

M.P.E.

PRODUCT & STRATEGY OVERVIEW

BREAKOUT

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PATENT PENDING

Table of Contents

Executive Summary/Company Overview

Product Overview

Initial Strategy

Target Market

Selling Points for Target Market

- Selective Syncing
- Party Playlist
- Gym Playlist
- Video Storage
- Car Playlist

How It Will Media Player Providers

- Improved Music Security
- Limited Memory
- Increased Feature-Length Film Purchases on iTunes
- Strengthen Brand Loyalty
- Best Buy Express

Future Strategies/Objectives

- Color Varieties
- Expansion of Model Designs
- Alternative to DVD

BREAKOUT

Executive Summary/Company Overview

Breakout Developments L.C.C. was established to develop and bring to market a unique and beneficial Portable Media Player Accessory. The company was founded by Scott Carleton and Tyler Young and is currently filed in the state of New York. The members have conceptualized and are in the process of engineering a Media Player Extender (MPE) that will be used in conjunction with current Media Players.

Mission Statement:

To reestablish personal interaction of music exchange with the Media Player generation and provide consumers with a product that allows for an exciting and efficient way to exchange and discover music among one another with impressive quality and design.



Product Overview

Consumers have progressively grown accustomed to using media players as their primary means to listen to music, whether it is in their car, at home, or traveling. However, music sharing, which has always been an appealing activity, is currently reliant on a fading technology, the compact disc.

The 'burnt CD mix' replaced the analog 'mixed tape' as a means to share music. With the prevalence of the media player, a new product is needed to meet the demand of users to share music. That product is the MPE. The MPE will be a sleek, compact, inexpensive tool whose main function is for users to create and exchange music mixes/playlists with each other directly through their Media Players. Customers will have the ability to create playlists on their computers, synchronize them directly to their MPEs, and then give them to anyone they please, who can in turn connect them directly to their own Media Players, and listen to their newly discovered music playlists. The MPE is not a way for individuals to steal music from one another, but an instrument to introduce new music to one another. Users will not be able to transfer music files directly from an MPE on to their computers or iPods. It will be a one-way transfer working solely from computer or iPod to MPE. An extension to the MPE's primary purpose is the possibility for it to store larger files, such as videos, that the user may not want occupying the storage capacity of their Media Player. This concept leads to the possible development of a library of external videos utilizing several MPEs to store them.

Another feature that will benefit the customer is the use of removable custom labels. Because the memory is rewritable and not permanently attached to the device, the ability to easily re-label each MPE will be a significant benefit to users. Furthermore, the user will be able to program a name for their MPE, so that when it is displayed on a computer's desktop, it will be individually labeled.

It is important to keep the MPE production cost and its price to consumers low. It has to be priced at a level that enables the users to feel free to give MPE's to their friends in a similar manner that users currently share burnt discs.



Initial Strategy

In order to keep initial costs as low as possible, we will only release one model, in a standard black and silver finish, with approximately one gigabyte of memory.

The mission is to generate a following and general excitement for the MPE through unique, relatable, and stimulating advertisements. An early tactic will be to create anticipation in the market prior to the initial launch through assorted viral and guerrilla/sample marketing tactics centralized around target market locations.

These preparations will coincide with an additional priority, which is to construct a contemporary, easily manageable website. The website must integrate images and videos that set forth our selling points. Basically, it will display why the consumer should purchase the product. However, these write-ups will be composed in a style that is relatable and welcoming, as if a close friend had written them. A video walk through and demonstration will also be included. The tone will be casual and identify with our target age demographic.



Target Market

Our target market is the Media Player consumers who are particularly concerned with accessories and new technologies. We are not merely targeting a specific demographic, but a specific problem as well: the inability for current iPod users to conveniently share music with their peers.

Our ad campaigns will primarily be designed to appeal to male audiences from the ages of 16 - 30. We believe that this is the demographic that is most interested in developing entertainment technologies. This age group represents the majority of present/past CD-R/CD-RW consumers. The exchange of *Mixed Tapes* and *Mixed CDs* has a tendency to be from males in this age demographic, to females, as a means to impress. We will promote the MPE as “A New Way to Impress.”



Selling Points for Target Market

Selective Syncing:

A trait encompassing all Media Player users is ‘selective syncing’. Users are consistently evaluating and monitoring the selection of music that they store on their Media Players. No matter what size Media Player one possesses, in time, storage space always becomes an issue. The tendency is to systematically edit out the songs that they feel are no longer worthy in order to accommodate additional music. This can be a very frustrating ordeal for the consumer. The concern being, “what if one day I want to listen to a specific song, but it’s no longer available.” The MPE device will certainly appeal to these music addicts. It will provide them with the option to externally carry additional music with them. Additionally, if desired, they will be able to catalog different artists, genres, and playlists across a collection of MPEs, providing them with options that were previously unavailable.

Party Playlist:

The current trend at parties/gatherings attended by our target market is to surround the stereo system with a plethora of assorted Media Players. The attendees often carry their Media Players with them to these gatherings in the hope that their choice of music will be selected and appreciated. However, common deterrents include inconvenience and the concern of theft.

The MPE will provide users with a more manageable sized option to transport their music. They can simply synchronize their “party playlist” to their MPE and carry that with them. They then will have the option to insert it into any Media Player present at the party and share their music with their peers.

When an individual places their Media Player down at a party as a music option, there is generally a concern that they may not get it back at the end of the party. The MPE will have a rather low price point associated with it, especially in relation to a new Media Player, which will reduce the consumer’s anxiety about the threat of loss.



