



IS IT LIVE OR IS IT STREAMING?

One look at the potential for high resolution music



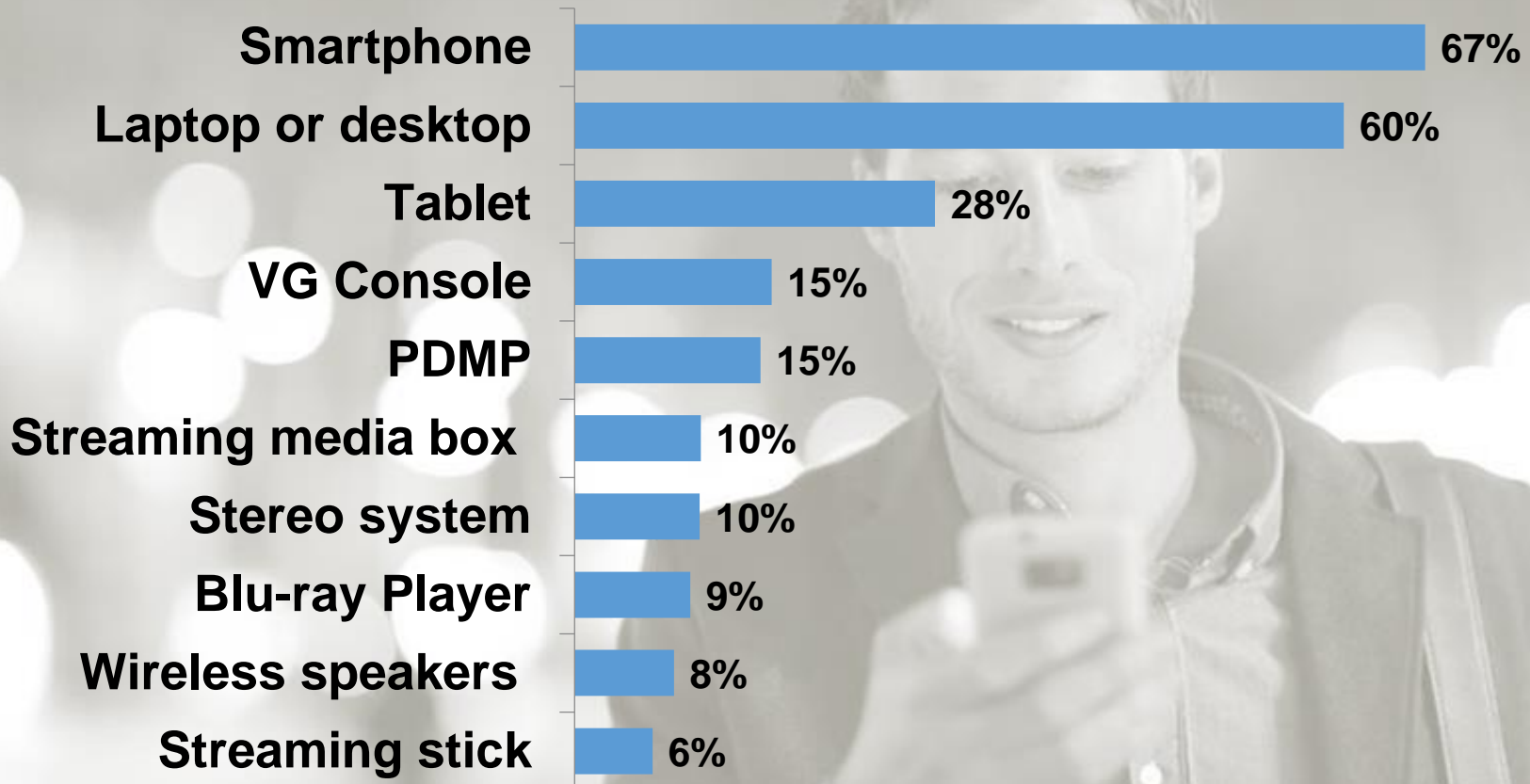
MusicWatch studies for today

- **Annual Music Study:** Online study of 5,000 respondents 13 and older
 - Buying and Listening habits
 - Motivations
 - Devices, discovery, social media
- **Sound & Streaming:** Online study of 7,700 respondents 13 and older
 - Buying and Listening habits
 - Devices used to stream
 - Motivation to pay for a streaming service
 - Features valued in a streaming service
 - Factors inhibiting streaming
 - Independent study conducted with input from major music labels

