



**Capturing revenue
from online
music videos**

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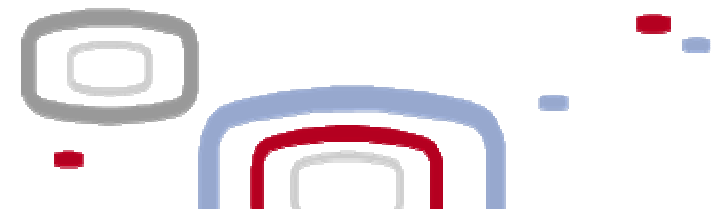
HIRO^o



Is there a market for music videos online?

Popular content by genre:

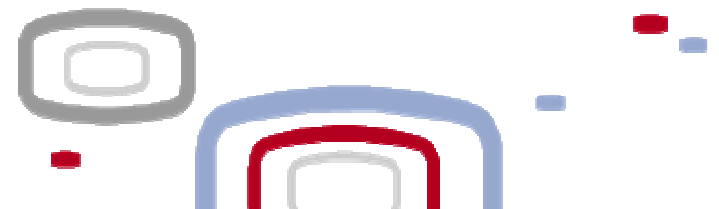
1. News (44.4%)
- 2. Music videos (37.5%)**
3. Comedy videos (35.5%)
4. Movie trailers (33.7%)
5. TV show videos (33.1%)
6. Entertainment news (29.9%)



Is there a market for music videos online?

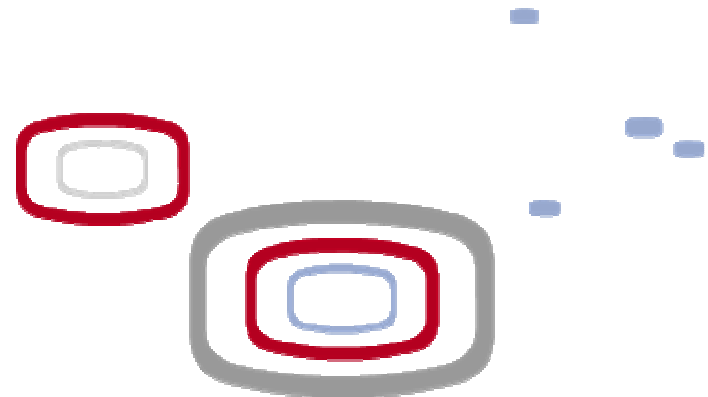
Young Crowd (18 - 24):

1. Music videos (53.1%)
2. Comedy videos (46.9%)
3. TV show video/clips (44.4%),
4. Movie trailers/advertising (43.0%).



The Question

If **music videos** are so popular
Why is no one generating
significant revenues from them....?

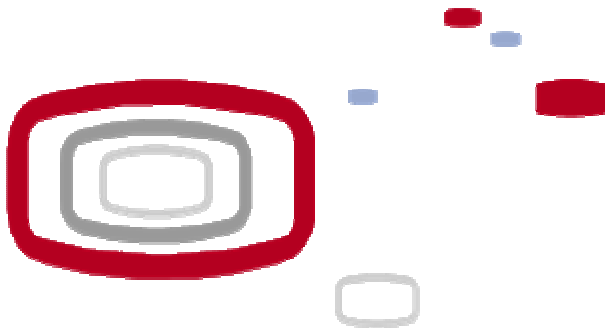


The Answer

There is a **gap**:

Between what the **technology** offers

And what the **customer** wants



What do users want?

- Free Content
- Diverse, professionally produced content
- ‘Content Discovery’
Find it where they surf - even if it is P2P and social networks.



But, actually, the industry is offering something totally different....



What does the industry offer?

- **Paid downloads**
 - But consumers want video downloads for free
- **Restrictive DRM**
 - But consumers want to move their content between devices and share it with their friends
- **Legislation against P2P file sharing sites**
 - But this is where consumers already go to find their music

The Challenge

Finding a way to offer **free content** -
from any source - including illegal file sharing sites and
social networks - and **still earn money**



How is **HIRO** doing it ?

How are we doing it ?

Embedding targeted ads in music videos

- Users receive the video for free
- The rights owners and distributor get paid



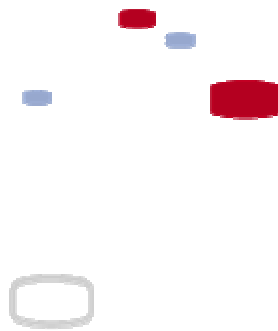
The Secret Sauce

Positive DRM™

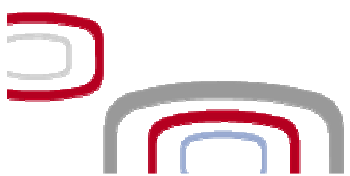
- Ads are protected. It is impossible to strip them
- Ads are targeted and personalized to each individual user
- Encourages users to share content virally, using P2P, email, Social networks etc.
- Views are tracked and counted, even if films are downloaded via file sharing
- Share videos between devices - from PC to Mobile. View films off-line

The Money

- 300% - 400% increase from pre-roll
- Payment per ad is 4¢ - 6¢
- An hour long video is 40¢ - 1.2\$



Operating Markets





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Thanks and free your music



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