

SoundScan

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SoundScan, Inc. is the brainchild of Chief Executive Officer Michael Fine and Chief Operating Officer Michael Shalett, who formed the company in 1990. SoundScan began operations on January 1, 1991, and in May of that year started supplying Billboard with sales figures for their charts. All of the major U.S. record companies have since subscribed as have major music publishers, managers, booking agencies, marketing firms, radio networks, TV awards programs, etc. It's worth noting that on January 1, 1993, VideoScan was established as a sister company to SoundScan to track non-music video sales in the U.S.

Shalett and Fine first joined forces in 1987, when they started Soundata, a syndicated service that tracks the music buying habits of some 2000 consumers nationwide. Clients have included MTV, Coca-Cola, HBO, R.J.Reynolds, Anheuser-Busch, as well as major record companies. Fine also continues to serve as President of George Fine Research Inc., founded by his father more than 50 years ago, the company has conducted presidential election polls for the New York Times and CBS-TV for the past two decades as well as other market surveys for various Fortune 500 companies. Mike Shalett had previously worked in radio programming in the '70s and record promotion in the '80s, and has written numerous articles for Billboard, Radio & Records, and other publications concerning the industry's marketing patterns and consumer buying habits.

Other personnel at SoundScan include Dave Demers, V.P. of Sales & Service and Joe Sinko, Director of Information Services

SoundScan Overview Outline

METHODOLOGY:

Data Collection - Data is sent from point-of-sale cash registers via modem from stores to SoundScan each week. Data files contain store numbers, piece counts and Universal Product Codes(UPC)

Data Processing - Data is processed with zip code intact for regional charting purposes. Information is available each Wednesday morning for delivery.

SYSTEM CAPABILITIES:

Data Collection - From 12,000 retail outlets including 40 different chains (3720 stores), 6 mass merchandisers[racks] (6780 department/discount stores), and over 500 independent retail locations. Thus processing an average of 6-7 million transactions weekly.

Data Delivery - Updated sales information is available weekly and remote users have 24 hour on-line system access with lines to handle up to 64 simultaneous users. Reports are sent via direct download to PC's, by fax or mail. Historical data is archived to removable read/write optical disks for easy retrieval.

REPORT CAPABILITIES:

TITLE REPORTS - Available with national totals broken down by:

Outlet type: Major Chain, Chain, Independents, Mass Merchandisers/

8 census regions/ 3 geo-demographic divisions(urban, suburban, rural)/

Store demography: Mall, Strip shopping center, Free standing building, Store size(sq.ft.), Product carried(music, video, video rental), Area household income & other census characteristics.

ADI(Area of Dominant Influence) - Comparing percentage of sales on a title in a specific market to overall sales percentages for that market.

Configuration - all reports are available by individual configuration(ie. cassette, CD, 12", etc.) or by "all" configurations.

History - numbers are displayed for the current week, 3 prior weeks, year-to-date and release-to-date.

SUMMARY REPORTS - Four week history reports are available by:

Outlet type: Retailer, Mass Merchandiser or combination of both

Configuration - Albums, Singles, Videos, or combination of all

CHARTS - compiled for:

Singles - year-to-date, current week, different formats(ie.12", maxi-cassette, CD-5)

Albums - year-to-date, total current week, top current albums, top catalog albums, top new artist albums

Geographic - Top 99 ADI markets w/top 100 single & top 100 albums/ 8 census regions w/top 100 singles, top 100 albums & top 50 new artists

Genre - COUNTRY (top albums, current albums, catalog albums)/ R&B (top singles[total or selected sample], current albums[total or selected sample], catalog albums[total or selected sample])/ HARD ROCK/HEAVY METAL (top albums[total or selected sample])/ RAP (top singles[total or selected sample], top albums[total or selected sample])

Music Videos - Top 50

Store Type - Top 100 albums, retail/ Top 100 albums, mass merchandiser

Seasonal - Top 30 Christmas albums

MARKETING REPORTS - for *Record Label Share* by: Weekly units by configuration, Monthly units by configuration, Units by configuration year-to-date

also for *Total Units Sold* weekly and year-to-date by: Store type, Region, Geo-demographics, ADI markets, Store size, Product carried, Genre