effect from one promotion to another even if the albums are different

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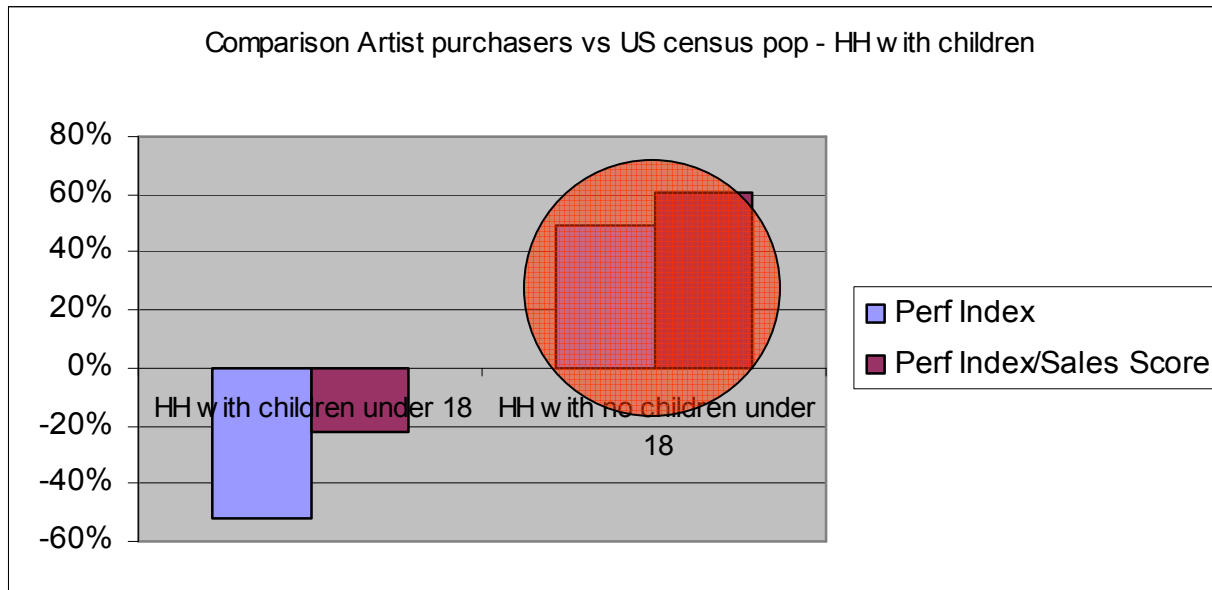
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Sample

Artists purchasers – Age & Presence of children under 18 years old

The analysis by occupation indicates a bias for No children (under 18) HH target

By focusing on this target or 52% of the US population, 77% of the sales are achieved



Business implications for you:

- Assuming average cost/CD @ \$3 (inc. Mktg)
- Assuming average price/CD @ \$13.29 (NPD)
- Assuming average revenue/CD @ \$7.5
- Assuming 20000 CDs for full scope
- Total cost: \$ 60K
- Total sales: \$265K
- Total revenue: \$ 150K
- Total profit: \$90K
- ROI: 50%

Investment on 52% population:

\$ 31K investment

Number of additional album promotions with savings:
2 times more promotions

Total sales with total promotions:

\$ 389K or +46% (*)

Total Profit:

\$ 157K or + 75%

For the same initial investment!

NPD data & 2000 census bureau data

(*) including 10% artists decay effect from one promotion to another even if the albums are different

