



# Beals Media Update

Brought to you by: *Creative Media Services*

March 29, 2004

Volume 1, Number 4

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## Creative Media Services

500 E. Gore Street  
Orlando, FL 32806  
Tel 407 648-0353  
Fax 407 650-2633  
beals@bellsouth.net  
[www.toddbeals.com](http://www.toddbeals.com)

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## FEATURE STORY:



### The Revolution Has Already Begun and it's Called [WEEDSHARE](#).

So, what is Weed ? Weed (as in "spreads like a") is a very pro-artist and pro-file-sharing group co-founded by John Beezer (formerly with Microsoft) of Shared Media Licensing, Inc. based in Seattle, Washington consisting of a group of musicians and software developers. Simply put, it is a new music distribution business model with a radically different perspective regarding Internet file-sharing. In much the same vein as other digital music services, users can preview a track on their PC (up to three times) after downloading it for free before having to actually purchase it. Then if you like the song and decide to buy it, the purchase experience is extremely simple via Paypal's micropayment system. Once purchased, the file is "unlocked", and users can then play the track on up to three computers, burn to CD and download to a portable player. According to Craig Anderton, writer for EQ Magazine, " Weed aims to obsolete the concept of a record company altogether by de-centralizing A&R, promotion and distribution." ...Essentially when you forward a file you've bought, you're acting as the A&R person, promoter and distributor." Weed principal and mastering engineer, Steve Turnidge explains, "one of our highest aims is to ensure the legality of the music on the Weed System and that 50% credit goes to the right party."

Twist Number One: The price is set by the artist.

Twist number Two: Buying a song makes the user eligible to earn a share of *future sales*. Instead of trying to shut down file-sharing, Weed thinks people should be paid for it, and uses DRM to achieve that goal. Instead of punishing fans who don't respect artists' rights, they think it makes more sense to actually **reward** those who do. The resulting Weed files are a brand new music file format that will soon revolutionize the music industry and here's how it works...

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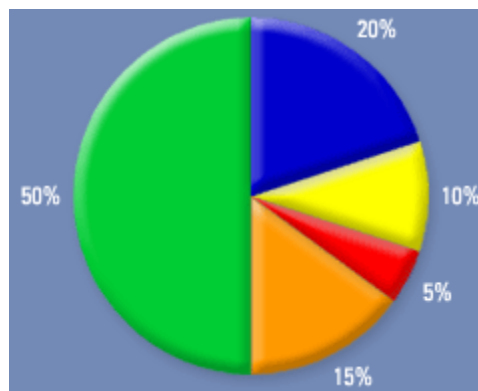
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1. Download Music Files from a 'Weed-Enabled' website.
2. Play any Weed file 3 times for free on any software that can handle Window Media Audio (Windows Media Player, RealPlayer, etc.). If you don't like the music, just delete it. But if you like it, then you are automatically invited to buy it.
3. Install the free Weed software and get an immediate \$5 credit.
4. Use the Weed software to buy the songs that you like, then play, burn, and share to your heart's content. That's right--play it *forever* on your computer, burn multiple CDs for your stereo, boombox and car and also download the tunes to your portable device.
5. Share your Weed files with everyone you know—if anyone eventually buys Weed music through your own distribution and promotional efforts, *both you and the artist* make money.

Sweet! But it gets sweeter. Take the song you just bought and create your own website, burn CD-ROMs or email it to your friends. Every time they buy a song you turned them on to, you get paid! Listen closely... *You get paid to listen to music and turn your friends on to hot new tunes by independent artists from around the world.*

Using Weed, artists can distribute songs freely over peer-to-peer networks and fans can listen to each song 3 times with no charge. If you like what you hear, you can buy the song for whatever price the artist sets (i.e. \$.99) Then, 50% goes to the artist, 35% goes to the people who actually *shared the file*, and Weed takes 15%. While there are other models that use DRM (digital rights management), none are as clever as Weed, incorporating a sense of community, fairness, and 'give-back' mentality. While many other online music business models are trying to fight or manipulate P2P, Weed takes advantage of this disruptive technology. And as a general rule, you can tell the shady online music ventures from the respectable ones simply by seeing whether they are honest and open about where the money goes.

