

8Tracks' David Porter: The Radio Isn't The Record

This guest post from [8Tracks](#) founder and CEO David Porter seeks to distinguish between the two main variants of music streaming service: internet radio stations and on-demand music subscriptions. Given that so many articles out there confuse music fans by lumping these two very different beasts together, we're in favor of clarifying the situation, which is why we asked for (and were granted) permission to repost [this](#) here.

Recent media coverage of the digital music sector has tended to lump all types of music streaming — notably, the radio-style delivery of Pandora and the on-demand access of Spotify — in the same bucket.

In fact, these two primary types of music consumption are quite different in terms of:

- Value proposition
- Market size
- Competition
- Business model
- Royalty expense

There's way too much to cover in one post, so I thought it'd be useful to drill down on each of these points of differentiation in a series of shorter entries. Let's start first with the value proposition.

The Regency TR-1 transistor radio

Radio

One helpful way to think about online music services is to consider their historical analogs. Internet radio — what Pandora, Clear Channel's iHeartRadio, 8tracks, Songza, Slacker and others offer — is designed to function just like regular (terrestrial) radio: listeners pick a category of programming (e.g. music of a format or genre, for an activity or mood, or that "sounds like" one or more artists), hit play, and then tune in passively.

People who listen to radio — whether delivered over the air, via cable, satellite or internet — benefit because music has already been selected, reducing their time and effort. Listeners can be lazy. Unlike the 30-60 minute format of television or the 90-120 minute format of film, the five-minute format of music lends itself to "packaging" so that a listener doesn't have to keep returning to his device time and again to pick another track. While the album accomplishes this objective to a certain extent, radio offers longer listening and greater variety.

Because radio is programmed by people or algorithm for long-form listening to a variety of artists, it is also the primary means for music discovery (for listeners) and promotion (for artists). This has always been true of traditional radio, albeit less so since the homogenization of the airwaves in the wake of [deregulation in 1996](#). And it is even more true for internet radio, where spectrum isn't scarce. Pandora plays a wider variety of music than terrestrial radio, and 8tracks extends even further down the [Tail](#), with two in three tracks streamed from independent labels or artists.

As internet radio becomes increasingly ubiquitous, more artists have the opportunity for meaningful exposure, and more listeners have the opportunity for meaningful discovery.



The Technics SL-1200 turntable

On-Demand

While internet radio is the heir to terrestrial, cable and satellite radio, on-demand streaming—what Spotify, Deezer, Rhapsody, Rdio, Daisy/MOG and others offer—is the natural successor to older forms of *interactive* listening. From vinyl to (ahem) [8-track](#) to cassette to CD to (most recently) digital download, sound recording formats have evolved relatively quickly over the last 50 years. But across all of these formats, the objective is the same: listeners pick a specific song or album or artist, hit play, and then tune in on demand, whenever and as often as desired.

People who listen to a CD, download or on-demand stream benefit from tuning into exactly the music they already know and love. Physical formats for recorded music are purchased and “owned” in the normal sense; digital downloads are sometimes purchased and may be hosted locally or in the cloud. A listener can stream a file she’s uploaded to a “[music locker](#)” in an on-demand manner. However, the most widely used on-demand services are those that offer a large, pre-populated catalog of music and require (or seek) a subscription rental fee.

The most voracious music consumers no doubt stand to see the most value from on-demand subscription services: rather than pay \$1 for a track on iTunes or Amazon, they can instead stream it — and pretty much any other track that comes to mind — fully gratis on Spotify (subject to ads) or for \$5-10 per month on any of the other on-demand services. The relative value proposition to an artist depends on how much a listener tunes in, as the rumored magnitude of Spotify’s sound recording royalty (\$0.003 per play) suggests that ~200 plays of a given track would be required for an artist to earn as much revenue as they would from the

sale of a download. By way of comparison, Last.fm [scrobbling](#) indicates I've listened to Moderat's [A New Error](#) more than any other track, for a total of 144 times.

So, Basically...

Radio (Pandora) makes it easy to listen to a particular style of music, with less control but the ability to be lazy; once I've discovered new music through radio or friends, I can listen to exactly that track or artist, whenever I want, on an on-demand service (Spotify). The former promotes the sale or rental of music, while the latter — a rental model itself—largely replaces the need for listeners to purchase downloads on iTunes or another digital music store [ed. note: [I agree](#)].

In my next post, I'll highlight the size of the markets for these two types of music consumption

Spotify ads: which is right for your brand?

by [David Olshanetsky](#) 28 August 2013 14:14 [0 comments](#)[Print](#)

The global music streaming giant Spotify **made £370m in revenue** for 2012 with increases in both users and advertisers.

[Spotify has a selection of ten main advert formats](#). Some are interruptive, others arrive during extended terms of no-use of the application, and some are clickable.

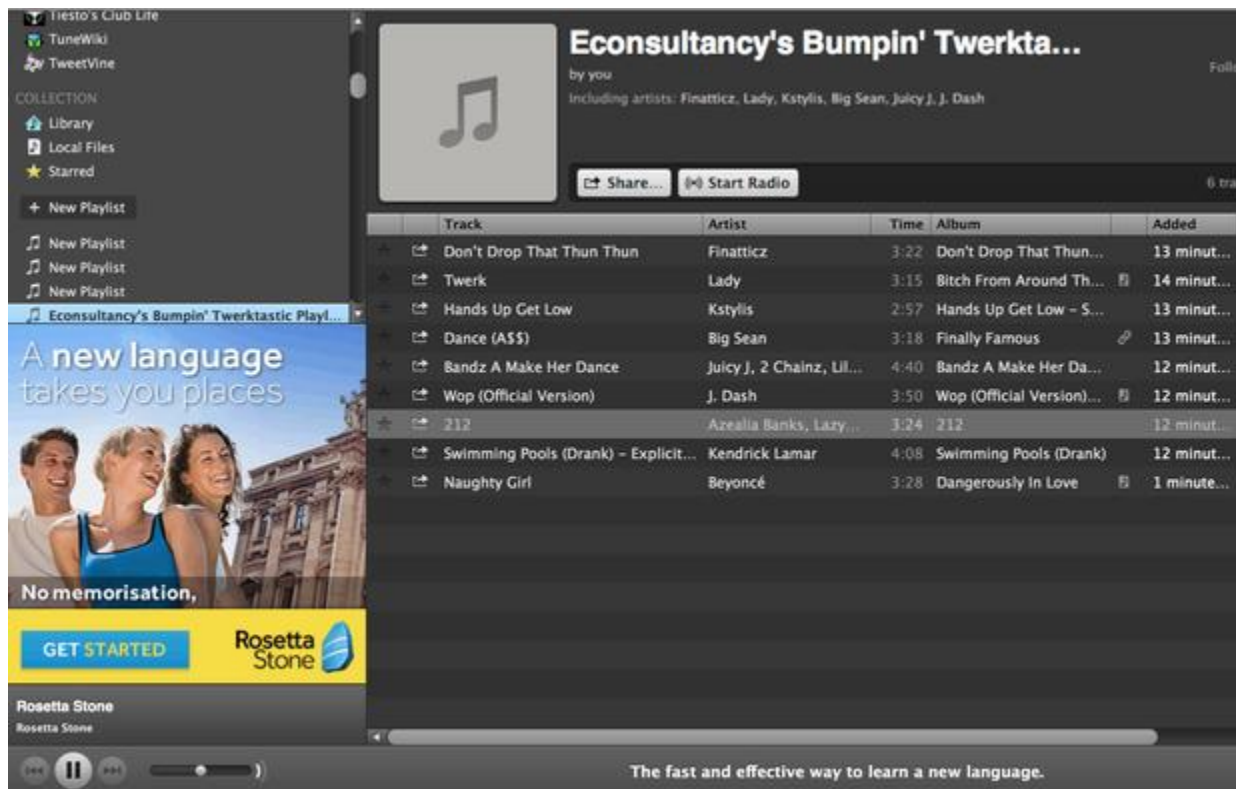
These ad formats will suit various types of businesses. The high-end or in need of last-second promotion (movie studios, album launches) will enjoy the light boxes and homepage takeovers, while small businesses with low budgets may prosper with trendy playlists.

This post details the five most commonly selected advert formats, with my own quick survey (via SurveyMonkey) of 100 people providing opinion as to which works best.

Take a look and which your brand could be using.

Audio ads

For free users, these radio-esque adverts play in between ten to twenty minutes worth of music for a time ranging from sixty seconds, to two minutes.



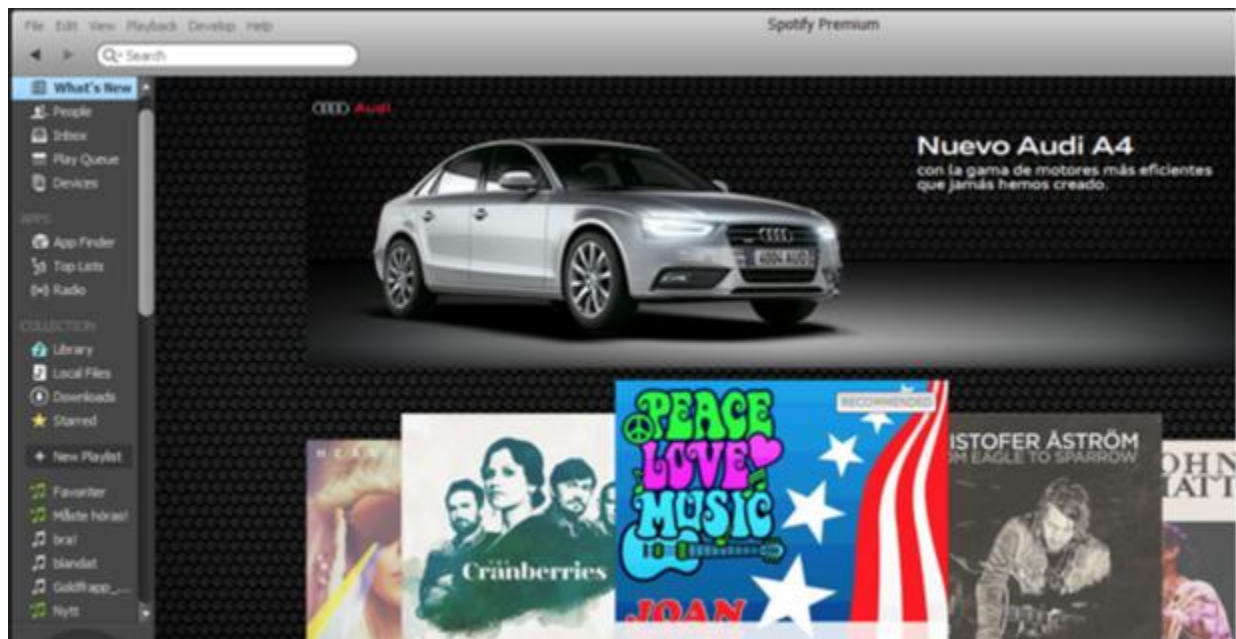
Replacing an album cover is a solitary image or GIF. The audio ad is limited to thirty seconds per brand/product, and a click of the GIF or image provides a hyperlink to the brand's requested link that can lead to a home page, Twitter or Facebook.

28% of people said this is the ad format they would be most likely to act on.

Homepage takeover

Full home-page takeovers providing sponsored playlists, GIFS, hyperlinks to product pages. The most expensive option, homepage takeovers are not as prevalent or popular but they do get the highest amount of consumer interaction.