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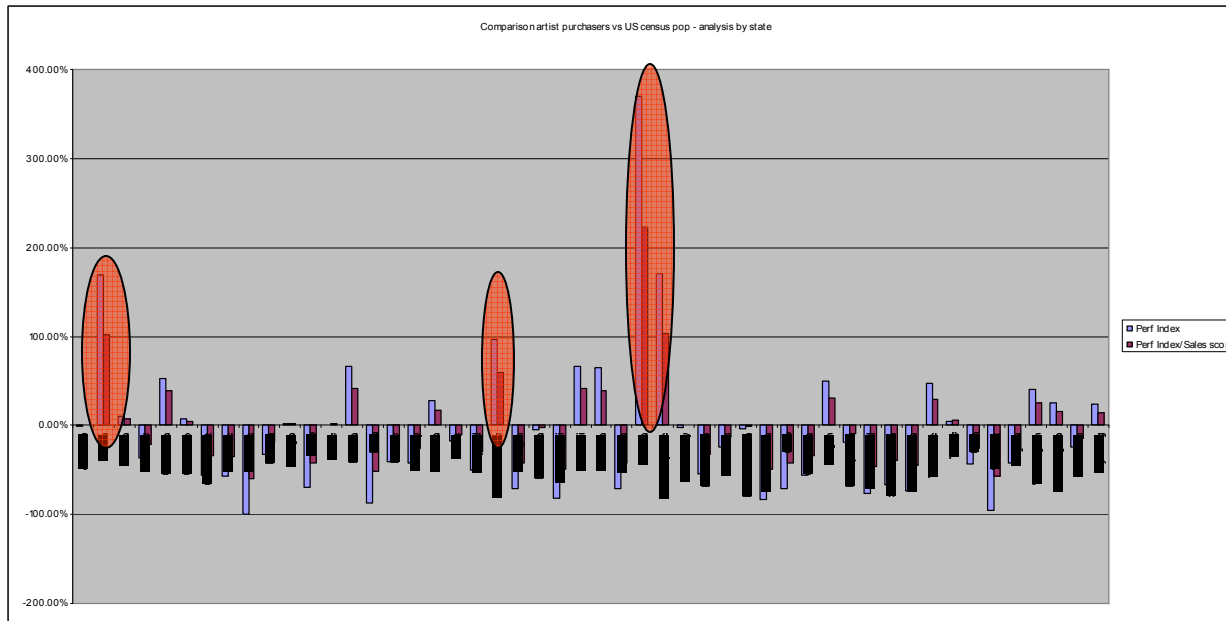
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Sample

Artists purchasers – State analysis

The analysis by state indicates a bias for a few states: Alaska, Nevada, California, New Hampshire, Indiana, Massachusetts, Missouri, Montana, Oregon & Tennessee

By focusing on this target or 24% of the US population, 41% of the sales are achieved



Business implications for you:

- Assuming average cost/CD @ \$3 (inc. Mktg)
- Assuming average price/CD @ \$13.29 (NPD)
- Assuming average revenue/CD @ \$7.5
- Assuming 20000 CDs for full scope
- Total cost: \$ 60K
- Total sales: \$265K
- Total revenue: \$ 150K
- Total profit: \$90K
- ROI: 50%

Investment on 24% population:
 \$ 14.4K investment
 Number of additional album promotions with savings:
 4.2 times more promotions
**Total sales with total promotions:
 \$ 391K or +47% (*)**
**Total Profit:
 \$ 160K or + 78%**
For the same initial investment!

NPD data & 2000 census bureau data

(*) including 10% artists decay effect from one promotion to another even if the albums are different

4/3/2006

Sample

Artists purchasers – DMA analysis

The analysis by DMA indicates a bias for a few DMAs

*By focusing on this target or 11% of the US music purchasers,
28% of the sales are achieved*

Top DMAs:

- Portland ME
- Indianapolis IN
- Rochester NY
- Springfield MA
- Knoxville TN
- Greenville NC
- Ft Meyers FL
- Johnston PA
- Chattanooga TN
- St Louis MO
- Shreveport AR
- Houston TX
- Birmingham AL
- Memphis TN
- Green Bay WI
- Baton Rouge LA
- Tucson
- Seattle
- Las Vegas

Business implications for you:

- Assuming average cost/CD @ \$3 (inc. Mktg)
- Assuming average price/CD @ \$13.29 (NPD)
- Assuming average revenue/CD @ \$7.5
- Assuming 20000 CDs for full scope
- Total cost: \$ 60K
- Total sales: \$265K
- Total revenue: \$ 150K
- Total profit: \$90K
- ROI: 50%

Investment on 11% population:
\$ 6.6K investment

Number of additional album
promotions with savings:
9 times more promotions

**Total sales with total promotions:
\$ 456K or +72% (*)**

**Total Profit:
\$ 198K or + 120%**

For the same initial investment!