Balanced, Weighted & Projected to US Census or Internet Population Targets

2016: 150M Music Streamers (US)

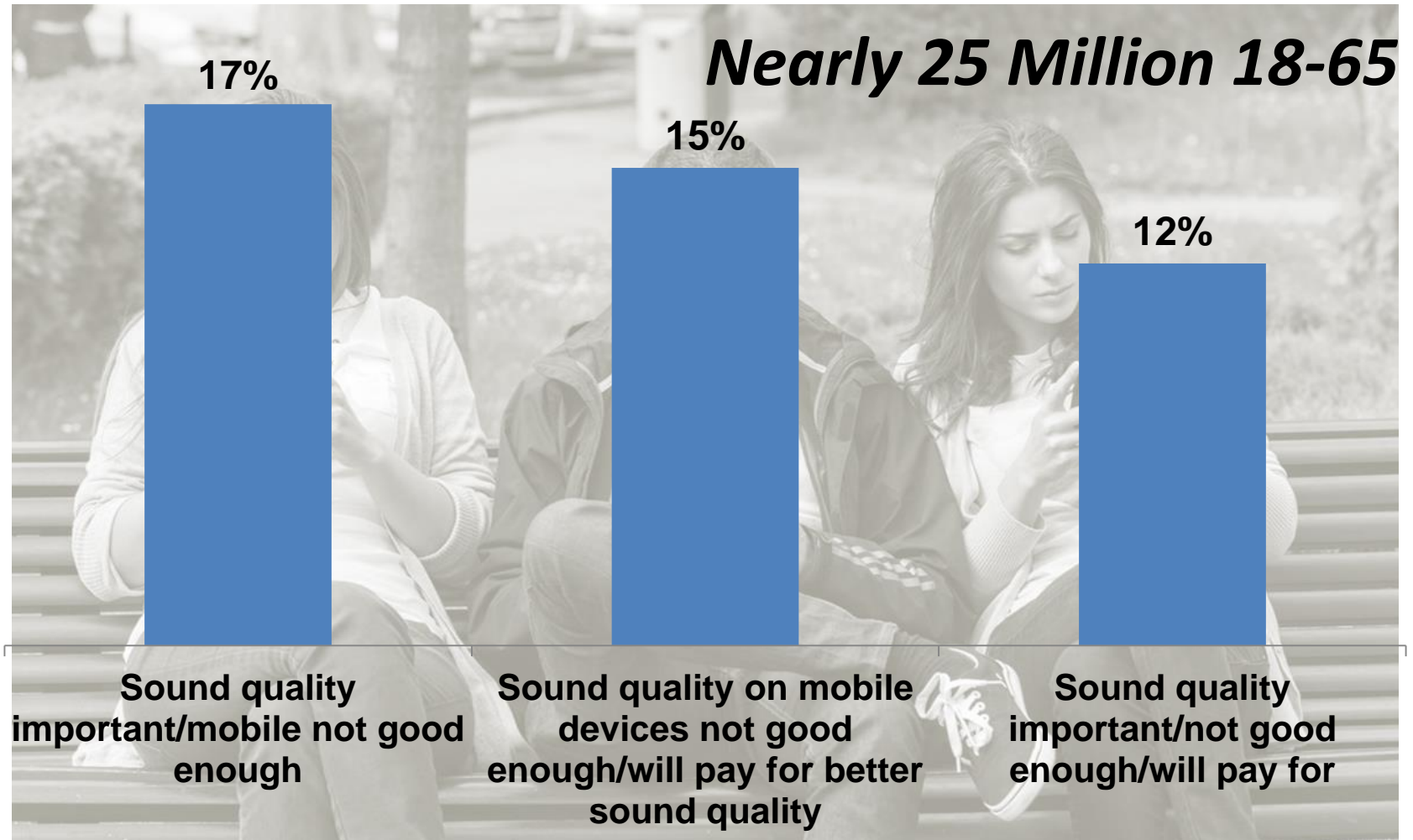
Devices Used For Streaming Music
(% Using- Multiple Choices permitted)



What people say about sound



What people really believe



Who is the target audience?