Audio is not allowed, though video is occasionally seen via an embedded YouTube clip. 10% said this format was most effective in their experience.



Branded playlist

This option is used heavily, due to the fact brands can create their own playlists with Facebook accounts for free.

Hollister Co. 2013 Summer Playlist 3,382 Followers

Including artists: Andy Grammer, Born Ruffians, CLAIRE, Eric Himan, Gemini Club, Hot Natured, James Blunt, Justin Timberlake

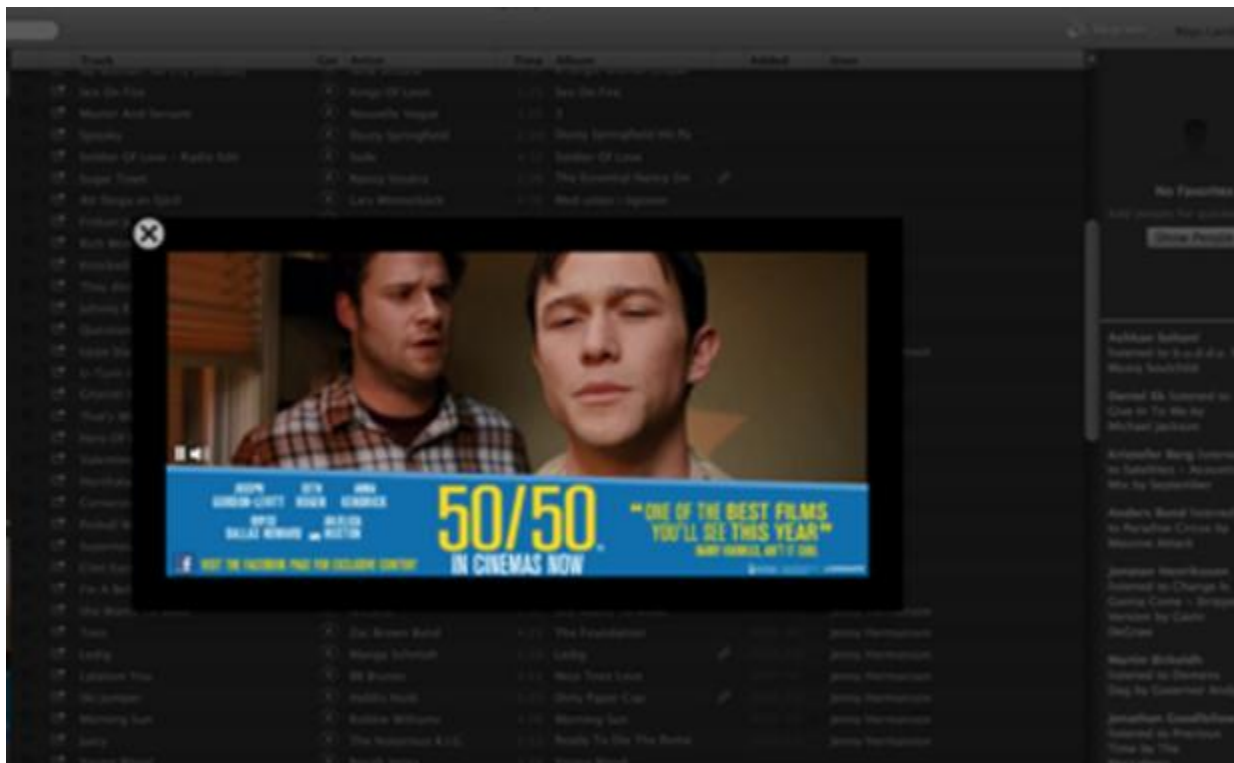
+ Follow Share... Start Radio 99 tracks

Track	Artist	Time	Album	Added	Use
Ocean's Deep	Born Ruffians	2:48	Birthmarks	4 days ago	Dar
Permanent Hesitation	Born Ruffians	4:03	Birthmarks	4 days ago	Dar
Games	CLAIRE	3:46	Games	6 days ago	Dar
Everything to You	Eric Himan	3:45	Gracefully	4 days ago	Dar
Nothing But History	Gemini Club	5:41	Here We Sit	4 days ago	Dar
Take Back The Night	Justin Timberlake	5:55	Take Back The Night	4 days ago	Dar
C O O L	LE YOUTH	3:35	C O O L	4 days ago	Dar
Kinks Shirt	Matt Nathanson	3:00	Last Of The Great Pret...	4 days ago	Dar
Robot Love	Mayer Hawthorne	3:28	Where Does This Door...	4 days ago	Dar
Move	Pacific Air	3:56	Stop Talking	4 days ago	Dar
Julian	Say Lou Lou	3:41	Julian	4 days ago	Dar
Unbelievers	Vampire Weekend	3:23	Modern Vampires of t...	4 days ago	Dar
Last Time	Youngblood Hawke	4:51	Wake Up	Mon Jul 22	Dar

Clothing stores such as H&M and Abercrombie often put up seasonal playlists featuring the same music as heard in store. Brands such as Channel 4 and TV Network 'CW' have launched playlists that feature music heard in recent television episodes in order from start of episode, to end of episode.

30% preferred this format to interact with.

Lightboxes



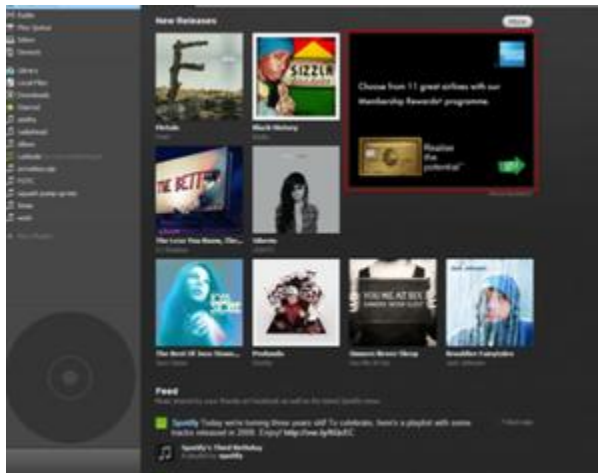
Spotify lightboxes are an overlay window that opens up within Spotify, containing anything from image galleries to flash videos, games to interactive competitions, live streaming and more.

The lightbox is a user-initiated format. It's triggered when the user clicks on a display ad, audio ad or homepage takeover images.

However, long periods of inactivity on Spotify will result in a lightbox awaiting said user's return.

No-one thought this style of ad to be most effective.

MPU ads



MPU (mid-page unit) ads are displayed on the Spotify homepage when the user activates Spotify, restarts Spotify, or returns to the homepages.

Commonly seen, and not blocking any important features of the site, its' not aggravating or annoying the majority of users yet, with 32% of our respondents recommending it as the ad they are most likely to interact with

8/15/13: Rhapsody shares lessons of the benefits of well-programmed music

Rhapsody VP Maples finds expert-curation key to minimizing audience churn

Posted by: [Paul Maloney](#)



We've read (and written) lots on the increasing importance of "music curation" (what radio pros call "programming") for music subscription services.

It's great to offer tens of millions of songs, but how does a listener start? Millions have grown up with the radio and developed the habit of "lean-back" listening -- flip a switch, and "music!" Music subscription services are doing more and more to offer customers effortless experiences of music they'll enjoy (we've recently covered [Spotify's new "Browse," Rdio's "Stations"](#) -- and [Beats Music's very mission](#) as a service "heavy on curation").



Jon Maples, who's VP of product-content at music service **Rhapsody**, today shares some of what his company has learned about **how music programming impacts customer usage**.

Beyond solving what Maples calls "the catalog problem" for the user ("What do I listen to?"), good music curation can help **maintain an audience by minimizing "churn."**

Churn is that rate at which customers abandon a service. Since it's expensive to constantly acquire new users, business naturally want to minimize churn. Maples says the **key is to keep listeners active** -- give them reasons to keep coming back and using the service.

"It seems obvious, but if a customer uses the product more, they are less likely to leave. In fact, we've found if we can get a customer to play more than 50 tracks a month, the churn rate drops in the double digits," he writes. We've "utilized curation as a driver, so that every time our members fire up the service, they're going to get something new to play."

He points to Rhapsody's "Featured" section, and the prominence of the service's curated playlists, stations, and posts. And it's important to apply that expert programming across as wide an offering as possible -- "speaking to a wide variety of tastes and interests," as Maples puts it. "Our best customers listen to more than 200 subgenres a year."

Rhapsody SVP/Product Paul Springer will speak on the "Streaming Music Trends" at **RAIN Summit Orlando** on September 17. More information and registration

8/26/13: iTunes Radio's goal is to keep users in Apple environment, suggests analyst

Profit may not be Apple's goal for iTunes Radio, but it wasn't for the iTunes Store either

Posted by: [Paul Maloney](#)

Given the high cost of operation and mounting losses of industry leader Pandora, analysts have suggested that Apple's intention with iTunes Radio **isn't about profit** -- (it may not [even be about Internet radio](#) at all).

"It's about keeping its users from other Internet radio products," wrote Minyanville.com's Diane Bullock. "If Apple can provide this in-demand service to its iOS faithful, they won't be tempted to stray and find

themselves in the open and exciting arms of threateningly hip startups. Being all things digital means the cult of Mac won't have to worry about **defectors bolting for the door.**"

Consider: most potential listeners already have an iTunes account. The new service will be preinstalled on iPhones and iPads with iOS 7, iTunes for OS X and Windows, and Apple TV. **And if a listener is signed in and ready-to-go, why launch another app to listen to Net radio?**

You may remember that the iTunes store itself had "break even" as a goal in 2003, and was launched to help sell iPods. After just five years, the store became the **leading U.S. music vendor**. It now accounts for 64% of the world's online music sales, generating 15% profit on sales of \$13.5 billion.

For the Internet radio product, Apple may have already laid the groundwork for some nice revenue. With blue-chip advertisers lined up before the service even launches, some paying **tens of millions** for year-long ad campaigns (see **RAIN** [here](#)), Apple may indeed end up exceeding expectations. They've done it before.

Apple's iTunes Radio will change the face of streaming music

by **Kaled Ali** on August 24, 2013 at 7:36 am

Apple's iTunes Radio was introduced at the company's WWDC keynote back in June, and has since been released to developers for beta testing for both iOS 7 and OS X Mavericks. Though the music service isn't expected to be released for several more weeks, it is already creating change in the streaming music market.

With Apple's iTunes Radio closer to release, Pandora **is lifting** its 40 hour per month streaming limit. This is something Pandora implemented several years ago in order to limit the amount of music a free user could listen to and to push its paid Pandora One service (which removes ads as well). Pandora's decision to remove the limit is not surprising, especially because iTunes Radio is already being used on thousands of devices and will be available on millions of iOS devices when Apple releases iOS 7 and new iPhones to the public next month. Pandora is fully aware of how big iTunes Radio will be and what it will do to the streaming music market.

iTunes Radio is very different from anything else on the market right now because of how it is bring distributed and how it works. Apple's internet radio service will be made available to any iOS user who owns an iPhone 4 or newer model, which means all of those customers will be able to stream as soon as they update their devices.

Don't forget that the rumored iPhone 5C and 5S are also on the horizon, and that iTunes Radio will also be available on Macs. **However, I think the most important part is that iTunes Radio is available through the iPhone's Music app, which is absolutely the easiest way to access a streaming music service.**

This is one of the first times an Internet radio service is built into such a widely used operating system and its dedicated music application. iTunes Radio will change up the face of streaming music, moving it away from app downloads and account creation to one click listening. With iTunes Radio baked right into all of Apple's devices, there is no doubt a lot of users will begin streaming as soon as they get their devices set up

Looks like apple is using their iAd serving platform and their own ad products not Triton's.

