

Music of Your Life (OTC Pink: MYLI) A Great Acquisition Target in \$25 billion U.S. Online Radio Industry

MYLI's stations reach 10 of the top 40 radio markets in the U.S., with more than a half-million listeners a month. - Transformation to Online Subscription Model

MIAMI, FLORIDA, USA, March 27, 2018 /EINPresswire.com/ -- (EmergingGrowth.com NewsWire) – EmergingGrowth.com, a leading independent small cap media portal with an extensive history of providing unparalleled content for the Emerging Growth markets and companies, reports on Music of My Life, Inc. (OTC Pink: MYLI).



It is now close to a decade since the \$13 billion merger between Sirius and XM was finalized in mid-2008, leading to the formation of Sirius XM (NASDAQ: SIRI), the largest satellite radio company in the U.S.

“

The fact that we are a legacy brand speaks to our ability to create user stickiness and keep our listeners tuned-in. This can only happen if the content is uniquely great”

Marc Angel, CEO Music of Your Life, Inc.

The historic deal, which was hotly contested by the National Association of Broadcasters (NAB) over concerns that it would create a monopoly, fundamentally changed the radio business. It created a significant barrier to entry to thousands of terrestrial radio stations which were at the time angling for satellite delivery in order to gain national listenership.

Traditional terrestrial radio stations only have regional reach. This limits their programming to content relevant to a predefined geography. Being bound to a single geography also puts a cap on the number of advertisers a station can attract, limiting revenue growth prospects.

In contrast, satellite signals are broadcast nationwide across a much wider geographical area than terrestrial signals. This essentially means that satellite radio stations have the capacity to offer a wider variety of programming to more listeners, attracting a significantly higher share of advertising spend compared with terrestrial broadcasters.

Terrestrial stations keen on expanding their geographical reach and increasing their potential for

higher ad revenue have historically tried to upgrade to satellite delivery. However, the creation of a satellite radio monopoly a decade ago through the Sirius XM deal dashed their hopes.

This explains why terrestrial radio stations, through their lobby NAB, adamantly opposed the deal. It gave SIRI too much clout in a space (satellite radio) that has very limited competition. The company, which currently boasts a \$28.62 billion market cap, grossed \$5.43 billion in sales in 2017, extending a revenue growth curve that has seen its top line steadily increase from \$3.8 billion in 2013.

In the past decade, there has been no significant disruptor to SIRI's business. However, things are changing. Traditional terrestrial players have found a cost-effective way to bypass satellite delivery and get their content across a wider geography.

Online radio levelling the playing field.

According to Marc Angell, CEO and President of Music of Your Life Inc. (OTC Pink: MYLI), nothing levelled the playing field more dramatically than the Internet. "Satellite delivery can cost up to \$10,000 a channel per month, whereas delivering the same content over the Internet to a potentially wider audience, can cost as little as \$200 with nominal equipment costs," he said.

Traditional broadcasting (whether terrestrial or satellite) is costly. A pointer to this is the fact a key broadcaster, iHeartMedia (OTCPK: IHRTQ), recently filed for bankruptcy protection after accumulating more than \$10 billion in outstanding debt to keep its approximately 850 radio stations on the air.

"By strategically leveraging online content delivery, broadcasters can avert similar situations and still deliver their content to listeners across a much wider geography" said Angell.

He spoke to Emerging Growth extensively about his company's prospects as it celebrates its 40th anniversary, a milestone he believes will set the stage for a new phase of growth that will unlock value for shareholders.

Music of Your Life Inc., which creates 24 hours of radio programming everyday using celebrity DJ's, has been in continuous operation since 1978. This makes it the longest running syndicated music radio network in the world.

"As a legacy brand, we have traditionally, and continue to this day, to deliver content via AM, FM and HD radio stations across the U.S. However, our recent foray into online delivery, has unlocked much-needed growth," said Mr. Angell.

"Our terrestrial stations reach 10 of the top 40 radio markets in the U.S., covering more than 30-million POPS, and more than a half-million listeners a month, which are good numbers for a small syndicator, but actually a decrease over past years. However, with the recent launch of our new commercial-free service, our continued investment in online delivery could see monthly subscription revenue grow exponentially in the short-to-mid-term," he noted.

