

Peer to Peer

CUSTOMER PROFILE

BY BETH STACKPOLE

World Media is banking that community will give its music-sharing service impact.

IN THE FIVE years since it was founded, World Media has always been all about community. From its initial product, a cash-back shopping portal, to its music service launched late last year, and its digital content offerings sketched out for the future, World Media is pursuing a mission of creating e-commerce experiences that actively solicit involvement from customers.

“We recognize that the growth of the Internet is dependent on consumer involvement,” says Joe Hatch, executive vice president of the Saratoga Springs, NY, company. “We knew we had to take the

Wild West and make it feel more like home.”

World Media set out to do that initially with Buyers’ Port, a cash-back shopping club that let consumers rack up rewards for shopping online at 500 name-brand retailers, including Overstock.com, 800-Flowers, L.L. Bean, and others. From there, World Media took steps to transfer that model into the nonprofit space. Using the same cash-back approach, consumers could shop and have their cash rewards donated to a charity of their choice.

World Media’s latest effort is to extend those same principles to the booming online music

business and, eventually, other forms of digital entertainment including movies. Peer Impact is a new and legitimate angle on the peer-to-peer music sharing that was popularized several years ago, but quickly was stamped out by the music industry, which was concerned about copyright infringement and royalties. Leveraging its peer-to-peer architecture and contracts signed with the big four music labels (it claims it’s the first peer network to be awarded contracts), World Media is able to offer consumers an opportunity to buy music in a community environment, which lets them earn back a percentage of what they spend in exchange for utilizing their computing infrastructure to share music with others.

“Now, instead of purchasing a song from a centralized service and having their involvement end there, with Peer Impact, they have the same opportunity to purchase music from the same type of catalog,” Hatch explains. “But because of the peer-to-peer community, they can earn money back from the redistribution of that content.”

Here’s how the concept works. Just like Apple iTunes or Microsoft’s MSN Music service, customers join the Peer Impact network and can purchase songs for \$0.99 each. Once the music has been purchased, customers can leave their Peer Impact application open, which makes

IN THE WEEDS WITH PC CONNECTION

Bryan Cozart Senior Account Manager

On Peer Impact’s coolness factor: It’s the community aspect that’s great. If you know a lot of people and what [kind of music] they’re into, it’s easier to find music that you want to listen to. You get to pony off of other’s hard work ... and you end up getting something back from your investment.

On PC Connection’s role: We helped orchestrate their storage architecture. We put them in front of the right people, aided in the design, and gave them the information they needed to make an intelligent decision on what to standardize on. That was our

biggest win.

On what he personally brought to the party: I got a lot of “help” e-mails. “Help, the server went down.” “Help, I need a monitoring solution for a server environment.” “Help, I need more Microsoft licenses.” It’s a long-standing relationship. I’m not only there for the products, but I talk about the business ventures and share ideas on what might be great ways to make money. I even participated in the Peer Impact pilot program.





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COMMUNITY FOCUS: Peer Impact is a legitimate angle on peer-to-peer music sharing.

their music library accessible to others across the network in search of similar music. If your library is chosen as a source by the network, you get a commission on the sale, which goes into a Peer Impact account and can be applied to future music purchases. At minimum, customers can earn back 5% of what they spend, or if they're an active member, it can be as high as 20%.

What constitutes an active member? Those that opt to participate in the communities—taking part in chat rooms, creating blogs, or recommending certain artists or selections—are ranked higher, thus are more likely to be chosen as a source,

which means more rewards. World Media believes this aspect of its service will set it apart from the current leaders like iTunes.

Building out the infrastructure to support a peer-to-peer architecture, while not as involved as a centralized service, still required a significant investment and IT expertise. World Media had a hand with its long-time technology partner PC Connection Inc., of Merrimack, NH. PC Connection introduced World Media to service partners that understood the demands of such a network and was instrumental in helping the company get the best price from vendors on \$1.2 million worth of equipment, says Kirk

Feathers, World Media's president and CEO. PC Connection also was the key force behind the company's choice of a 34 terabyte storage network from Equal Logix, which is a core element of the peer network.

Having PC Connection to lean on for technology assistance was critical. Says Hatch: “When you've grown by 30% and you're juggling that many balls, it's nice to have someone like PC Connection there to help navigate the technology mazes.”