From: Logan, Eric
Sent: Wednesday, August 30, 2006 12:23 PM
To: Abrams, Lee
Cc: Hahn, Gary; Panero, Hugh; Goldberg, Allen; Brown, Nathaniel
Subject: Re: BOB DYLAN/IPOD INTEL

Good job Lee

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-----Original Message-----
From: Abrams, Lee
To: Logan, Eric
CC: Hahn, Gary; Panero, Hugh; Goldberg, Allen; Brown, Nathaniel
Sent: Wed Aug 30 09:56:44 2006
Subject: BOB DYLAN/IPOD INTEL

Eric--as you requested, I did some digging on the I-pod/Dylan thing. Please keep this VERY confidential since this information was told to me by various souces in confidence, and is kind of interesting:

*Dylan and Bono were both paid NOTHING for their Ipod ads. (though U2 receives some royalties on I Pod units sold)

*Artists/Managers/Labels are desperately trying to find new ways to expose new CD's and Apple is following a similar model to our McCartney deal where we bought ads to support the new CD and promote the Artist Confidential. Jeff's point on Dylan was that he and Sony need to use all vehicles possible to highlight this new CD as Dylan needs to react to the new media environment as selling cd's is a lot different from the days of Lay Lady Lay.

*The feeling is that it's a win/win as Apples ad muscle, I Tunes web circulation and to a lesser degree downloading venue, is a fair trade for name and likeness.

*Apple is aggressively targeting "timeless" artists like Bono and Dylan vs. more trendy ones. They feel that these kinds of artists have cult appeal to the often older fans, but are completely respected by the younger ones who may not be intimate with the artists' music, but still have total credability. Apple would love to use Johnny Cash and Ray Charles if they were alive.

*Part of Apples plan is to reach older music fans who don't buy OR download music--yet are music fans. They feel they've somehat saturated the younger end and the growth will come out of the "mature" fans.

*XM could do the same thing, but XM and Sirius and other new media type companies have some perception issues in the Industry relative to this, specifically:

--We ask for images, but the real get for the artist are ads that SPECIFICALLY target the new release. With major artists, airplay isn't the big payoff any more, they want ad muscle. They view name on a display or on the channel line-up is a throw away in terms of

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having any impact.

--We don't seem to understand that it's a win/win for an XM to associate with the artists on this level and that while the ad sells the artists new CD more than anything else, a cleverly created ad will speak volumes about an XM even though it's more by association than a direct hardware sell. (I'm not sure how accurate this is--but that's the perception).

I think this is worth further discussion as this might be a good way to engage MAJOR artists instead of thinking of strictly a content hook, as it gets the association and XM Music image out there in a possibly efficient way.

Lee

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