### Here's how everyone gets paid with Weed...



*Beals Media Update is a collection of thoughts, news, and opinions concerning new media and technologies to help keep all of us collectively informed about the rapid changes occurring in the online marketplace. We plan to deliver insightful briefings and original spotlights on business, legal and other financial developments shaping the future of the growing global digital media industry...*

*We also routinely conduct research reports focusing on the digital music scene, analyzing the commercial and legal implications of how technology is changing the global entertainment industry.*

*We provide insight into the most dynamic issues affecting today's digital media industry through a weekly publication and custom in-depth reports.*

- **The artist always gets 50% of every sale**
- **You get 20% for passing around your own Weed files**
- **The person who shared the file with you gets 10%**
- **The person who shared the file with that person gets 5%**
- **Weedshare gets 15% for inventing the whole thing**

The entire WEED concept does not sink in immediately to most people because it is such a radical departure from conventional music business models and one that does not help the major labels. It is truly optimized for independent artists and for people who use filesharing to satisfy their thirst for musical variety. Only time will tell if it *spreads like a weed* across the internet, but it is definitely a business approach worth watching.

## **ANNOUNCEMENTS:**

### **Has the Time Come for Broadband Power Lines?**

Broadband Power Line (BPL) delivers broadband Internet connectivity over electric power lines. People have talked about this technology for years, but, to date, little has been actually deployed. This past year, however, the technology finally took a few positive steps toward becoming reality. In the interest of spurring broadband competition, the FCC opened a Notice of Inquiry (NOI) on the subject of BPL. The FCC has since issued eight experimental licenses to offer the service. Overall, the major benefits of BPL are seen as providing broadband to any establishment connected to the power grid. Also, since the technology runs over the existing electrical infrastructure, subscribers should be able to access the service from any electrical outlet without any extra local area networking gear.

### **Digital Music Analysis** (Source: Electronic Musician and Predixis website)

A company called [Predixis](#) has developed a new software program that helps consumers easily find your music online if you're an independent artist selling music over the internet. Because current online musical offerings are somewhat overwhelming, they have developed a digital music manager application that automatically recommends music "similar to what you're buying" during checkout at an online music store and it is currently available for Windows, OSX, and there is a

*Put aside those folders full of weblinks, piles of magazines and unread forwarded e-mails. Let Beals Media Updates sift through all the latest news announcements, stories and research developments to bring you information that counts with critical tie-ins to your business.*

*We provide media planning and business development, analysis, and marketing strategy services on a retainer or per project basis.*

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beta version for Linux. Basically, the program analyzes audio information of each soundfile and then rates the results of 35 parameters (such as tempo, noise and volume) and stores them to a central database. This database interacts with the MusicMagic Mixer client software, which can be downloaded from their website.

The MusicMagic Mixer is a unique music library manager which can automatically determine the key acoustical attributes in digital music and can automatically analyze your entire music collection on your hard drive. As the ultimate music library power tool, the analyzed songs can then be used to build custom mixes or playlists of tracks with a similar genre and mood for hours of listening enjoyment. Currently Predixis has agreements with CD Baby and Amazon and they're planning to develop relationships with many music e-tailers. If the concept catches on, anyone who likes the sort of music that you record will be able to find you easily online and nothing is more valuable than that as an independent artist.

## **FUTURE EVENTS:**

Are you attending a music festival, digital media industry tradeshow or some type of media conference in 2004? Please let us know -- we'll promote the ones you're involved with and help spread the word! We'll also be reporting from the conferences that we attend for those of you that couldn't make it. E-mail us at [beals@bellsouth.net](mailto:beals@bellsouth.net) with CONFERENCE INFO in the subject line to get your show added to the list. Below is a growing list of upcoming conferences that we think are interesting, relevant and worth attending.

**Future of Music Policy Summit:** This annual event on May 2-3 will be held at George Washington University, Washington D.C. Now in its third year, the FMC Policy Summit is a forum for musicians, lawyers, academics, policymakers and music industry executives to come together to discuss and debate some of the most contentious issues surrounding digital technology, artists' rights and the current state of the music industry. [CLICK HERE](#)

**aXis Florida Music Festival:** In its third successful year, the aXis Florida Music Festival expects more than 150 Industry Reps, 2000 musicians and 25,000 music fans in Downtown Orlando from April 15-17th, 2004. From the "Who's Who" of Industry Cocktail Parties to the 15 live music stages and 5 electronic venues, the FMF2004 party plans to be their biggest yet. The FMF2004 is now accepting submissions for all music platforms including acoustic, alternative, hard rock, pop, electronic and urban/hip-hop. Go to [www.floridamusicfestival.com](http://www.floridamusicfestival.com) to download the submission PDF or email [artistrelations@floridamusicfestival.com](mailto:artistrelations@floridamusicfestival.com) for more information.