NPD data & 2000 census bureau data

(*) including 10% artists decay effect from one promotion to another even if the albums are different

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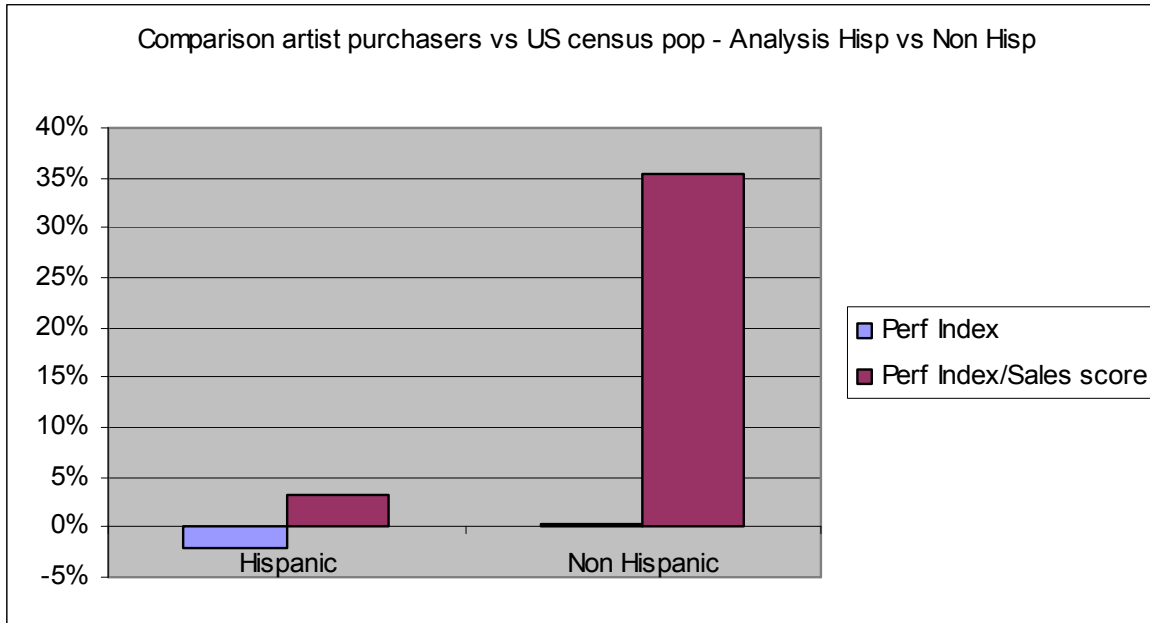
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13

Sample

Artists purchasers – Hispanic analysis

The analysis indicates no real bias



Business implications for you:

- Assuming average cost/CD @ \$3 (inc. Mktg)
- Assuming average price/CD @ \$13.29 (NPD)
- Assuming average revenue/CD @ \$7.5
- Assuming 20000 CDs for full scope
- Total cost: \$ 60K
- Total sales: \$265K
- Total revenue: \$ 150K
- Total profit: \$90K
- ROI: 50%

NA

NPD data & 2000 census bureau data

(*) including 10% artists decay effect from one promotion to another even if the albums are different