I highly doubt Ando is going to measure anything for apple, nor am I thinking that apple is going to sell based on rating points.

Am guessing they will sell based on impressions/cpms like all mobile ad sales platforms, and either have a self-service platform for small business or eventually launch one...

Spotify To Test Brand Marketer's Version Of Twitter "Follow" Feature

Spotify is ready to test a Twitter or Facebook like follow feature that marketers can use to share playlists and other branded content with its users. The new feature for brands is similar to the follow and share functions that Spotify rolled out to artists, labels and users earlier this year.

"We're talking with brands, but we're not live with brands," said Jeff Levick, Spotify's chief sales, marketing and international growth officer, told [AdAge](#). it's all part of a broader effort to create new channels for brand marketers to reach an increasingly overloaded audience.

"This has been the year to take in the inputs. 2014 will be the year to see what externally we can present as new products," said Mr. Levick, who was head of sales at AOL prior to joining Spotify in 2011. "Brands are looking for us to help them think of unique ways that they can play a role in that content discovery and that content sharing and that content engagement

With iTunes Radio set to hit the ground running once Apple releases iOS 7 to the masses sometime this fall, Apple has been busy signing up number of big-name advertisers to help bankroll the company's first foray into internet radio.

According to AdAge, [some of the advertisers already on board the iTunes Radio train include McDonald's, Pepsi, Proctor & Gamble, Nissan and others.](#) The report relays that:

The deals range from the high single-digit millions of dollars to tens of millions of dollars and include a 12-month advertising campaign to run within the streaming music service for each of the participating brands.

In addition to basking in all the publicity that comes with a heavily-anticipated Apple product launch, the launch partners [get exclusivity within their respective industries through the end of 2013.](#) Come January 2014, however, ads on iTunes Radio will become widely available, [provided an advertiser agrees to the minimum buy-in of around \\$1 million, according to sources briefed on the product.](#)

Advertisements on iTunes Radio will reportedly take on three forms; [audio ads, video ads and interactive ads.](#) As for how often advertisements will rear their ugly, but necessary heads, AdAge notes that [audio ads will be played once every 15 minutes while video ads will be served about once every hour.](#)

While not [available yet,](#) the report states that advertisers will soon have the ability to target ads to specific iOS devices, a welcome option for advertisers looking to calibrate ads in an effort to maximize effectiveness and impact. For instance, it stands to reason that an iOS user with a newly minted iPhone 5S may have more expendable income than a user with an old iPhone 4, or the rumored lower-cost iPhone.

Ads on iTunes Radio, however, will not be exclusive to mobile devices. Note that any device running iTunes Radio, including desktop devices and the Apple TV, will be subject to ads.

Also of note is that some advertisers may be given the option to assemble, or perhaps "sponsor" [is a more apt descriptor, their own playlists that will feature fewer advertisements than the five ads per hour described above.](#)

"These branded stations will not be labeled with a brand name," AdAge reports, "but will likely involve a short ad saying that brand was sponsoring a user's block of free listening."

If you're interested in the nitty gritty of Apple's advertising efforts vis a vis iTunes Radio, the full post from AdAge is chock-full of interesting information and worth checking out in its entirety.

While Apple's previous advertising efforts -- I'm looking at you iAds -- haven't exactly met Apple's expectations, the inherent interest in streaming internet radio suggests that Apple's foray into the music space will be worthwhile. [After all, Pandora, though one of the more popular iOS apps, still has to be proactively downloaded by iOS users. iTunes Radio, on the other hand, will be integrated into the iOS Music app right out of the gate, giving it an extremely large built-in userbase right from the get-go.](#)

Lastly, consumers who sign up for iTunes Match will be able to experience iTunes Radio completely ad-free.

First radio now its magazine — ESPN puts more content on Slacker. ESPN Radio has been on Slacker Radio since June 2012. Now the sports net's audio team will work with their print sister to bring them into the fold as well. ESPN The Magazine has launched with a mix of music and sports programming. The initial launch comes with the personal playlists of athletes Colin Kaepernick, Elena Hight, Sydney Leroux, and Kenneth "Manimal" Faried. Each was part of the annual "Body Issue" produced by ESPN The Magazine. In between songs the players offer insights about themselves. For anyone looking at the player there will also be visual content. ESPN says it will showcase photography from the current magazine issue.

5/15/13: Google unveils "radio without rules" music streaming service

Google Play Music All Access beats Apple streaming radio product to market

Posted by: [Paul Maloney](#)

As expected, Google formally announced its new online music **subscription service**, **Google Play Music All Access** today at its Google I/O developer conference.

The company is **touting the service as "radio without rules,"** according to The Verge. It reports the All Access service "allows users to **create radio stations from particular artists** — providing **comparable functionality without any of the limitations**," but went into no further detail. One might assume the "functionality" is "comparable" to Pandora and other such services, but "without any of the limitations" of the statutory webcast license, which prohibits on-demand song plays, going backwards in a stream to re-hear a song, etc. (We delved a little further into these matters yesterday [here](#).)

By and large, it's music subscription of the Spotify/Rdio sort: **\$9.99/month unlimited on-demand access and playlist features, for computers and Android devices.** Listeners can access both "local" music (which they have stored on their computer or handheld) as well as Google's streaming-available collection, as a single "master library." The service includes a "recommendation engine" to help listeners discover new music based on their preferences. Google is offering a 30-day free trial, and if you sign up by the end of June, it's just \$7.99/month.

Music on the Web: Google, Facebook and Apple set to battle for your ears

By Heather Somerville

Posted: 05/09/2013 04:48:58 PM PDT

Silicon Valley is poised to upend the music industry -- again.

From Napster to Pandora, from the iPod to the iPhone, technology innovation has made music easier to find and cheaper to buy than ever before. At the same time, it has destabilized the music business and left artists -- at least those not named Justin Bieber or Taylor Swift -- fearing for their livelihoods.

In this latest music revolution, companies like [Google \(GOOG\)](#), [Apple \(AAPL\)](#) and [Facebook](#) are eyeing the streaming and on-demand music business now dominated by smaller niche companies such as Pandora and Spotify. When they do -- and most analysts agree it's really just a matter of time -- they could give nearly everyone the ability to listen to whatever they want, whenever they want -- and mostly for free.

"There is no doubt that when companies this large enter into the field, it will be disruptive," said Jonathan Handel, a media and entertainment attorney with the Southern California firm TroyGould.

The stakes are especially high for Apple, which transformed the music industry 10 years ago when it introduced iTunes. The digital store is still

Advertisement

lucrative, owning 63 percent of the digital music market, but it is up against a new crop of music services that don't require a credit card. The reluctance of consumers to pay 99 cents to download a music file could threaten iTunes' dominance.

Apple could be close to striking a deal with major music labels to create "iRadio," a streaming music service that Apple followers speculate will be similar to Pandora but with a larger selection and more on-demand features, such as the option to download songs as they play and unlimited song skipping.

Apple spokesman Tom Neumayr declined to comment on "rumor and speculation." The company filed for a streaming music patent last year.

Google is also said to be working on a music-streaming service that would work on YouTube and could launch in the summer. Media reports say its plans include a free version with ads and an optional subscription fee for additional features.

[Twitter](#) has already entered the fray, releasing a music discovery and sharing service in April to its 500 million users.

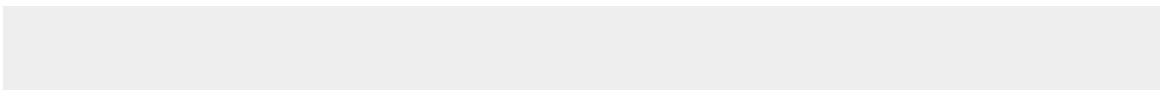
Contact Heather Somerville at 925-977-8418. Follow her at [Twitter.com/heathersomervil](https://twitter.com/heathersomervil)

Spotify's recently released 2012 [financial](#) results shed some light on the [current status of the music industry](#). While Spotify's revenue rose 128 percent on the year to \$577.5 million, its net losses increased from \$60.3 million to \$77.9 million as the company continued to invest in new countries in its quest for expansion. As of yet, the company has never made a profit and has instead increased its losses every year.

While that introduction to Spotify's financial numbers may seem scary to say the least, posting numbers such as these are relatively normal for a young tech company that is continuing to expand. However, as the business of streaming music continues to find its feet when it comes to how to profit using the new music paradigm, it looks as if they'll start to run into some contentious issues when it comes to artists and how much the labels are making.

The highest profile musical artists to shun the service so far are Radiohead front-man Thom Yorke and producer Nigel Godrich who removed their albums from streaming services after [criticizing the platforms](#) for benefiting labels and not new artists.

"Streaming suits [back] catalogue. But [it] cannot work as a way of supporting new artists' work. Spotify and the like either have to address that fact and change the model for new releases or else all new music producers should be bold and vote with their feet. [Streaming services] have no [power](#) without new music," Godrich explained. "Meanwhile small labels and new artists can't even keep their lights on. It's just not right."



Spotify – Growing Competitor in Music Catalog Field, But Not FM Radio Competitor



- ...the underlying premise of Spotify — that people want access to a giant catalog of music instead of buying it piecemeal through iTunes

Source: [Jeff John Roberts](#) Mar. 12, 2013 [paidContent.org](#)

TALK RADIO APP GETS \$5.4 MILLION IN FUNDING

7-18-13

Swell, which launched last month, is a News/Talk app that gives listeners a Pandora-like experience. The company has just raised \$5.4 million. Content comes from NPR, American Public Media, ABC News, the BBC, TED Talks, and others. Swell streams a mix of the content from those providers personalized to a listener's interest. We'll have an interview with Swell CEO and Co-Founder G.D. (Ram) Ramkumar posted here later today.

The latest round of financing was led by Draper Fisher Jurvetson, with participation from Google Ventures, InterWest Partners, Correlation Ventures, and Draper Nexus Ventures. Concept.io, the startup that built Swell, previously raised a \$1.8 million seed round from Google Ventures, Charles River Ventures, DFJ, Andreessen Horowitz, Inspovation Ventures, and various angel investors.

Latest online radio aggregator displays now-playing info for thousands of broadcast stations. A new online radio guide that aggregates thousands of stations is positioning itself as the Google of broadcast radio. UberStations is the latest brainchild of Michael Robertson, founder of Dar.fm and the original MP3.com. The web-based service, which launched in late June, is intended to help consumers discover and listen to broadcast radio streams, with access to 14,000 stations, including 11,000 in the U.S. A companion UberTalk service focuses on talk radio. While they compete with TuneIn, iHeartRadio and other streaming providers, Robertson says they bring some new things to the table, including the ability to see currently-playing song titles and programs in real time. Users can enter a ZIP code and the service displays a menu of local

stations, including their format and what song or talk show is currently airing. One click opens up the station's stream, which plays in an AAC format. A recommendation engine enables listeners to find up to 20 other stations that play the same type of programming. Like Google, Robertson says he doesn't need a content owner's permission to provide access to its stream. He says the service can help broadcast radio compete with Pandora and others by leveraging AM/FM radio in new ways, attracting more listeners and making stations available on a platform they couldn't develop on their own. Robertson says he plans to make the directory and currently playing data available to other companies to integrate it into their own streaming music services.

