

Band Equity™: A Better Measurement Than Song Charts

ReverbNation Introduces Proprietary Metric That Scores Influence, Reach of Artists

(Austin, TX – SXSW Music Festival, 2008) ReverbNation, a leading provider of Fan Relationship Management strategies and applications, has introduced a new method for measuring the ability of a musician or band to engage and influence fans. The proprietary metric, dubbed Band Equity™, is designed to prepare Artists, and those that support them, for new revenue models that rely less directly on music sales and more on their ability to develop meaningful and lasting relationships with consumers.

“We have always believed that the most important asset an Artist has is their portfolio of relationships with fans. As the sale of music declines as a component of the revenue mix for Artists, new opportunities are going to pop up that revolve around their ability to engage their fans for other purposes,” said Jed Carlson, Chief Operating Officer of ReverbNation.com. “Band Equity™ is the embodiment of our belief, and a necessary first step in realizing those opportunities for them.”

Band Equity™ was developed in response to the inadequacy of currently available metrics, like song plays, MySpace ‘friends’, and retail sales, to serve as viable proxies for fan engagement. Specifically, song plays and MySpace ‘friends’ are relatively easy to falsify and one-dimensional, while retail sales reports do not provide visibility into the behaviors of younger consumers who, as a block, do not buy music. Band Equity™, on the other hand, takes a more holistic view of an Artist and synthesizes four factors that contribute to the value of an Artist’s portfolio of fan relationships:

Reach: The number of unique people touched by the Artist’s content, which typically lives within social networks, blogs, home pages, etc. This factor includes unique listeners, watchers of video, registered fans, size of their mailing list, etc. It could be described as the total potential fan base, and captures an element of ‘effort’ on the part of the Artist and their Fans to spread their content and reach more people.

Influence: The reaction of those people exposed to the content. This factor includes number of songs or videos played per listener, play-through percentage on songs, total engagement time, email open rates, etc. It could be described as the “merit” of the Artist’s content.

Access: The ability of the Artist to access those fans directly, and message to them. This factor includes the rate at which listeners/friends convert to registered ‘fans’ of the Artist or joining their mailing list, giving the Artist the ability to speak to them directly. It could be described as the ‘familiarity’ the Artist has with their fan base.

Recency: All of the above factors are weighted by how recently the activities have taken place. Because of this, Band Equity™ can be used as a way to identify how promotional strategies affect fan relationships in the aggregate, closing the loop on understanding the cause and effect of an Artist’s popularity.

Artists from all genres are encouraged to sign up and get a Band Equity™ score for free. In addition, every Artist is provided a chart that tracks their score over time, a ranking for where they stand within their genre, and educational material for how to increase their value.

Band Equity™ scoring is currently in a state of beta testing, with results only visible to the Artists themselves. Once the algorithm is fine tuned, Band Equity™ will become the standard way by which the “Top Artists” chart is calculated at ReverbNation, and a core metric used in delivering new revenue opportunities to them.

About the company

ReverbNation provides the innovative marketing solutions that musicians need to compete, cooperate, and differentiate in an increasingly noisy online environment. Unlike typical “closed” communities, artists use ReverbNation as their home base for approaching marketing and promotion across the Internet as a whole - be it via social networks, blogs, email, IM, or the artist’s homepage. Tools like TunePaks, FanReach, TuneWidget, and Street Team Manager give the artist the power to spread their music and information virtually anywhere. Real-time stats then provide a 360-degree view of how the music is spreading, who is listening, and which fans are actually passing it on to their friends and posting it on their pages. ReverbNation empowers Artists to take the music to the people, no matter where they spend their time online. For more information, please visit www.ReverbNation.com.

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