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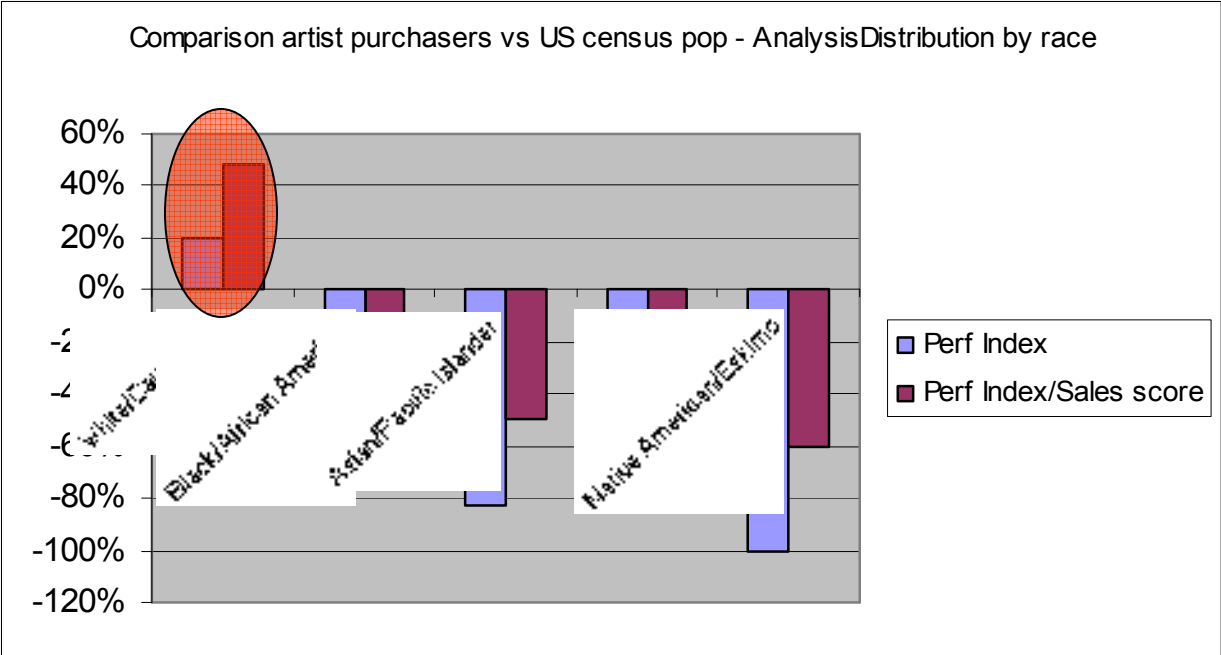
NPD data & 2000 census bureau data

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Sample

Artists purchasers – Race analysis

While the analysis indicates a bias for White/Caucasian, the size of the target and/or its potential impact on sales and profit do not justify a particular focus



Business implications for you:

- Assuming average cost/CD @ \$3 (inc. Mktg)
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- Assuming average revenue/CD @ \$7.5
- Assuming 20000 CDs for full scope
- Total cost: \$ 60K
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- Total revenue: \$ 150K
- Total profit: \$90K
- ROI: 50%

NA

NPD data & 2000 census bureau data
(*) including 10% artists decay effect from one promotion to another even if the albums are different

Sample

A top profile emerges from the analysis

The analysis indicates a **VERY STRONG** bias for a specific profile where the potential business impact linked to focusing on this top target is strong

TOP TARGET PROFILE

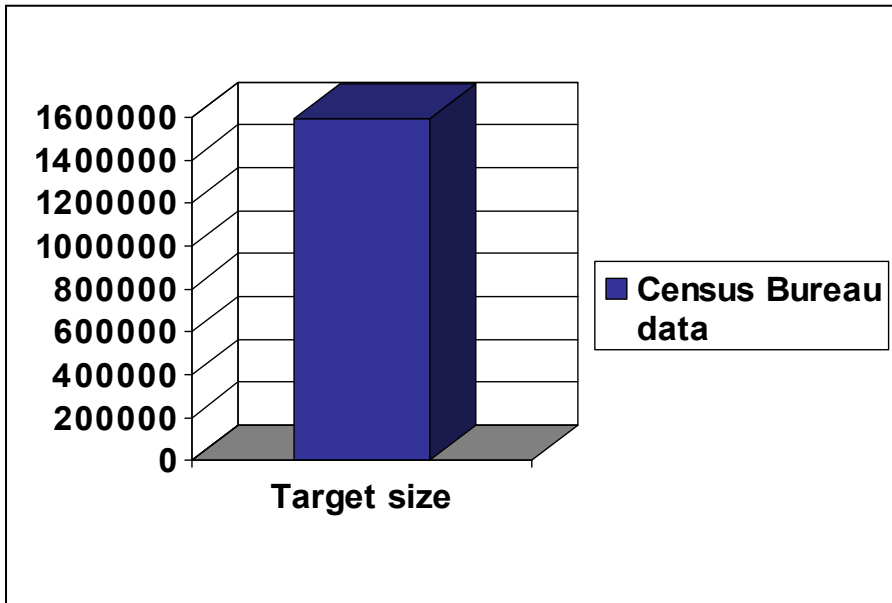
- 40-59 Years old
- White collar
- \$100K-199K HH income
- Living in specific states-DMAs

- Some college education & Post college grad*
- Single/Partnerships*

Sample

What is the size of the top target?