More Descriptive

- Music Buyers
- Paid Music Subscribers
- Free On-Demand
- “Sharers”
- Music podcasts

- Spend 40% more: CD/DDL

- Aged 18-35
- Male
- Income \$75K+

Less Descriptive

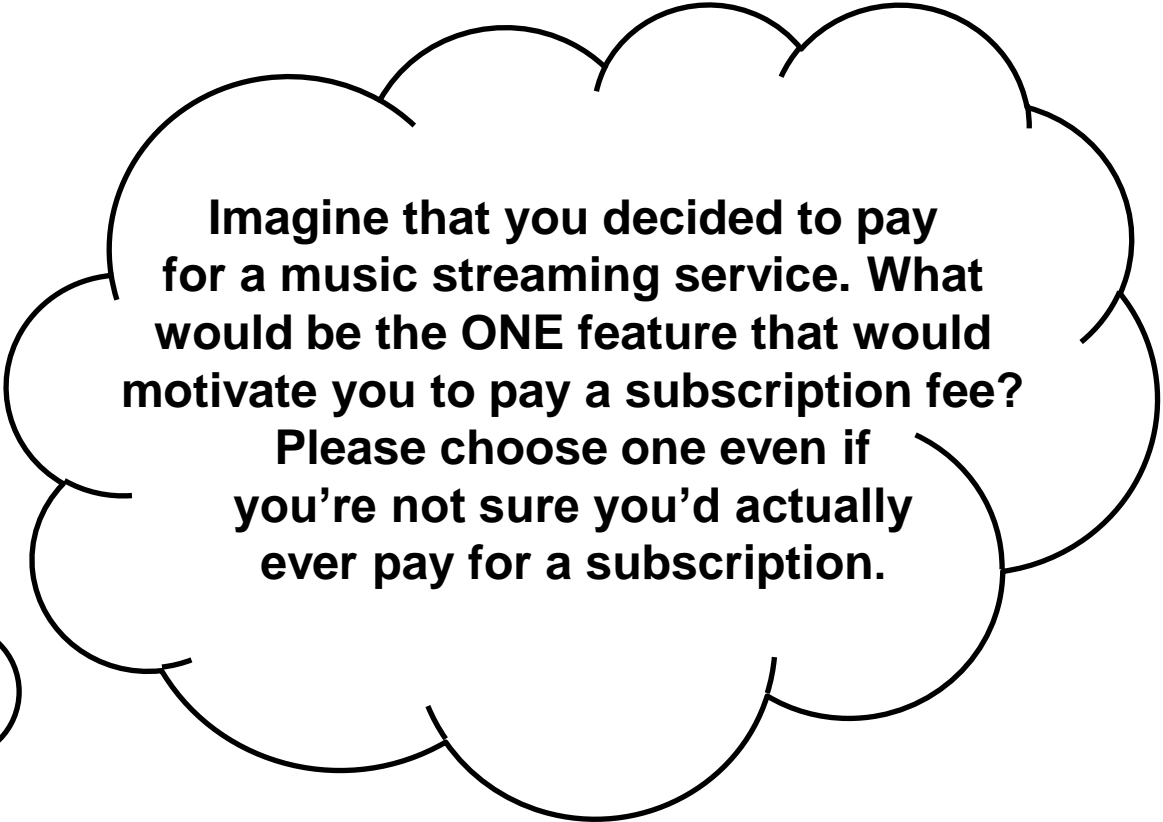
- Video Sites (YT & Vevo)
- Concert Attendees
- Music on AM/FM
- AM/FM News/Sports/Talk

- Aged 51+
- Female
- Income \$45K and under

Who is the target audience?