Gym Playlist:

A significant population of Media Player customers employ their devices for gym use. However, their selection of music for gym use is often distinctive from their typical listening. Continuing on the theme of selective syncing, often times the user would rather their ‘work out music’ not occupy storage space on their Media Player. The MPE provides them with the ability to externally store their ‘gym playlist’, allowing memory to be clear for more frequently listened to music. They will be able to simply connect their MPE device to their iPod during gym visits.

Video Storage:

Media Players are great tools to watch television shows, movies, and music videos. However, a common deterrent for the user is the data size of these media files. The .m4v files often occupy a significant amount of memory, making it difficult for the user to store even a moderately portioned variety of videos. The consumer is forced to constantly rotate and re-sync their video selection on their Media Player. The MPE will provide the customer with a much more suitable and convenient alternative. They will be able to store their collection of .m4v files on an assortment of labeled MPE devices and simply choose and insert the desired device containing the specific video that they would like to view.

Car Playlist:

Typically car models in the 2005-2008 year range offered auxiliary (AUX) inputs for MP3 connectivity only as a select option. 2009 model cars now offer AUX inputs as a standard equipment feature. This feature suggests a possible directional change to phase out CD players in cars. The cost of an AUX input is dramatically less for automakers. We need to anticipate the conversion and deliver to the consumer a product that will comply with the evolution. With CDs diminishing, the MPE will be ready to satisfy the growing development of music enjoyment.



How It Will Help Media Player Providers

Improved Music Security:

A major issue with burnt CDs is the lack of ability to control who is obtaining purchased music. When one acquires a CD of music that they have not purchased, they are able to insert that CD into their computers and upload the entirety of its contents, allowing them to circumvent the need to purchase music on their own. This is a major profit retardant for Music Providers. The MPE mitigates this issue. It allows the public to trade music; however it restricts the transfer of the music from the MPE back onto one's computer. Therefore, if the recipient prefers a certain song, he/she will need to purchase it for himself/herself in order to permanently have the file, which will logically increase sales for Music Providers.

Limited Memory:

An understandable hesitation for Media Player Companies to allow the MPE to be marketed is the fear that the public will see the device as an external hard drive for their Players and an alternative to upgrading to a larger capacity. The solution to this concern is to limit the memory of the device to a capacity that is needed for the intended purpose of the product, the introduction of music playlists. It is true that the customer could simply purchase multiple MPEs and still employ them to significantly extend their Media Player's capacity. However, the inconvenience factor will relegate this action to a negligible percentage of consumers. It is understandable that a customer would rather not carry around an excessive amount of these devices when they are able to simply purchase a larger capacity Media Player.

Increased Feature-Length Film Purchases:

When it comes to the decision of purchasing a full, feature-length movie from a Service, a major setback for the average customer is the file size. A video file occupies a noticeable amount of memory on any Media Player. Typically, a user would prefer to save this space for additional music rather than videos. The MPE will appeal to this category of customers. They will be able to store movies on a collection of MPEs, and



take one at a time as travel necessitates. With this new option available to consumers, it is likely that they will purchase more videos through Service Providers.

Best Buy Express:

The *Best Buy* Corporation has located ‘Best Buy Express’ vending machines in various airports throughout the country. These machines are stocked with various portable entertainment devices and accessories, including assorted iPod models and accessories, and are branded with the Apple logo across the top display. The primary purpose of purchasing an iPod is to listen to music. However, if obtained through a *Best Buy Express* machine, the consumer has no immediate means of acquiring music. The MPE provides a solution to this problem.

MPEs can be stocked adjacent to the iPod device. Additionally, they can be preloaded with music. This music can be sorted by specific artists, or can contain a variety of artists from specific genres. These preloaded MPEs can be specifically formatted to replicate the action of purchasing the files directly from iTunes. This breakthrough service provides the customer the ability to instantly listen to music, of their choosing, on their brand new iPod. The ability to purchase an iPod on the go becomes increasingly appealing and logical to the consumer with this added capability.



Future Strategies/Objectives

Color Varieties:

Our first expansion to the line of MPE products will be a variety of color choices. This introduction will be intended to expand our reach to the female market. Our objective will be to fashion the device and packaging to express the feeling of being a ‘fun gadget’, inspiring impulse purchases

Expansion of Model Designs:

Once the MPE has been established as a credible product, and has developed a solid customer base, it will be time to design additional varieties of MPE models. We will have the ability to appeal to specific markets by creating different styles and aesthetics. Adjusting designs to fit certain styles generates the option to distribute to a greater range of vendors, expanding our reach out from the Internet and technology stores.

A primary model upgrade option that we will develop is adding a female 30-pin dock connector to the bottom of the MPE. This will allow the user to synchronize and dock their Media Players while the MPE is attached. Furthermore, it will accommodate the MPE with the use of Media Player Specific speakers, car chargers, stereo inputs, and additional accessories currently available.

Alternative to DVD:

Once we have established the MPE as a music device, we will extend our venture to video as well. Our approach will be to demonstrate the MPE as a valid storage unit for purchased .m4v video files. From there, we will progress to become an alternative to DVDs. We foresee stocking stores with MPEs that are preloaded with feature length movies, ready to be instantly inserted and viewed on customer’s Media Players. There are opportunities in packaging designs that allow us to appeal to both the consumer and the distributor. The smaller size allows for more shelf space in stores and a larger selection.



These video MPEs will be formatted in a different way than the music based MPEs. They will have a larger capacity to insure the best quality of video, particularly high-definition formats. Additionally, they will interact differently when linked to a personal computer. The contents will be able to be viewed but not manipulated. The data on the MPE will be locked and not rewritable. Its sole purpose will be to play the video with which it was initially purchased.