The application of the top profile criteria to the music purchasers universe (NPD database) and the Census Bureau data give a first idea of the target potential



The top target:
•US census bureau data
•35-54 Years old
•100K-199K HH income
•Living in specific states

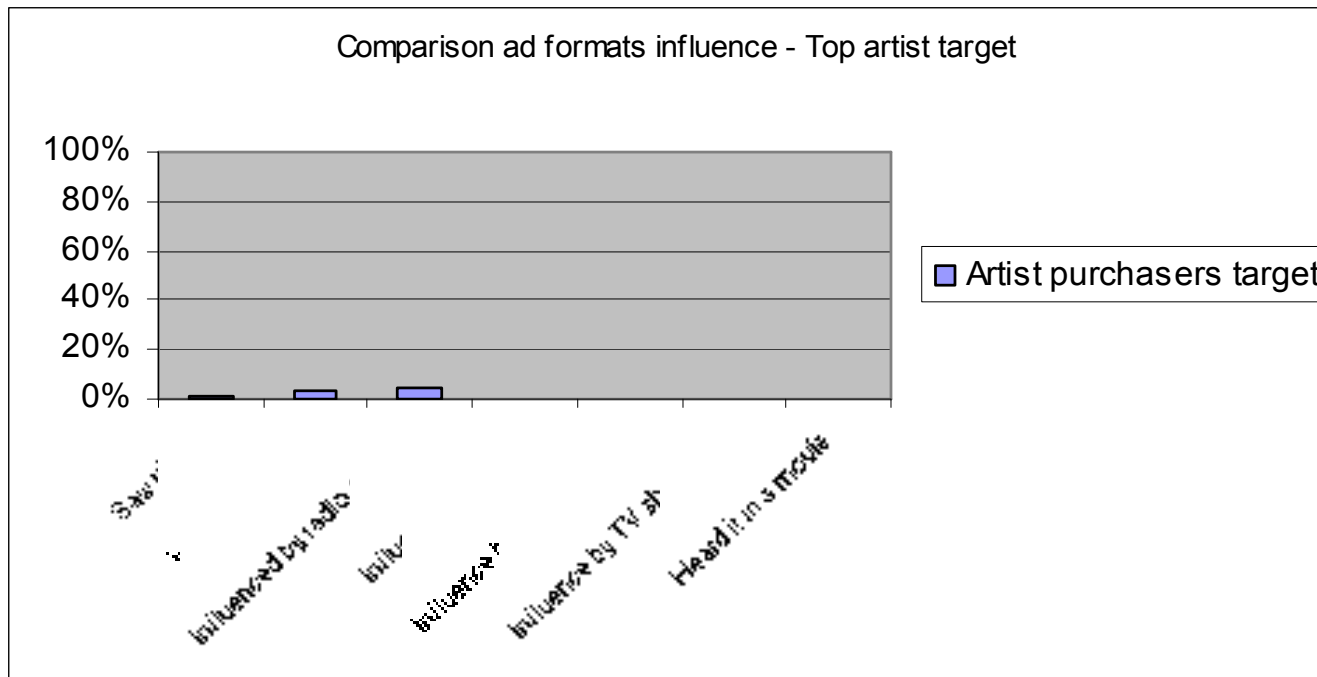
Sample

How the concentration effect learnings can help focus your marketing efforts

What media exposure is the most efficient to generate sales for the Top proxy artists target

Sample

The analysis by exposure format for the top proxy artists purchasers target indicates no particular interest in any media



Business implications:
•Need to **AVOID** traditional exposure channels for this target