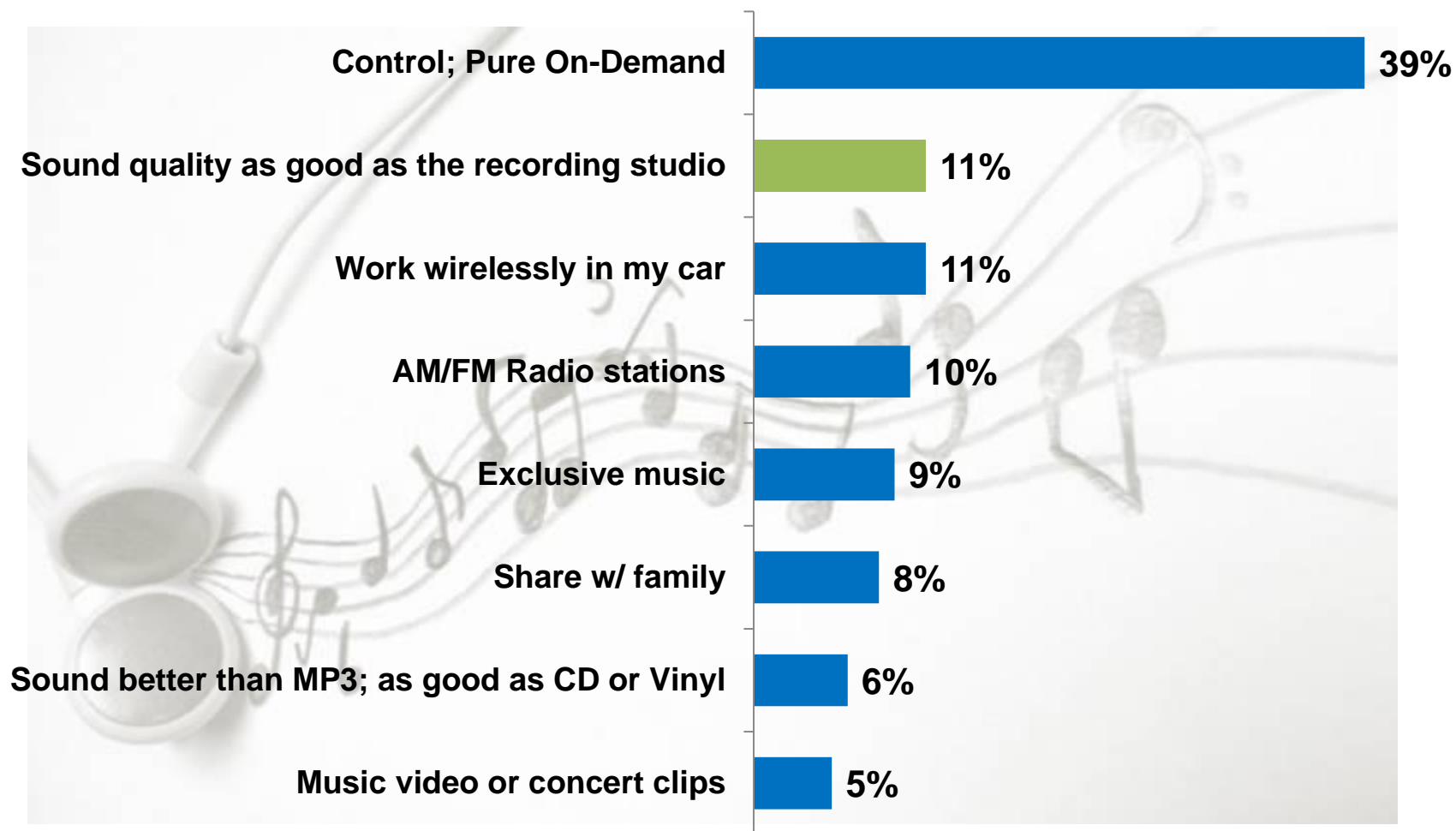


- **Savants**
- **Experts**
- **Appetite**
- **Persistent Discoverers**
- **Buy Post Discovery**
- **Appreciate albums**
- **Desire ownership**
- **New & Catalog**
- **Wireless/Bluetooth/Headphones**



**Imagine that you decided to pay
for a music streaming service. What
would be the ONE feature that would
motivate you to pay a subscription fee?
Please choose one even if
you're not sure you'd actually
ever pay for a subscription.**

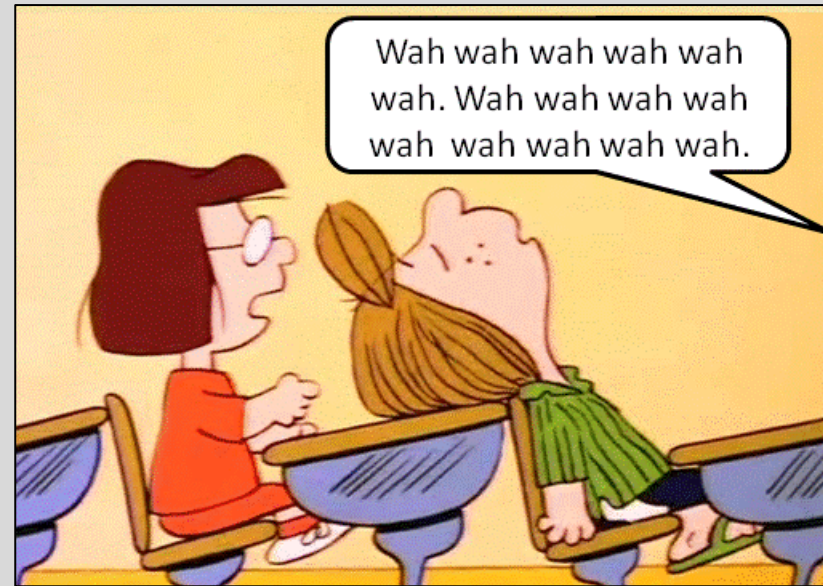
The one feature motivating you to pay for a music subscription...