SPOTIFY DOUBLES REVENUE

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8-1-13

Spotify more than doubled revenues in 2012 to 435 million euros (\$577 million) as it expanded to new markets and almost doubled its users. The company posted a 58.7 million euro net loss, compared with the 45.4 million loss it had in 2011 on turnover of 190 million. Spotify has more than 20 million "active" users and over 5 million paying subscribers. Financial backers include Kleiner Perkins Caufield & Byers, Accel Partners and DST. Spotify, founded in 2006 by Swedes Daniel Ek and Martin Lorentzon, strikes royalty deals with record labels and pays about 70 percent of its revenue back to rights holders.

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Every Song Has a Place: Coca-Cola, Spotify Launch Groundbreaking Social Music App

By: Jay Moyer Jun 11, 2013

Tags & Topics:

- BRANDS
- INNOVATION
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Music fans who think the places they love – or would love to visit – deserve their own soundtracks will get their wish with Coca-Cola Placelists, a new social music app hosted on Spotify's free streaming music platform.

Coca-ColaPlacelists let teens tag the world with music by browsing Spotify's genre-spanning library of more than 20 million licensed tracks, then linking the perfect songs to the perfect places or events – around the corner or around the world.

"We want to combine the physical experience of drinking a Coke with the virtual experience of listening to, discovering and sharing music," explains Joe Belliotti, Coke's director of entertainment marketing. "Our ambition is to have a Placelist associated with everywhere Coca-Cola is enjoyed."

Inherently social by design, the app lets teens see where friends are checked in on Facebook, listen to other Placelists and zoom in on locations around the world– from a neighborhood café or park, to Copacabana beach in Rio, to the Eiffel Tower in Paris. Users can add tracks to an existing Placelist, vote songs up the queue or create a new Placelist for a specific location.

Around the Corner or Around the World

The app is both hyper-local and global in scope. "Placelists let you simultaneously discover music through someone on the other side of the world and inspire a friend sitting next to you to listen to and like the same songs," says Jackie Jantos Tulloch, global creative director for Coca-Cola. "We hope to make every Coke moment a musical moment, and every memorable musical moment a Coke moment."

Coca-Colais seeding the app with 30 specially curated Placelists – each containing at least 40 songs – pinned to a dynamic map interface based on Facebook Places. The brand also is working with artists including Youngblood Hawke – whose song, "We Come Running," is featured in a [Coca-Cola Music TV and cinema ad](#) – to craft their own lists.

Additionally, [Music Dealers](#) is building "52 Songs of Happiness," one for each week of the year. Emerging independent artists will write and contribute tracks based on the theme of discovering and sharing music in their favorite places

AT&T's latest deal may give it less incentive to add FM. To be certain, AT&T's \$1.19 billion deal for Leap Wireless was more about grabbing a share of the discount cellular market than buying a music service. But the fact that the deal includes a subscription-based music service will give AT&T less of an incentive to put free FM service into its phones. Leap is the developer behind the Muve Music service, the Android-only offering that has about 1.5 million subscribers in the U.S. With a typically lower-income user — those earning less than \$30,000 per year — the Muve customer may be the sort of user who'd also be most open to the FM-as-a-free alternative message. One way it has fueled growth has been not counting Muve Music downloads against a customer's data plan, as well as offering it free to some customers. In February, Leap announced plans to spin off Muve to make it a service that could work with multiple cellular carriers. A spokesman told the Wall Street Journal at the time that Muve was having a "meaningful" contribution to the business,

explaining that customers who used it a lot were less likely to switch carriers. No timetable for that spinoff has been announced and AT&T hasn't said if it plans to pursue those plans.

Inside Google's Infinite Music Intelligence Machine

In May, Google launched a music service that will challenge Spotify and Pandora for radio domination. We asked Google research scientist Doug Eck how it works.

By: John Paul Titlow

The Beatles have a way of keeping Doug Eck up at night. Specifically, the research scientist at Google grapples with one of the core problems of automated music discovery: With a band whose catalog is as evolutionary and nuanced as The Beatles's, how can computers truly understand the artist and recommend relevant music to fans? After all, not everybody who loves *A Hard Day's Night* necessarily has a soft spot for the weirdest moments on *The White Album*. For humans, detecting the difference is easy. For machines, it's not so simple.

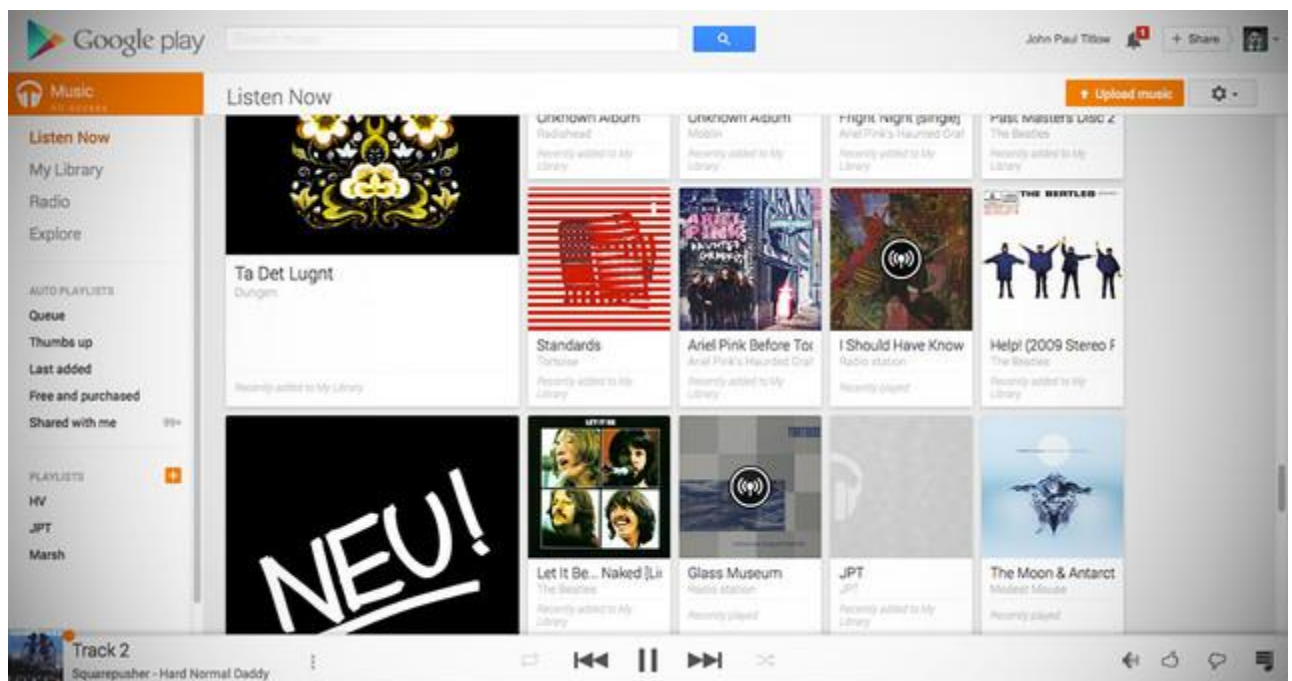
Solving problems like these resolves only part of a larger, more complex equation at play when Google attempts to help its users discover music. The company's ability to do so is now more important than ever, having recently launched a Spotify-style music subscription service with Pandora-esque Internet radio layered on top. The awkwardly named Google Play Music All Access has only been live for eight weeks and naturally has some catching up to do with digital music incumbents. Music discovery is a crucial piece of that puzzle and one that's notoriously challenging to lock into place.

In taking its own stab at music recommendation, Google blends technical solutions like machine listening and collaborative filtering with good, old-fashioned human intuition. Employing both engineers and music editors, the service continually tries to understand what people are listening to, why they enjoy it, and what they might want to hear next.

How Google Music Intelligence Works

Eck's team is focused on the technical side of this equation, relying on a dual-sided machine learning methodology. One component of that is collaborative filtering of the variety employed by Netflix and Amazon to recommend horror flicks and toasters. The other involves machine listening. That is, computers "listen" to the audio and try to pick out specific qualities and details within each song.

Since All Access is an on-demand music subscription service, users can listen to it all day without ever encountering the fruits of Google's music discovery engine. But once they venture into the "Explore" tab, tap "Instant Mix," or start an artist or song-based radio station, the secret sauce kicks in. By that point, the system understands at least something about the person's taste in music. That's because the minute they start using All Access, their activity becomes part of the algorithm that helps Google understand who they are and what music they enjoy.



"We use a kind of neural network backend to do this," says Eck. "You're sort of living numerically in the same space as tracks, artists, and albums."

Albums know that they're made up of tracks and artists are made up of albums and tracks. The more we understand you, the more we're able to pick up these subtle distinctions about, for example, what kind of Beatles tracks you like."

Collaborative filtering works wonders for the Amazons of the world. But since this type of If-you-like-that-you'll-also-like-this logic works better for kitchen appliances than it does for art, the system needs a way to learn more about the music itself. To teach it, Eck's team leverages Google's robust infrastructure and machine-listening technology to pick apart the granular qualities of each song.

"By and large, audio-based models are very good at timbre," says Eck. "So they're very good at recognizing instruments, very good at recognizing things like distorted guitars, very good at recognizing things like whether it's a male or female vocalist."

Curious about the future of radio? It's an ongoing story we're tracking here on Co.Labs. You can follow along on our original tracking stub here.

These are precisely the kinds of details that Pandora relies on human, professionally trained musicians to figure out. The Internet radio pioneer has long employed musicologists to listen to songs and help build out a multipoint, descriptive data set designed to place each track into a broader context and appropriately relate it to other music. For Pandora, the results have been extremely valuable, but mapping out this musical intelligence manually doesn't scale infinitely. Thankfully, machine listening has come a long way in recent years. Much like Google indexes the Web, the company is able to index a massive database of audio, mapping the musical qualities found within. Since it's automated, this part of Google's music recommendation technology can be scaled to a much larger set of data.

"If the four of us decided we were going to record a jazz quartet right here and now and we uploaded it to Play Music, our system will be aware that we were talking about that," explains Eck. "By pulling these audio features out of every track that we work with, it gives us a kind of musical vocabulary that we can work with for doing recommendation even if it's a very long tail."

Indeed, when it comes to music, the tail has never been longer. The world's selection of recorded music was never finite, but today creating and distributing new songs is virtually devoid of friction and financial cost.

However much human intelligence as Pandora feeds into its algorithm, its Music Genome Project will never be able to keep up and understand everything. That's where machine learning gets a leg up.

The Limits Of Machine Listening

Still, there's a reason Pandora has more than 70 million active listeners and continues to increase its share of overall radio listening time. Its music discovery engine is very good. It might not know about my friend's band on a small Georgia-based record label, but the underlying map of data that Pandora uses to create stations is still incredibly detailed. When I start a radio station based on Squarepusher, an acclaimed but not particularly popular electronic music artist, the songs it plays are spun for very specific reasons. It plays a track by Aphex Twin because it features "similar electronica roots, funk influences, headnodic beats, the use of chordal patterning, and acoustic drum samples." Then, when I skip to the next song, it informs me that, "We're playing this track because it features rock influences, meter complexity, unsyncopated ensemble rhythms, triple meter style, and use of modal harmonies."

Pandora knows this much about these tracks thanks to those aforementioned music experts who sat down and taught it. Automated machine listening, by comparison, can't get quite as specific. At least, not yet.

"It's very hard and we haven't solved the problem with a capital S," says Eck, whose has an academic background in automated music analysis. "Nor has anybody else."