NPD data & 2000 census bureau data

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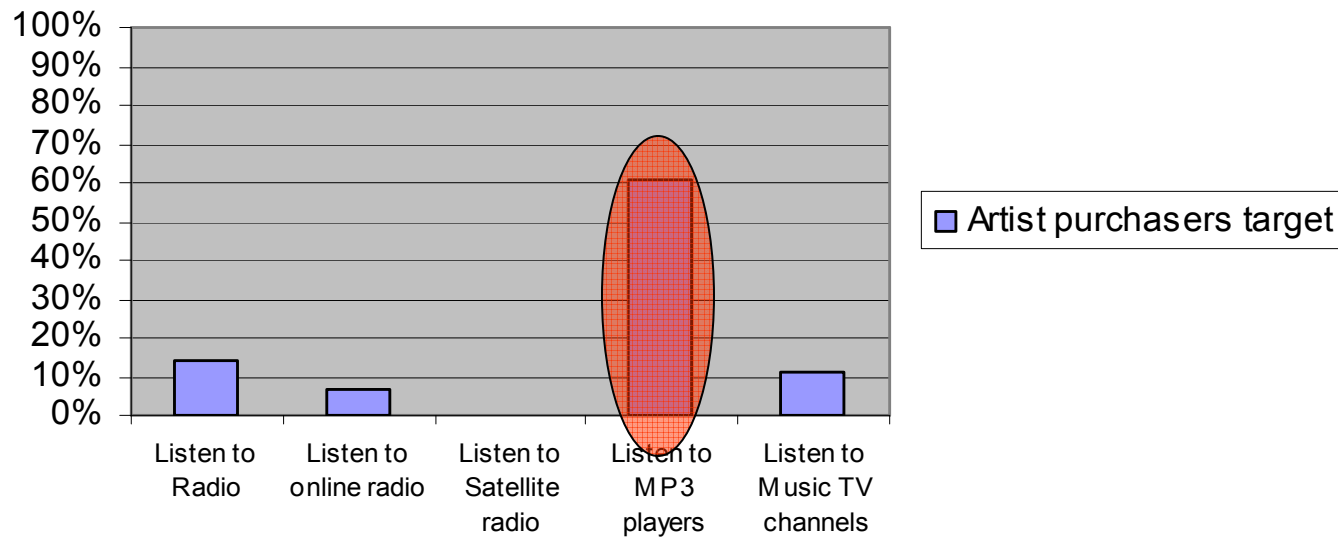
19

What music media habit(s) is the most efficient to leverage sales for the Top proxy artist target

Sample

The analysis by music media habits format for the top proxy artists purchasers target indicates a strong interest in MP3 player. Due to the weight given to Emmylou Harris, this is logical

Comparison Music media habits - Top artist target



Business implications:

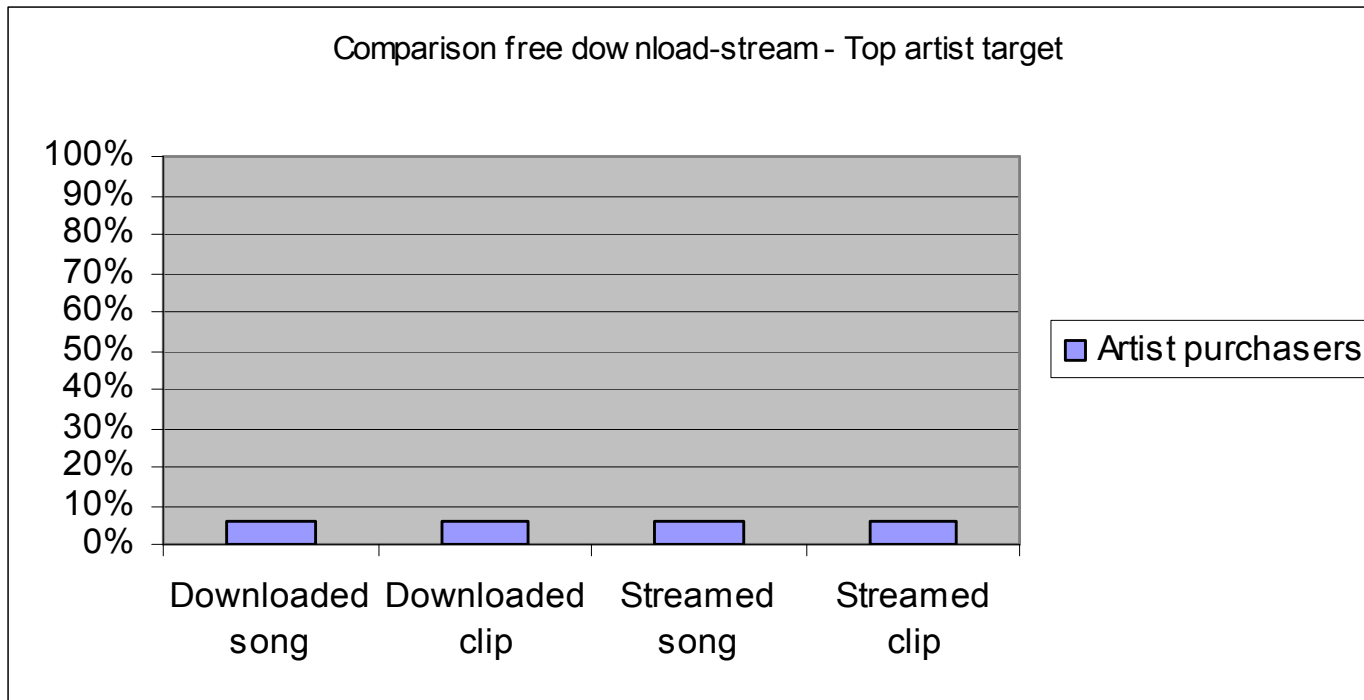
- Need to focus on MP3 players associations for optimizing the chances of exposure – Partner with MP3 suppliers – Propose MP3 format for songs – Be in MP3 format sites, etc.