**MECA Music Conference & Festival:** MECA is the first major music conference hosted by a mid-western city from May 12-15, 2004 in Chicago. The conference offers 3 full days of panels, clinics, workshops and networking, along with industry professionals offering input and 4 nights with over 200 showcase performances from artists. [CLICK HERE](#)

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ARTIST OF THE  
WEEK:  
[Bill Carmichael](#)

**TapeOpCon 2004:** The third annual Tape Op Magazine Conference is being held May 28th to 30th, 2004 in New Orleans, Louisiana. It is a get-together aimed at engineers, producers, studio owners, musicians, home recordists, and the just plain curious. It is a chance to meet the writers and contributors and many of the people whose interviews have graced the magazines pages. You will make new friends and be challenged to think about how you record your media content. The next registration deadline is March 15, 2004 . Student discount is 15% off appropriate base price and must be accompanied by a valid student ID. [CLICK HERE](#)

**NXNE:** North By Northeast Music Festival and Conference is "the biggest and most prestigious music festival of its kind in Canada." As they celebrate their tenth amazing year North By Northeast continues it's promise and dedication to the emerging artist and will take over clubs, outdoor venues, theatres and special stages throughout downtown Toronto from June 10 - 12, 2004 . The deadline for showcases has passed, but it's not too late to register for the NXNE industry conference - two days of panels, roundtables, demo listening sessions, legal clinics, one-on-one mentor sessions and much more. [www.nxne.com](http://www.nxne.com)

**Atlantis:** The Atlantis Music Conference takes place in Marietta, Georgia on July 21-24, 2004. The purpose of the Atlantis Music Conference has been to focus the national and international music industry and related press on the southeastern music industry by staging a music conference unlike any other in the country. Bands and artists may submit applications for Atlantis showcases through the final deadline of March 15. [CLICK HERE](#)

**Digital Hollywood Spring, Los Angeles** March 29-31, 2004, Loews Santa Monica Beach Hotel, [CLICK HERE](#). Digital Hollywood debuted in 1990 and has from its start been among the leading trade conferences in its field with over 15,000 top executives in the film, television, music, home video, cable, telecommunications and computer industries attending the various events each year.

**Streaming Media East Conference & Exposition** May 10-13th, Hilton NY, New York City. At Streaming Media East, learn how to use streaming to create, manage, publish, and distribute digital media. Streaming Media East is where information technology professionals and business executives will get actionable information about using streaming and digital media technologies in the areas of marketing, advertising and promotion, corporate communications, education and e-learning, and customer relationship management. Currently accepting speaker submissions. [CLICK HERE](#)

**Nashville New Music Conference (2NMC)** On September 15-19, 2004, The Nashville New Music Conference offers independent music artists of all genres an opportunity to perform, network and learn in a professional environment designed to encourage and assist them in their pursuit of a successful career in the music industry. Artists interested in showcasing at the event will submit an application and sample of their music for consideration by 2NMC's listening committee of music industry professionals. This committee will then select showcase performers in each genre based on their level of songwriting and performance ability. 2NMC attracts a mixture of emerging independent artists and established national acts with new material. [CLICK HERE](#)

**Jupitermedia's DRM Strategies Conference** will be held April 12-14 at the Crowne Plaza Times Square, New York City. This will be the most comprehensive event on digital rights management business and technology issues ever held - a must-attend for those involved in content security in

## QUESTIONS FROM READERS:

Dear Todd: Is there some sort of goal that has been set by the RIAA and others who are engaged in the war against File Sharing? That is to ask at what point will they feel that victory has been achieved?