Angell, who took the company public in 2013, observed that online radio streaming was a game changer, not just for his company, but for the entire \$25 billion U.S. radio industry.

According to data from Statista, 65.85 million Americans used online radio streaming services in 2017. The Germany headquartered data crunching company further projects that 55.8% of the entire U.S. population and as much as 68.4% of the U.S. internet users will have become online radio users by 2018.

View the chart here: <http://emerginggrowth.com/wp-content/uploads/2018/03/Logo-Chart-Picture1.png>

Share of online radio listeners in the U.S. has grown steadily since 2008, the year of the Sirius XM deal; source Statista

“Online radio streaming has levelled the playing field and allowed us to reach more people without depleting our coffers through costly satellite delivery. However, what makes the real difference—especially now that more online streaming services are joining the market—is the content, it’s all about the uniqueness of the content, which is why we use celebrity DJ’s for most of our programming,” noted Angell.

Celebrity DJs and user stickiness

At the heart of MYLI’s model is a content strategy that has kept the brand alive and popular for 40 years. “The fact that we are a legacy brand speaks to our ability to create user stickiness and keep our listeners tuned-in. This can only happen if the content is uniquely great,” ventured Angell. “The secret has always been to use famous people as DJ’s. The audience identifies with their favorite celebrity, and when they hear them on the radio, they feel as though the person is in the room, or in the car with them. It’s that personal connection with a celebrity that only radio can offer, and it’s sustained Music of Your Life for 40 years,” said Angell. “We’re currently reaching out to a wide list of celebrities from television, music and the movies to host their own music shows, a Comedy Channel, and world class athletes to host a new Sports Channel”, adding, “Our primary revenue growth model is based on converting these celebrities’ social media followers into subscribers.”

He continued that the company is also exploring the deployment of live, uncensored streaming video with live call-ins. “Our listeners are already fiercely loyal, and we are keen on rewarding this loyalty through these continual improvements,” he said.

“The demographic that our company targets have a higher discretionary income than the average American, and can afford the \$5 subscription fee for our commercial-free channels, which is nonetheless competitive in comparison to other services in the market. The sign-up process is simple and easy. All our subscribers need to do is provide a username, password and zip code and they get immediate, secure access to our content,” said Angell.

If the company is able to convert 5% of its approximately 500-thousand terrestrial listeners into subscribers—which it is more than capable given the user stickiness and high discretionary income of its target audience—it could net 25,000 subscribers paying \$5.00 per month, within a year. Add to that, the number of social media conversions added with each new celebrity DJ, and the numbers begin to add-up quickly.

A shift in programming.

Music of Your Life has become synonymous for delivering Adult Standards. Recently however, Angell shook things up a bit with the largest programming change in the brand’s 40-year history by scheduling day-parts of different types of music, while keeping true to the founder, Al Ham’s original theory - give them decades of hits. The network is no longer focused on the the Great American Songbook, which tends to skew to a much older audience. “You’re still going to hear traditional Music of Your Life programming every day”, said Angell, “except now, it’s reserved for Peter Marshall’s show, from nine to eleven Pacific time, as Peter has one of the best shows on radio for nearly twenty-five years. With the new format, you’re also going to hear hit records from the sixties and seventies, some

big band, swing, a little jazz, and decades of hits throughout the day. Then of course, if you'd rather have commercial free rock, pop, country, or jazz, you can sign-up for our \$5 monthly premium service.” added Angell.

Acquisition target

An undervalued broadcaster with strong revenue growth potential, low delivery costs due to online streaming and an ingenious content strategy is likely to pop up on the radar of larger players in the sector.

This makes MYLI a potential acquisition target, underlining the prospect of exciting gains for its shareholders.

An ingenious content strategy that leverages on popular celebrities to create a unique user experience is what transforms ordinary radio stations into enduring brands—something MYLI has successfully achieved if its 40th year anniversary is anything to go by.