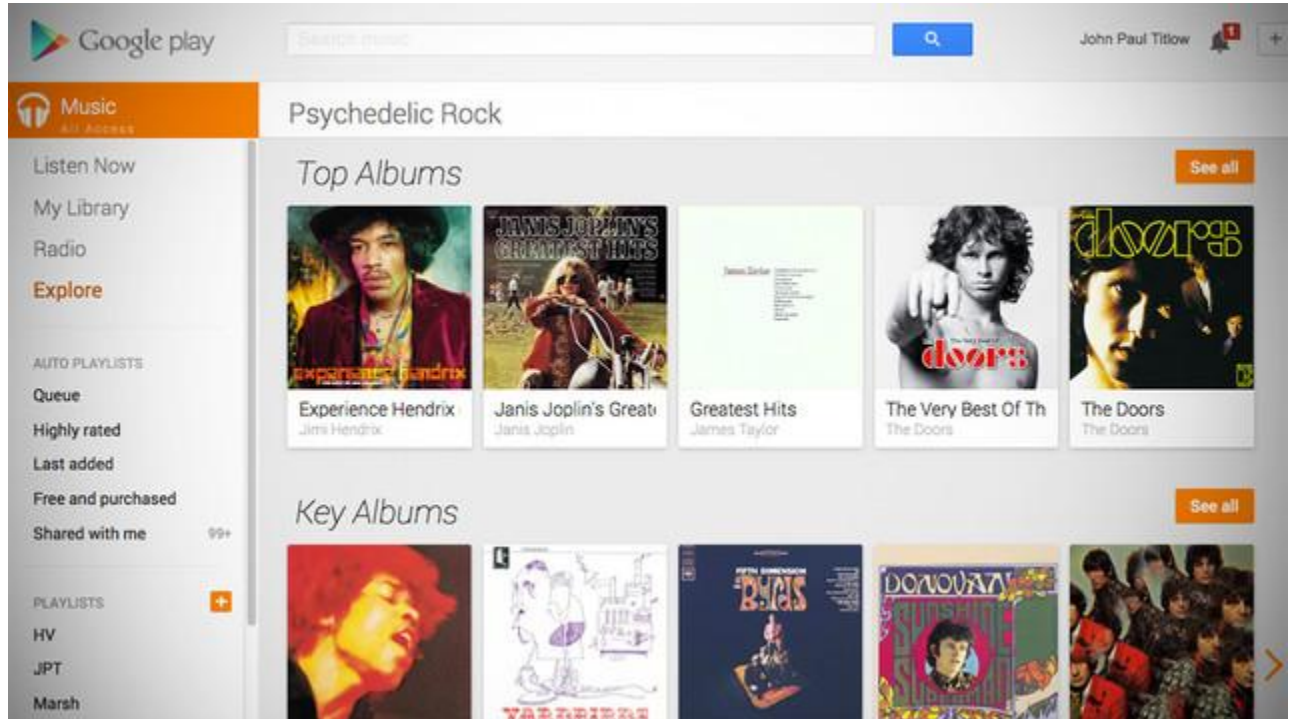
Computers might be able to pick out details about timbre, instruments used, rhythm, and other on-the-surface sonic qualities, but they can only dig so deep.

"You can learn a lot from one second of audio. Certainly you can tell if there's a female voice there or if there's distorted guitar there. What about when we stretch out and we look what our musical phrase is. What's happening melodically? Where's this song going? As we move out and have longer time scale stretches that we're trying to outline, it becomes very hard to use machines alone to get the answer."

Thanks Algorithms, But The Humans Can Take It From Here.

That's where the good, old-fashioned human beings come in. To help flesh out the music discovery and radio experiences in All Access, Google

employs music editors who have an intuition that computers have yet to successfully mimic. Heading up this editor-powered side of the equation is Tim Quirk, a veteran of the online music industry who worked at the now-defunct Listen.com before Napster was a household name.



"Algorithms can tell you what are the most popular tracks in any genre, but an algorithm might not know that "You Don't Miss Your Water" was sort of the first classic, Southern soul ballad in that particular time signature and that it became the template for a decade's worth of people doing the same thing," says Quirk. "That's sort of arcane human knowledge."

Google's blend of human and machine intelligence is markedly different from Pandora's. Rather than hand-feeding tons of advanced musical knowledge directly into its algorithms, Google mostly keeps the human-curated stuff in its own distinct areas, allowing the computers to do the heavy lifting elsewhere. Quirk and his team of music editors are the ones who define the most important artists, songs and albums in a given genre (of which there are hundreds in Google Play Music).

"We have a lot of experts in every genre whose responsibility is to say 'Okay. If you want to understand the history of the genre and how its sound evolved, these are the 10 to 25 or 50 tracks,'" Quirk explains. "You have to listen to them in order to understand that particular genre and the albums that really define that genre. Then Doug's team can take those singles and say

"Okay, if these 25 artists and songs define classic soul, then I now know more about classic soul than I knew before and I can go do amazing things with that."

Quirk's team also creates curated playlists and make specific, hand-picked music recommendations. To the extent that these manually curated parts of the service influence its users' listening behavior, the human intelligence does find its way back into the algorithms. It just loops back around and takes a longer road to get there.

Google's employees aren't the only people feeding intelligence into this semiautomated music machine. Google is also constantly learning from its users. Like Pandora and its many copycats, Google Play Music's Radio feature has thumbs up and thumbs down buttons, which help inform the way the radio stations work over time. In fact, those buttons are found next to every on-demand track on the service, whether it's coming from a personalized radio station or not. The more I tap those buttons, the more Google knows what I'm truly into. The hope is, of course, that millions of people will flock to this service and feed it ever greater troves of data - through plays, thumbs-upping and uploading their own collections to the service (a feature that truly sets it apart from the incumbents).

Pandora versus Google's Internet Radio

The radio part of Google Play All Access is pretty good, as Internet radio services go. At times, the inherent limitations of collaborative filtering are on full display. As an example, I made a station based on "Mayonaise" by The Smashing Pumpkins. It's a slow-paced shoegaze-y song with heavy fuzz on the guitars. It sounds more like something off of an album by My Bloody Valentine than any of the '90s grunge rock acts with whom the Smashing Pumpkins shared the airwaves in the mid-90s. Yet, the Mayonaise radio station presents a predictable list of popular radio bands from the 90s, including Nirvana, Foo Fighters, Alice in Chains and Rage Against the Machine. The list makes sense to some extent: These are indeed related artists, but some of the songs feel truly mismatched. Mayonaise sounds nothing like "Down Rodeo" by Rage Against the Machine, an angry, more hyped-up rap-rock track with an entirely different vibe. I don't mind the song, but it wasn't what I had in mind when I was listening to "Mayonaise" and decided "I want to hear more music like this." I would have been better off digging into my own catalog and making a playlist.

To test things further, I went through and made radio stations off of different tracks by The Smashing Pumpkins. Some loud and aggressive. Some slow and spaced out. They all yielded songs from the same list of about a 15 alternative rock bands from the '90s.

To be fair, Pandora serves up similarly predictable results for its own "Mayonaise"-based station. It feels like it has less to do with the sonic qualities of each song than with what others who listen to The Smashing Pumpkins also listen to. They were a huge radio band from the '90s. People who listen to their stuff also listen to lots of other popular alternative rock bands from the same era. Virtually all of those people are familiar with Nirvana and Rage Against the Machine. A much smaller number know who My Bloody Valentine is, even if the band was a big influence on The Smashing Pumpkins. Large-scale collaborative filtering has a way of missing fine details like that.

Google is aware of the "related artists" problem. Like The Beatles issue, it's something they think hard about.

"There's lots of different signals that my team can feed back into Doug's team," says Quirk, referring to his small army of music editors. "At the artist level, that has to do with saying 'Okay, this is the artist, this is who influenced them. This is who they influence and this is who their contemporaries are.'" And knowing in which context you want to favor one or another pieces of that metadata. Not all similar artists are created alike."

In general, Pandora still seems to do a better job of creating song-based radio stations than Google. There's something to be said for hiring living, breathing experts to sit down and describe music in a way that teaches machines how to better DJ for us. At the same time, by letting the machines do the listening, Google has the potential to solve the scalability problem. And by letting people curate a few parts of its music experience, Google can indirectly infuse the code-driven part with human smarts over time, especially as more people use the service.

Some day, computers will be better able to understand not just that I like The Beatles, but *why* I like The Beatles. They'll know that John is my favorite, which songs on Revolver I skip, and that of all the heavily Beatles-influenced bands in the world, I love Tame Impala, but loathe Oasis. The machines will get smarter, much like a toddler does: by watching and listening. As users spend time with the product and tap buttons, the nuanced details will become more obvious.

Meanwhile, the ability of computers to actually hear what's contained within each song can only improve over time, just as voice recognition continues to do. The promise of Google Play Music is the same thing that made Google successful to begin with: its ability to use massive data to understand who we are and what we want. If anybody can crack the notoriously hard nut of music discovery in a hugely scalable fashion, it's them. Just don't expect them to do it with machines alone.

TechCrunch reports that Spotify's "Discover" feature is now available on the iPhone. The news feed offers recommendations, songs and playlists based on current listening habits. The feature is powered by algorithms similar to Spotify's radio for music discovery purposes, but it's not limited to recommendations made solely based on your plays. Discover will also alert users to New Releases on Spotify, music that's popular in their area or popular on Spotify more generally, music shared by artists and others you follow, and more. Read the full TechCrunch article

7/1/13: Webcaster Songza adds \$0.99/week ad-free premium option

Songza says it launched ad-free pay version in response to listeners' requests

Posted by: [Paul Maloney](#)



Songza, the pureplay webcaster that offers the listener curated music streams based on their moods and current activities, is launching a \$0.99/week premium version of its service, "[Club Songza](#)."

The subscription version of Songza is ad-free and offers twice as many "song skips" as the free, ad-supported version. It's also available on the web and mobile devices alike.

Songza CEO and co-founder **Elias Roman** told TechCrunch the move was a **response to listener demand**.

The ad-supported option will remain for Songza's nearly five million monthly active users, the company reports. Songza is available in the U.S. and Canada only.

To compare with Songza (about \$4.30/month), Pandora's ad-free/higher-quality audio Pandora One service is \$3.99/month, but only \$36 for the entire year (so, \$3/month for those willing to commit). Pandora listeners who listen for free on mobile devices are given the **option of paying \$0.99 for usage above the 40-hour/month** cap. Apple's forthcoming iTunes Radio will be ad-free for iTunes Match customers, who pay \$24.99/year (slightly more than \$2/month). Premium versions of on-demand services like Spotify and MOG begin at \$4.99/month (but those don't include mobile apps).

According to Hypebot ([here](#)), last week Songza also **partnered with the Home Shopping Network** to provide background music for the site's mostly older female shoppers. The deal includes HSN.com, with 12 million unique visitors monthly

THESE INTERNET PUREPLAYS THROW AROUND USAGE FIGURES THAT HAVE NO BASIS OF REALITY. ABOVE ARTICLE REFERENCES 5 MIKLLION UNIQUES, BELOW ARTICLE REFERENCES 70 MILLION USERS

Songza: New Competition for Apple and Pandora

[Travis](#) | July 5, 2013 | [0 Comments](#)



Music streaming has long been a hot market for users that like to listen to a variety of music while working online. Sure, they could simply pop in a CD or listen to some music they downloaded from Apple, but sometimes people want variety and they want it in real time and not as a download or otherwise. Thus far, Apple and Pandora have been the market leaders in streaming music, but now there is a new dog in town, and it is a company called Songza.