Answer: I think the ultimate goal is to return to profitability and there are many who think that P2P and filesharing are the primary cause of the drop in recorded music sales. Eventually though, the public will migrate to the 'paid services' to avoid viruses, spam, and spyware, etc. Europe is currently headed to the courts to fight the same pre-emptive battle to try and ward off future losses (8 million people in the UK claim to be downloading music - 92% of them using illegal sites.) I personally think that the RIAA lawsuits are making a positive impact and steering more people to legal P2P which is a good thing !

both consumer media distribution and information security for businesses. DRM Strategies will be your chance to experience and compare the most important DRM technology solutions under one roof. The conference will feature keynotes from leading industry figures that will introduce you to the fundamentals of DRM, shed light on future DRM directions, and provide incendiary debate on today's controversial issues of online piracy and digital copyright. [CLICK HERE](#) for more information.

**Wi-Fi Planet Conference & Expo** will be held from June 8-10 in Baltimore Maryland and is the world's largest Wi-Fi business event where all the major manufacturers, sellers and buyers of Wi-Fi related technology assemble together. It's where vendors introduce the latest products, where business users gain the knowledge they need to make strategic buying decisions and where the industry charts its future direction. [CLICK HERE](#)

**Florida Tech Transfer Conference** will be held in St. Petersburg, Florida on May 17th & 18th. This new annual event showcases emerging technologies and commercialization opportunities from the state's leading research universities in the areas of information technology, biotechnology, and nanotechnology. [CLICK HERE](#)

**Songwriter's Expo/Santa Barbara Wine Country** June 3-6. More than 40 industry pros and hit songwriters, limited to just 200 attendees. The Expo includes workshops, showcases, listening sessions and panels, and concludes with a concert featuring hit songwriters Shelby Lynne, Jeffrey Steele, Al Anderson, Beth Nielsen Chapman. Because this is such an intimate event, you'll get some great opportunities to rub elbows with some heavyweights. For more info, check out Durangosong.com or call 970-259-9747.

## TECH TIPS:

For those of you having trouble eradicating certain viruses from your PC, McAfee offers a free utility called [Stinger](#). As a stand-alone utility used to detect and remove specific viruses, it is not a substitute for full anti-virus protection, but rather a tool to assist administrators and users when dealing with an infected system. Stinger utilizes next generation scan engine technology, including process scanning, digitally signed DAT files, and scan performance optimizations. If you're computer is causing you problems and you think you're infected, give this utility a try, but don't expect to get back on your PC for a few hours while it does its' thing.

**CLASSIFIEDS:** *Coming Soon !*

## PARTING TIDBITS:

- For 2003 the value of the world's music sales fell for the fourth year in succession. Informa Media estimates the decrease in the retail value will be 8.9%, reducing the overall value of sales to \$28.2 billion. Of the 32 European countries reported by the IFPI,

Empirical research study called ["Global Music Piracy and Its Effect on U.S. Recorded Music Sales"](#) completed in 2003 Q4 is available immediately in Microsoft Word and PDF formats for \$195.00 US.



Click [here](#) for a direct link to a free WebEx Web Conference with Phil Leigh from Inside Digital Media from Feb. 10th covering the contents of the independent study.

more than half reported a fall in sales in 2002. The most notable exceptions were France and Norway. All the other developed territories experienced decreases.

- Placing a value on the loss to the industry of music exchanged online is highly speculative as the number of P2P users increases each month. Informa Media estimates that the number of users connected at any one time will have risen to around 40 million by 2008.
- Informa Media forecasts that the value of global music sales via the internet in all its forms will reach \$3.9 billion by 2008. Total music sales online are forecast to account for 12% of the global total by 2008, compared with 4.5% in 2003.
- Sticking to the RIAA's policy of pursuing those sharing 1,000+ files, the RIAA sued another 532 individuals this week.
- Microsoft confirmed that its' music download service will launch in the US in the second half of '04.

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Thank you for your support,

Todd B. Beals, M.B.A.  
*Editor and Owner*  
**Creative Media Services**  
500 E. Gore Street  
Orlando, FL 32806  
407-648-0353 home  
407-650-2633 fax  
407-312-2996 cell  
[www.toddbeals.com](http://www.toddbeals.com)

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500 E. Gore Street  
Orlando, FL 32806  
Tel 407 648-0353  
Fax 407 650-2633  
beals@bellsouth.net  
[www.toddbears.com](http://www.toddbears.com)

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