Tellingly, Sirius XM has realized that their growth is also strongly linked to Howard Stern, underscoring the role of celebrity presenters and DJ's in creating user stickiness and growing subscriptions. In a 2016 interview with CNBC, Sirius XM CEO, Jim Meyer, noted that: “Howard has never been better,” and talked at length about him, underscoring the central role celebrity DJ's and presenters play in the success of broadcasters.

“We are essentially riding on the same business model as Sirius XM, except that we dropped satellite delivery as it is extremely expensive, has transmission issues, and expensive end-user costs, compared to Internet delivery which is in your pocket, your car, in your home speaker, on your desktop, it's everywhere,” noted Angell. This similarity with the largest player in radio strengthens MYLI's case as an acquisition candidate.

Conclusion

In mid-2017, Sirius XM acquired a 20% stake in Pandora (NYSE: P) for \$480 million, making it one of the biggest deals in the radio space in the recent past. The deal was not a full scale merger, but is expected to give Sirius XM a footing in the online streaming space. This means that Sirius XM is still hungry for a bigger piece of the online streaming pie, increasing the likelihood that it may be actively hunting for another deal in this space.

The limitation with a player like Pandora is that its greatest strength is online streaming, which is simply a delivery platform and not the product per se. The magic sauce is the content, and this is an area where players like Pandora and Spotify (NASDAQ: SPOT), lack a distinct competitive advantage. (Spotify is currently pursuing a direct listing on the NYSE, meaning no new shares will be created as its sole aim is to create liquidity for existing shareholders).

Both Pandora and Spotify leverage on algorithms that analyze user behavior to dictate which content they deliver. They don't create content themselves. While the algorithms get it right most of the time, as shown by the millions of subscribers they have, they cannot create user stickiness in the same way celebrity DJs do. In contrast, celebrity DJs and unique, well-produced content creates loyal subscribers who rarely discontinue subscriptions, making this a better business approach since it enhances predictability and eases financial and operational planning.

This means that legacy brands such as MYLI may easily become the next big acquisition targets in the radio space in next couple of years. The stock is currently undervalued given its \$1 million

revenue potential from subscriptions over the next year vis-à-vis its less than \$0.5 million market cap. Getting in at ground zero before revenue growth explodes or suitors line up for a deal (whichever comes first) is a great way of increasing the likelihood of market-beating returns.

About EmergingGrowth.com

EmergingGrowth.com is a leading independent small cap media portal with an extensive history of providing unparalleled content for the Emerging Growth markets and companies. Through its evolution, EmergingGrowth.com found a niche in identifying companies that can be overlooked by the markets due to, among other reasons, trading price or market capitalization. We look for strong management, innovation, strategy, execution, and the overall potential for long-term growth. Aside from being a trusted resource for the Emerging Growth info-seekers, we are well known for discovering undervalued companies and bringing them to the attention of the investment community. Through our parent Company, we also have the ability to facilitate road shows to present your products and services to the most influential investment banks in the space.

All information contained herein as well as on the EmergingGrowth.com website is obtained from sources believed to be reliable but not guaranteed to be accurate or all-inclusive. All material is for informational purposes only, is only the opinion of EmergingGrowth.com and should not be construed as an offer or solicitation to buy or sell securities. The information may include certain forward-looking statements, which may be affected by unforeseen circumstances and / or certain risks. This report is not without bias. EmergingGrowth.com has motivation by means of either self-marketing or EmergingGrowth.com has been compensated by or for a company or companies discussed in this article. Full details about which can be found in our full disclosure, which can be found here, <http://emerginggrowth.com/28673459-6/> Please consult an investment professional before investing in anything viewed within. When EmergingGrowth.com is long shares it will sell those shares. In addition, please make sure you read and understand the Terms of Use, Privacy Policy and the Disclosure posted on the EmergingGrowth.com website.

Emerging Growth Staff
EmergingGrowth.com
305-330-1985
[email us here](#)

This press release can be viewed online at: <http://www.einpresswire.com>

Disclaimer: If you have any questions regarding information in this press release please contact the company listed in the press release. Please do not contact EIN Presswire. We will be unable to assist you with your inquiry. EIN Presswire disclaims any content contained in these releases.

© 1995-2018 IPD Group, Inc. All Right Reserved.