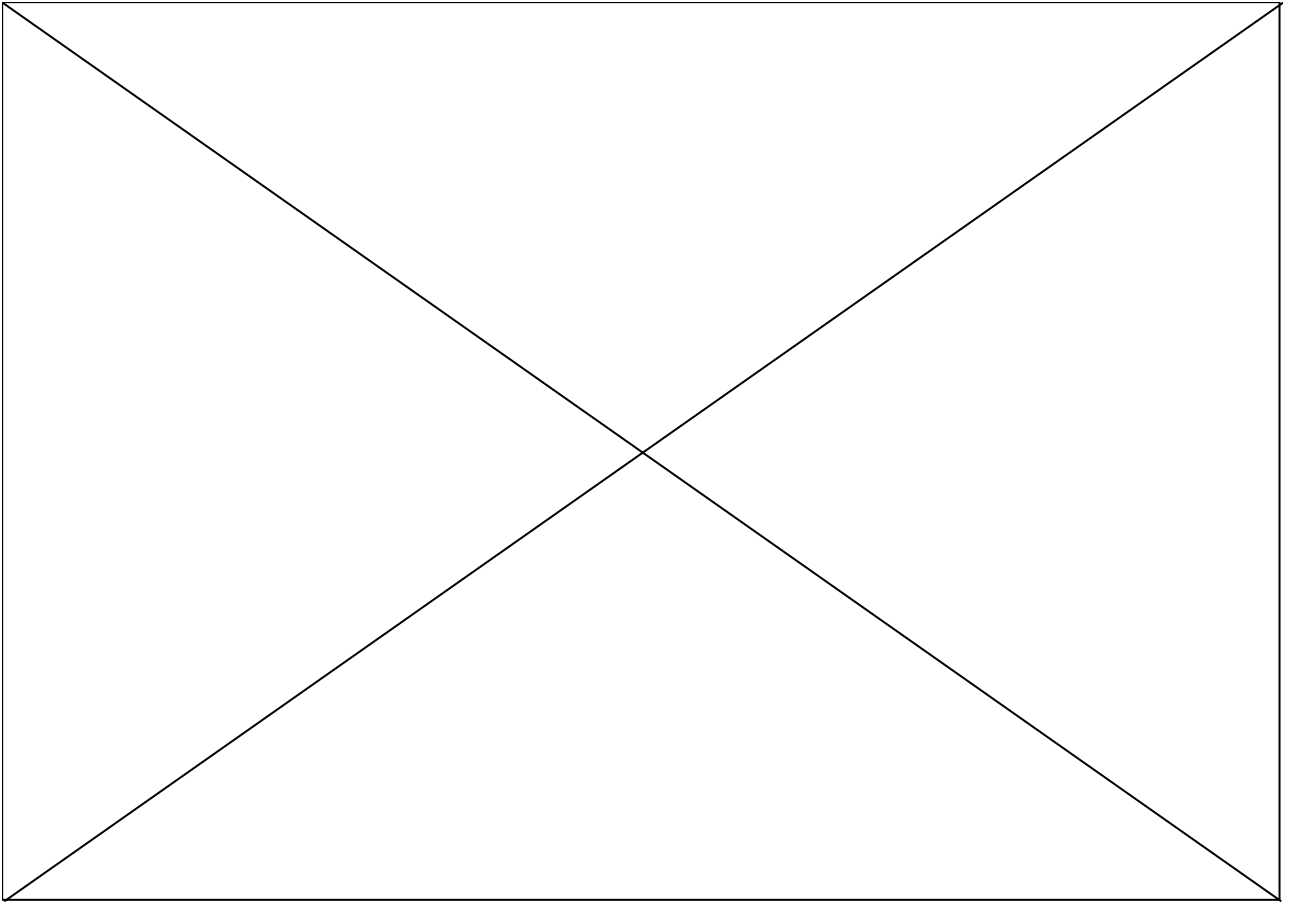
For some time, Songza has been an entirely free, ad supported music streaming service, but recently they added a payable option to their business model, similar to Apple and Pandora. For a measly \$.99 a month, users can now get Songza ad free. While this may not seem like much revenue, **with 70 million users, that will add up to a lot of revenue for the new company**
Songza Founders Talk About Newly Launched Club Songza, Competition From Apple, Pandora



Jordan Crook

Friday, July 5th, 2013

7 Comments



[Songza](#) is one of the hottest music-streaming services on the market, with a special feature called Concierge that matches specific, expertly crafted playlists with activities it thinks you might be doing based on time, day and your preferences.

Until very recently, Songza was an entirely free experience with a few visual ads (never audio ads) to help pay the Songza bills.

But Songza has just introduced a few new revenue streams to the mix, including native advertising, high-intensity pre-roll experiences, and a subscription ad-free version of the app called [Club Songza](#). According to co-founders Elias Roman and Peter Asbill, users had been clamoring for an ad-free Songza for a long time, and now for \$.99/month, they have it in Club Songza.

And beyond that, users will have access to exclusive content, including special activities like “stargazing,” celebrity-crafted playlists, and especially rare songs that can’t be heard anywhere else.

Obviously, \$.99/month is a pretty low barrier to entry, but with the growth of Songza’s userbase, it should still rake in some cash for the startup. Songza reports that, in May, the streaming service saw 4.8 million monthly active users who spend **around 70 million minutes** every day on the service. (AVERAGES 14 MINUTES/DAY)

This is why competitors like iHeartRadio, which [copied Songza's concierge feature](#) to a tee, Pandora and iRadio aren't such a threat to the little music startup out of Long Island City, NY. Songza collects so much data around its users, and has been for so long, that the Concierge experience can't really be copied, Roman tells me.

Plus, the company has plans down the road to finally nail social in the streaming space. Roman explains that one-to-many broadcasting is not very popular among many users, as it "outs" their feelings or activities in a way that's personal. Instead, he sees one-to-one recommendations as a good way to make social work for Songza.

Spotify Asks Creative Leaders What Music Inspires Them

Wendy Clark, Bob Greenberg and Maurice Levy Share Their Fave Tunes in Cannes Campaign

By:

[Shareen Pathak](#)

Published: [June 10, 2013](#)

Spotify is certainly taking this year's Cannes Lions festival seriously. The music streaming service is launching a new campaign to celebrate the 60th anniversary of the Cannes Lions that will pay tribute to people who have helped "shape creativity" by asking them what songs inspire them.

Created by [Droga5](#), the campaign, dubbed #60Inspirations, launches Monday and features people like Arianna Huffington, Maurice Levy, Bob Greenberg, John Legend and John Boiler. Wendy Clark, senior VP-integrated marketing at [Coca-Cola](#), is also one of the "titans." The two companies signed a global deal in 2012 to create a seamless, social music sharing experience. Rounding out the list of titans are Shelly Lazarus, Chairman Emeritus, [Ogilvy & Mather](#), Steve Stoute, CEO at [Translation](#), David Droga, founder of Droga5, and David Lubars, chief creative officer at [BBDO](#).

The campaign lives online, and will result in a unique Spotify playlist of 60 songs, along with commentary from the titans about why they picked them. It'll also be pushed via out-of-home ads appearing at the airport in Nice.

Erin Clift, VP-global marketing and partnerships at Spotify, said that while last year, the company went to Cannes in a very "simplistic" way, they really wanted to make a bigger splash this year. Along with #60Inspirations, Spotify is also taking over a restaurant on the Croisette to create a space to showcase ways music has inspired advertising in the past year, **and holding sessions for Cannes delegates about creativity and music**. There's also a new app, "Resonate," that will let attendees explore their "agency's soundtrack,"

and of course, a mid-week party to celebrate it all. Ms. Clift said that each titan was picked based on people who play a unique role at Cannes, or who serve as inspiration for those attending.

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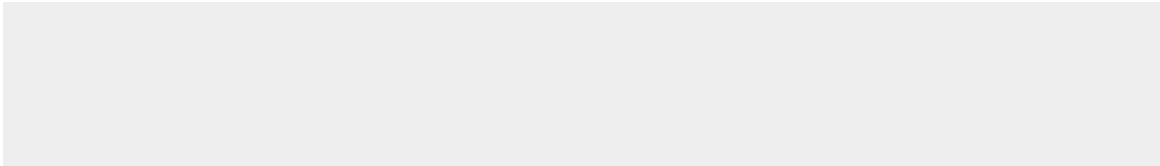
[What's the Ad Industry Listening To? Find Out With Resonate](#)

Spotify, Ad Age Partner to Catalog Adland's Music Tastes

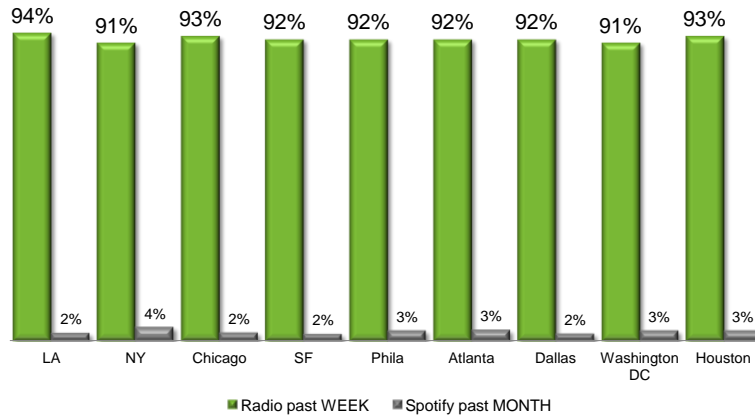
"There's such an undeniable relationship between music and creativity," she said. "Spotify is really about access to music, and there is a lot of innovation happening around music."

Of course, there's a business agenda too. Ms. Clift said that since Spotify does monetize its product by partnering with brands and agencies, Cannes is the perfect place to "showcase some of the amazing pieces of work that are happening when music and experiences that inspire customers are being integrated."

Spotify is also starting to position itself more as a "curator" for great music rather than a more general, free-for-all conduit to access it. While the service has more than 20 million tracks that listeners can browse through, recently introduced product features like Discover indicate a move towards more "social listening," based on recommendations from people and artists you follow. "It's amazing to see what David Droga's taste in music is, what he might be listening to at Cannes," said Ms. Clift. "We really want to associate music with moments."