Do consumers lack a reference point?

SACD 16-bit
24-bit WAV 192kHz
44kHz FLAC
AAC ALAC AC-3 MP3 96kHz

=



Journey to purchase...

Why buy, what buy, where buy & value proposition

Do consumers lack a reference point?

SACD 16-bit
24-bit
WAV 192kHz
44kHz
FLAC
ALAC
AAC
MP3
96kHz
AC-3

**Is it live or
is it Memorex?
Who knows?**



In our most recent test, we asked Ella Fitzgerald's old friend and longtime jazz arranger, Nelson Riddle, if he was listening to Ella live, or Ella as recorded on a Memorex cassette. He couldn't tell. We believe that's a strong endorsement of our exclusive MRX Oxide formulation. In fact, since we introduced MRX Oxide, a lot of other tape companies have been scrambling to find something to beat it. Nobody has.

MEMOREX 60
MRX₂ OXIDE
Memorex's great oxides for use on all equipment
MEMOREX Recording Tapes
Is it live, or is it Memorex?

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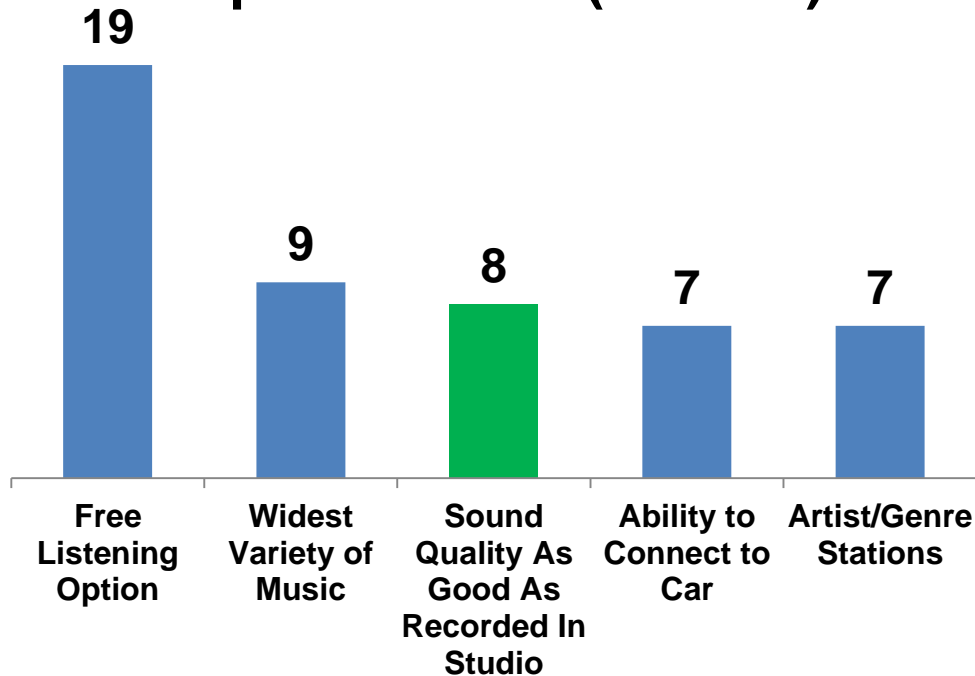
Imagine you could build your ideal music streaming service...



...What does YOUR ideal streaming service look like, in terms of important features?

What does *YOUR* ideal streaming service look like?

Top 5 Features (100 Pts)



Other features (rank order)

- Basic Interface
- Buy DDLs
- Music videos
- Sound better MP3 = CD/Vinyl
- Library management
- Connect in home
- **Exclusives (4)**
- Lyric/Bio/Photos
- Share songs/playlists
- Connect to social media
- **Curated playlists from musicians/celebs (3)**

When it comes to streaming music...

- **Sound quality deserves to be in the conversation**
- **Over 25M consumers care about sound quality, desire improvement and will pay**
- **Conversation needs to be in consumer friendly terms**
- **Adopt “as good as the recording studio” messaging**