- Need to focus/leverage marginally radio and the music TV channels as key music exposure media

Are P2P networks a threat or an opportunity to generate sales on the Top Target

Sample

The analysis on free song-clip download and streaming behavior for the top target indicates a clear lack of activity for free music online resources



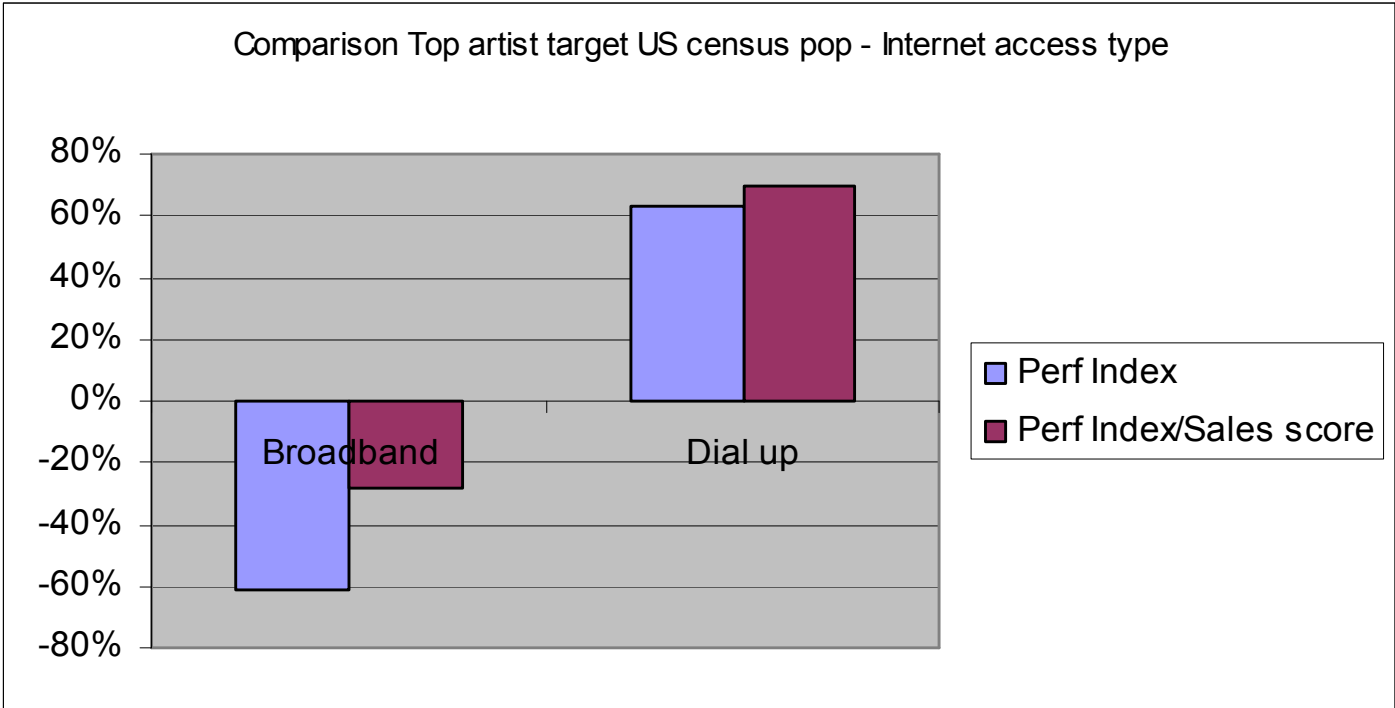
Business implications:

•P2p networks do not seem to be an attractive avenue for music exposure

Sample

If access through online media and/or P2P is important, what level of communication and file sophistication will be the most effective for the Top proxy artist target

Due to the weight of Emmylou Harris in the analysis, this analysis by internet access-connection indicates a bias for dial up connection



Business implications:

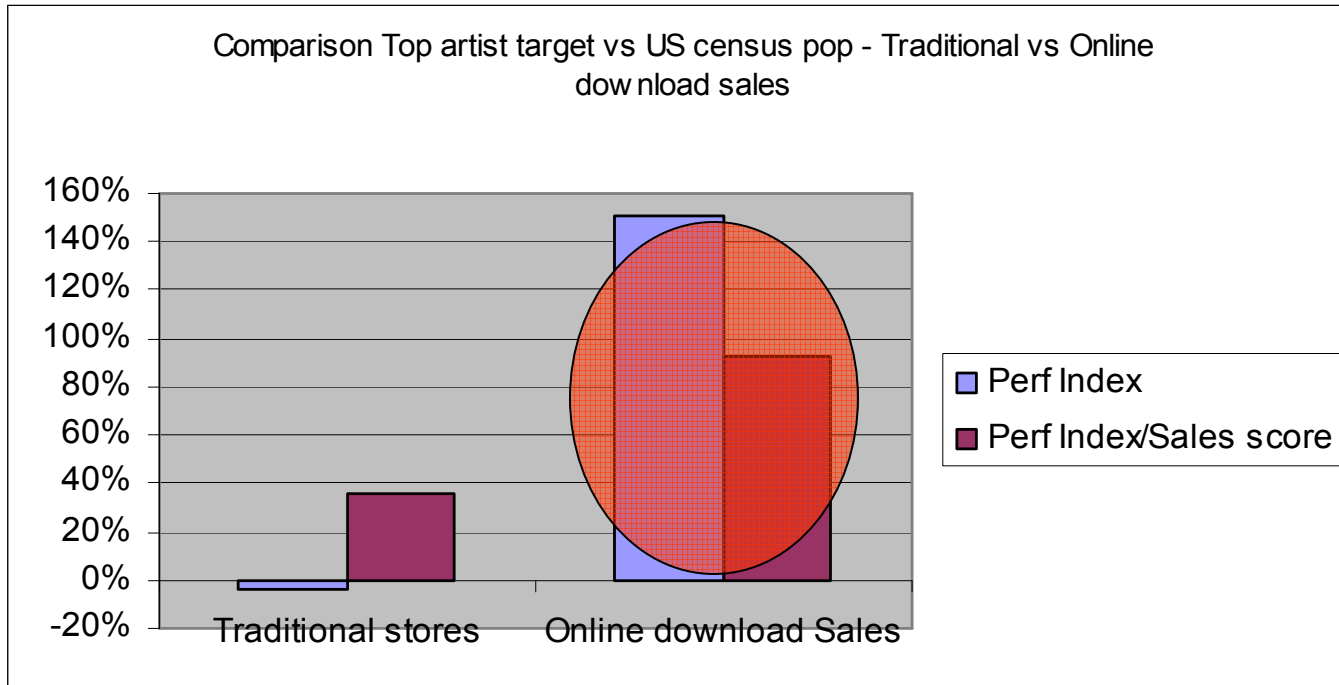
- Build an internet presence that will offer options for broadband access or dial up access where broadband can have access to more sophisticated media exposure and media download functionalities (as above to very simple for Dial Up version)

NPD data & 2000 census bureau data

Sample

Where does the top target purchase albums from the proxy artists

The top target seems to be buying online more than the average



Business implications:
•Do not forget traditional stores but build strong online presence for direct sales efforts

Sample

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