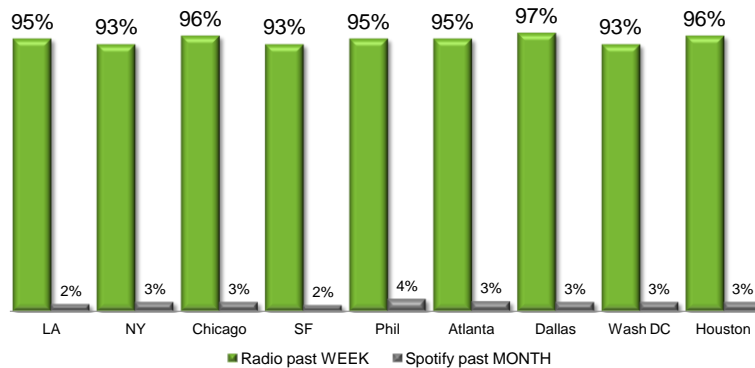


Spotify Doesn't Deliver in Top Markets



Source: Spotify = Scarborough Release 1 2013 Sept 2012 – Feb 2013, Adults 18+ M-Su 6a-mid Metro Area

Spotify Can't Deliver Adults 25-54 in Top Markets



Source: Spotify = Scarborough Release 1 2013 Sept 2012 – Feb 2013, Adults 25-54 M-Su 6a-mid Metro Area

Spotify vs Pandora

- **Pandora** claims about 65 to 70 million monthly users (paid and free)
- **Spotify** claims about 24 million monthly users (paid and free)
- **Pandora** has approximately 1 million songs in its catalog
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- comScore reports **Pandora** with 66.7 million uniques but shows only 6.8 million uniques for **Spotify**

Estimate based on Pew Research Center April 2013 "Report on Audio"; Pandora press releases in March and April 2013, comScore data from March 2013; /Net article about Spotify; comScore multiplatform media metrics April 2013 total users per month

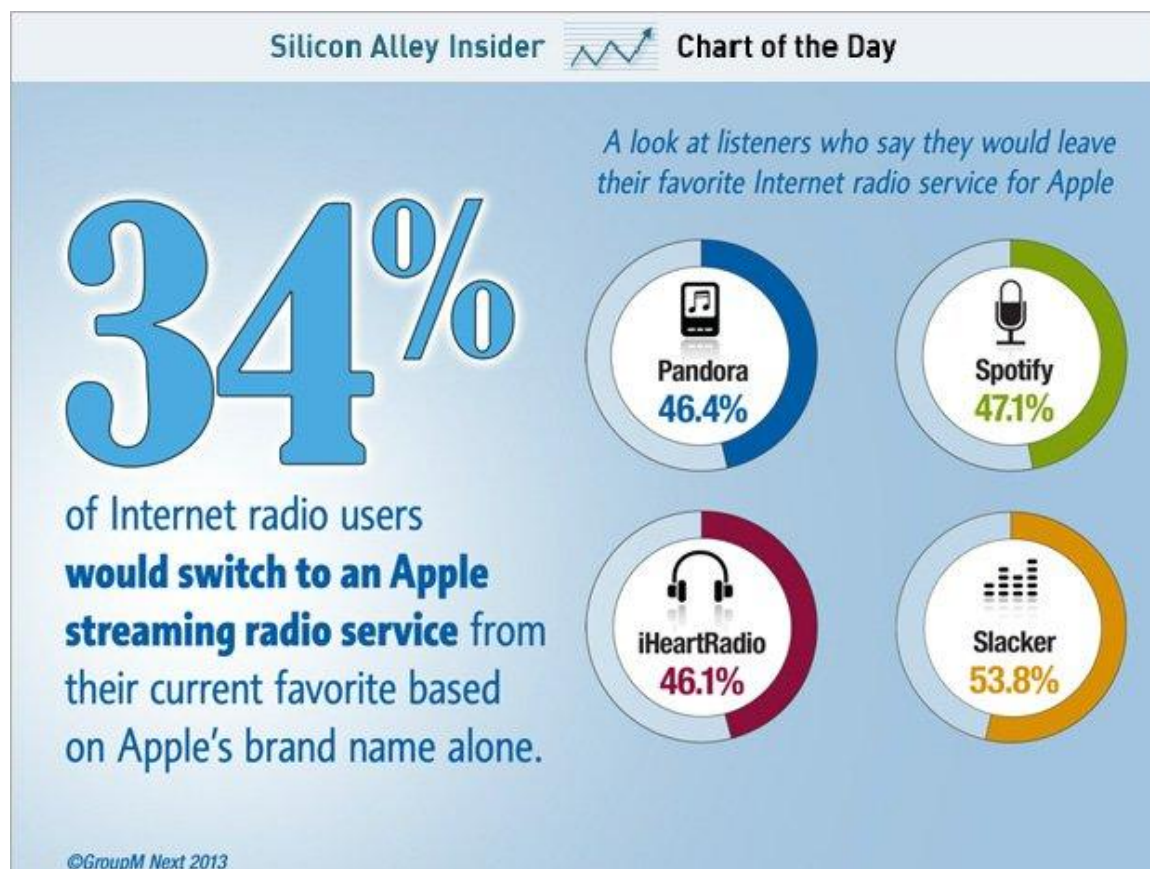
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- Rhapsody has expanded its subscription music service to 14 additional European countries in a bid to compete more effectively with international services like Spotify and Deezer. The far-reaching expansion increases the number of territories where Rhapsody is available by greater than a factor of five. New

countries include France, Italy, Ireland, Spain, Sweden and Portugal. As part of its efforts to woo foreign subscribers, iterations of the service in each country launched with custom playlists and editorial content developed during the course of a year.



Internet radio borrows a chapter from the broadcast radio playbook. The new buzz phrase in pureplay internet radio is “human curation.” In many ways it involves mining the broadcast radio programming playbook while still letting listeners personalize the content. Both Slacker and music mogul Jimmy Iovine’s soon-to-launch Daisy streaming service are integrating old school radio fundamentals to make their service more than just a lifeless algorithm that endlessly spits out music. Programming vet Kevin Stapleford and other former broadcasters have brought traditional radio elements to Slacker, including low key hosts that talk about the music on its most popular pre-programmed channels. “We’d like to get to a point where a majority of our preprogrammed stations are hosted,” Slacker SVP of content programming and strategic development Jack Isquith says. Even countdowns are getting a new interactive twist. Slacker used veteran rock radio personality Redbeard to host “The 101 Greatest Classic Rock Songs.” Listeners could skip and “heart” songs or even turn the DJ off. Pre-programmed stations organized by genre, mood or other characteristics are common across web radio. At Slacker they account for more than half of listening. The combination of programming art and algorithm science is at play on iHeartRadio, too. Its custom channels incorporate “quite a bit of our programming intelligence” from broadcast radio, Clear Channel Digital president Brian Lakamp said at a conference last year. Iovine and Dr. Dre’s forthcoming Daisy streaming service plans to lure an unspecified Clear Channel executive, according to the Hollywood Reporter, to supervise a

board of tastemakers that make music programming decisions. Iovine says curation will be at the heart of the service, combining “math with emotion.”

Details emerge on Apple’s iRadio targeted ads

By [cmarcucci](#) on Jun, 6 2013 with [Comments 0](#)

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Apple’s imminent iRadio music radio streaming service will feature an audio version of iAds, Apple’s mobile ad platform. Ahead of its Worldwide Developers Conference 2013 in San Francisco, where Apple is likely to announce the service, Ad Age reports that the company is planning to include “highly targeted ads” in iRadio. That means both audio and banner ads.

The new audio ads will be sold via Apple’s iAd platform, alongside banner ads on the streaming service. Apple has set up the ad platform to be competitive, offering 10% of ad revenue to music rights publishers – 6% more than Pandora currently offers. Specifically Apple reportedly asking to pay just \$.06 per 100 plays for any song. Pandora currently pays about \$.12, and Spotify \$.35.

People who also use iTunes and iTunes Match will be able to purchase songs they’re listening to in iRadio, through iTunes, store them on Apple’s cloud and access them through any Apple iOS device.



iAd is expected to retain a higher percentage of that ad revenue compared with other iAd inventory. Currently, 70% of iAd revenue is given to publishers who monetize their apps using the service, according to Apple’s iOS developer program.

Selling streaming audio ads will allow Apple to offer the service free to users as is typical with most streaming music services. One music industry executive familiar with the negotiations between Apple and the major record labels said the terms of iRadio are more favorable for record labels than other streaming services because iRadio is expected to drive more song downloads, [noted AdAge](#).

iRadio users will be able to purchase the song they are listening to through iTunes. Syncing with iTunes Match will allow users to own those songs forever, keep them in Apple's cloud service and access them on any iOS device. However, the service will not allow users to search for and play a specific song on-demand, like with Spotify, noted AdAge.

Pandora can target users based upon their sex, area code and listening habits. If a Pandora user changes his or her permanent residence and fails to update their zip code in their account, the targeting is useless. Using iRadio on an iPhone, for example, will give iAd the ability to more precisely target ads in real-time to users based on location.

To make iRadio workable, Apple recently signed deals with Warner Music Group, Universal Music Group and others. A deal with Sony/ATV Music Publishing is reportedly close. Negotiations with BMG Rights management are ongoing.

[See the AdAge story here.](#)

RBR-TVBR observation: The more you can target an ad, the more expensive it can be sold for. But yes, higher ad rates may eventually trickle down to music rights holders wanting a higher percentage. But for now, the lower rates Apple is asking are offset by the iTunes song purchase component to iRadio. Bottom line, both services in tandem will mean more to music rights organizations' bottom line. No word yet if all iRadio users will be subject to the ads or if they'll be able to sign up for a premium subscription to omit them (likely the case). Either way, iRadio will likely be a major threat to Pandora and it has already dinged its stock price as reports keep emerging.

SLACKER PUTS DIGITAL TWIST ON THE TOP 40

6-6-13

Slacker says it is bringing the top 40 charts into the digital age with the Slacker EQ score. In a world where access to music is quickly trumping ownership, the Slacker EQ is the most accurate reflection of a song's trending popularity and listener engagement in today's world of streaming music. Slacker EQ scores will be released every Thursday, tracking the 40 most engaging tracks across multiple genres from the previous week, and will be available at blog.slacker.com/EQ.

Slacker's senior vice president of content programming and strategic development Jack Isquith says, "The majority of people stream music and old charting methods capture sales or basic streams which only tell a fraction of the story. As access to music trumps ownership for consumers, engagement quickly becomes the most important metric for what's hot and trending. Slacker EQ provides fans, artists and labels a real-time understanding of not only what consumers are listening to, but how they're interacting with music, and how their actions change over time."

Slacker has also launched a station that counts down the 40 most engaging songs every week, available at : <http://www.slacker.com/station/the-slacker-top-40>

A number from one to 100, the Slacker EQ score measures hundreds of millions of weekly data points to show how deeply users are engaging with a particular song, based on specific positive and negative actions, including:

- Starts – the number of times a song was started on the Slacker service
- Completes – the number of times a song was listened to in its entirety
- Hearts – the number of times a user “hearts” a track, requesting to hear it more frequently
- Shares – the number of times a user shares a track via Facebook, Twitter, Google+, Tumblr, Pinterest
- Skips – the number of times a song is skipped before reaching completion
- Changes – the number of times a user changes the station when a song plays
- Bans – the number of times a song or artist is banned from playing again

6/3/13: Townsquare buys AOL Music sites and brings some staff along

Former AOL sites acquired by Townsquare created by exec Wilson while at AOL

Posted by: [Paul Maloney](#)

Broadcaster Townsquare Media has acquired AOL Music online properties **The Boot** (country music), **The BoomBox** (Hip Hop and R&B), and **NoiseCreep** (metal). They've also picked up a comic book-related site, ComicsAlliance.



These properties, according to a Townsquare press release, will be added to the company's portfolio of music and entertainment websites, which includes sites like Loudwire, Taste of Country, PopCrush, ScreenCrush, and Okayplayer. Townsquare has also hired some of the AOL Music staffers from these sites.

Peter Kafka at AllThingsDigital writes, "This is a full-circle move, since Townsquare Media's executive vice president **Bill Wilson created all four sites** when he used to run AOL's content business, back in 2008 and 2009. Wilson says comScore pegs the four sites' total audience at 3.5 million U.S. uniques; The Boot is the biggest, with 1.4 million."



Wilson came to Townsquare in 2010, along with several former AOL staffers. He led Townsquare's acquisition of MOG's music blog ad network (see [RAIN here](#)).

Just over a month ago (see [RAIN here](#)), AOL Music was shut down by the corporate parent, and AOL has been selling off content assets it considers "non-core."

Kafka noted, "Uncertain for now is the future of (AOL Music properties) Winamp, the once-famous media player AOL acquired when it bought Spinner and Nullsoft for \$400 million in 1999, as well as music site Spinner.com itself."

"Adding these premium brands to Townsquare Media's comprehensive offering propels our scale beyond today's 52 million U.S. monthly unique visitors," Townsquare Media Group Chairman and CEO Steven Price said in the press release.

Townsquare owns and operates more than 240 radio stations, and runs over 250 associated websites. Read more in All Things Digital [here](#).

- **AOL deal expands reach for Townsquare's fast-growing digital platform.** In a rare move for a radio company, Townsquare Media is opening its wallet not to buy a radio station, but rather a group of websites. The company is buying three genre-themed music news sites from AOL. The transaction will add millions of unique visitors to its sprawling digital platform that's increasingly moving beyond radio. It's a sort of digital homecoming for The Boot, The BoomBox and NoiseCreep, which cover country, hip-hop and heavy metal, respectively; and ComicsAlliance, which tracks the comic book industry. All four were launched under Townsquare EVP/chief digital officer Bill Wilson in 2008 and 2009 when he was president of AOL Media. "They fit in with our existing portfolio" of one dozen national web properties, Wilson says. All have a "compelling editorial voice with a very socially active audience," are influential in their coverage areas and have large audience followings, he says. The sites reach a combined 3.5 million people in the U.S., according to comScore. Though they overlap content-wise with some existing assets — Townsquare already has national sites devoted to country and hip-hop — the company will operate them as separate brands. AOL began winding down its money-losing music division one month ago. Wilson says when it became clear AOL was making a change, Townsquare inquired about buying the sites. Some AOL Music and ComicsAlliance employees are coming over to Townsquare with the properties. Terms of the agreement weren't disclosed. The deal doesn't include AOL Radio's 200 online radio channels which continue to stream on Slacker Radio, branded as "AOL Radio, Powered By Slacker."
- **Radio and events give Townsquare a multi-platform advantage over AOL. In the two and a half years since it launched its first national website, Townsquare Media Group has built one of the largest music portfolios on the web and grown its online audience to 52 million monthly unique visitors in the U.S. Rather than making digital an add-on, it serves as one of three legs in the diversified company's media and entertainment tripod, along with 243 local radio stations and 350 live events. The addition of four new digital assets from AOL hikes Townsquare's national websites to 16. It also operates hundreds of local radio station and community sites. Properties like PopCrush, Taste of Country, Loudwire and Ultimate Classic Rock cross-pollinate and cross-promote with the company's radio and events divisions. For example, Taste Of Country has a nightly show that runs on Townsquare country stations and spawned a winter tour and other live events. The stations air music news bits that tie the website and radio show together. Townsquare is talking about creating tours for Pop Crush and LoudWire. It continues to build out its digital portfolio. Last December it launched TheDrop.fm, a hip hop and R&B site. "In a few short years we've become a compelling destination for audiences and an important consideration for advertisers,"**

EVP/chief digital officer Bill Wilson says. It's a model similar to what Salem has used in the Christian community. With hundreds of radio stations and live events, Townsquare is positioned to grow the four web properties it's acquiring from AOL in a way that a pureplay digital company could not. "The benefit we have is we're a multi-platform company, so we'll use all of our touch points — events, radio and digital — specific to each brand and need," Wilson says.

Slacker tees up new tool to track what's hot and trending. From YouTube views and digital single sales, to callout and MScore, the abundance of music data programmers have at their disposal has never been greater. Add Slacker's EQ score to the list. Harnessing data on how users interact with individual songs on its service, the web pureplay is now compiling lists of the 40 most engaging tracks across multiple genres. They're ranked on an EQ score that ranges from 1-100 and reflects seven interaction metrics: song starts, completed listens, "hearts" or likes, shares, skips, how many times a song or artist is banned by a user and how many times it caused a user to change a station. The company isn't disclosing how it weights the individual variables that go into the score. Slacker SVP of content programming and strategic development Jack Isquith says existing music charts that track on-air and online airplay and sales "don't tell the whole story," while traditional radio research like callout delivers incomplete data. "This is a deeper representation of how engaged people are with a song as opposed to how often they're hearing it or do they like it or not," he says. One eye opener is more than a third of the tracks on Slacker's overall top 40 chart are from country acts. At a time when webcasters and broadcasters are trying to strengthen partnership with labels, Slacker hopes the info will help "drive the conversation in the industry" among labels and managers and be useful for brand marketers looking to license songs before they become big hits. Isquith says there are no plans to charge for the data

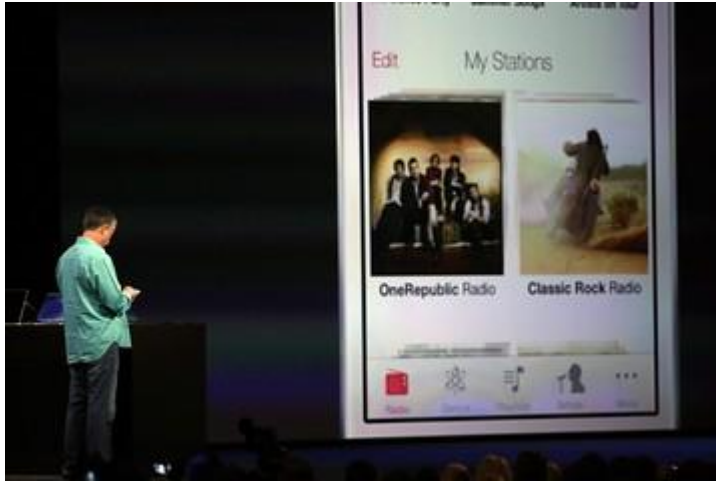
• ITUNE RADIO BY APPLE...COMING THIS FALL

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- 6-10-13
- Everybody wants to be in the radio business these days and although it was announced yesterday, iTunes Radio will not be available until the fall. The service will be much like Pandora and iHeartRadio where you can create your own radio station. In the most comprehensive coverage of iTunes Radio, [CNET says](#) iTunes Radio is "a serious competitor" to Pandora. They also called it a "useful addition to Apple's iTunes empire." And, in the end, that may be the difference. Apple is adding a tool to its empire. Pandora is trying to build an empire off the service.
- Siri will also be part of the new product, according to an Apple press release. You can ask Siri "Who plays that song?" or "Play more like this" and Siri will make it happen. You can also have

Siri add songs to your Wish List to download later.

iTunes Radio is ad-supported and free for everyone. iTunes Match users get iTunes Radio ad-free, so instead of hearing the occasional ad on iTunes Radio, iTunes Match makes listening completely ad-free. With iTunes Match, all your music—even songs you’ve imported from CDs—are stored in iCloud. Apple says, "iTunes Radio can use information about your entire music collection to make your stations even more personalized. iTunes Match costs \$24.99 for a year." That's \$11.00 less than what consumers pay for Pandora One, allowing them to listen ad-free. iHeartRadio does not play ads on its curated stations

Can iTunes Radio Kill The Streaming Stars?



Apple Senior Vice President of Internet Software and Service, Eddy Cue, demonstrated some of the new features of iTunes Radio on Monday. European Pressphoto Agency

By Hannah Karp

[Apple](#)'s iTunes Radio, unveiled Monday, looks very similar to other music-streaming services. But the details that set it apart—exclusive song offerings, links with the iTunes store and Apple's signature design—could help hook an older demographic on music streaming and lure others away from existing services.

iTunes Radio allows users to create "stations" based on a certain song or artist, which they can tailor to their tastes by providing feedback such as "never play this song" or "play more like this." Users can also tune into 200-plus genre-based stations, but can't play any song in the catalog at any time. The service is free, but users can opt to pay \$24.99 a year to eliminate ads and store their purchased music collection in the cloud by subscribing to iTunes Match.

Many subscription music companies, from Spotify to [Google](#), offer such services. But Apple promises to release songs before they are available on other services—something it may be able to do because of the company's significant leverage, record companies say.

It may also offer a more user-friendly experience than its competitors, allowing users to track their listening history or identify songs in the car by asking Siri what's playing. The service could spur download sales as well, by making it easy to purchase radio tracks instantly from the iTunes store.

Sony ATV Music Publishing Chief Executive Martin Bandier said Apple's entry into streaming bodes well for the industry because "there's nothing better than competition."

Clear Channel Communications Chief Executive Bob Pittman said he doesn't see Apple's radio product as a threat to terrestrial radio or Clear Channel's digital radio service, iHeartRadio because custom radio doesn't appear to be a viable freestanding business.



He said that while listeners tune in to FM radio to "join the world," they listen to custom radio services to have "a very private experience," and now that so many electronics makers and subscription streaming companies are offering personalized radio, it's no longer the main event.

"I think that Apple has a little bit of a problem with iTunes because of people using new subscription services like Spotify instead of buying downloads – this is a way to make iTunes a little sexier and zippier," said Pittman.

As for the threat to iHeartRadio, which consists of 1,500-plus live stations but also offers custom radio functionality, Pittman says his service sends listeners to iTunes to buy music they like. "If we thought they were competitive we wouldn't be doing that," he said.

Spotify, whose business model relies on monthly subscribers who pay to listen to whatever they want at any time, also offers a custom radio service, which it revamped 18 months ago and added for mobile users last year. But the Swedish company has a younger demographic than iTunes, and it hopes to leverage its deep data on users listening habits – which until now have been harder for Apple to track after the initial purchase of an iTunes download.

A Pandora spokeswoman said in a statement that iTunes Radio brings iTunes “on par” with other streaming music services that have added radio into their feature sets, while Pandora has “spent the last 13 years singularly focused on redefining radio and benefit from unrivaled intellectual property, deep experience in delivering personalized playlists, and ubiquitous product availability across every platform.”

Listening In Current and future options for streaming music			
			
APPLE'S ITUNES RADIO	SPOTIFY	GOOGLE MUSIC ALL ACCESS	PANDORA
SONGS: 18 MILLION+	20 MILLION+	18 MILLION	1 MILLION+
PRICE: FREE \$24.99 a year without ads	FREE \$9.99 a month for unlimited, ad-free service	\$7.99 a month \$9.99 starting June 30	FREE \$3.99/month or \$36/year for ad-free listening
HOW IT WORKS: Apple says iTunes radio will offer exclusive songs. Users can access stations inspired by music they listen to and 200-plus genre-based stations. <small>Source: the companies</small>	Paying subscribers can listen to any song in the catalog. Spotify offers a custom radio feature as well.	Subscribers get unlimited access to entire catalog, and can access their music libraries across multiple devices without synchronizing them. Custom radio with unlimited skips is also included.	Pandora maps each song's 'genome' by characterizing hundreds of its traits. Listeners can then create custom stations by entering the name of an artist or song. <small>The Wall Street Journal</small>

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- **Apple's iTunes Radio Allows Users to Pay to Avoid Ads**
- **iTunes Match Subscribers Get to Listen Ad-Free**

• By:

• [John McDermott](#)

• Published: [June 10, 2013](#)

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- Apple confirmed a week's worth of speculation on Monday with the announcement of iTunes Radio -- its foray into digital music streaming -- at its annual Worldwide Developers Conference.
- The free version of iTunes Radio will feature both display ads and audio ads that play between songs. [As AdAge reported last week](#), all ads within the service will be served, targeted and sold via iAd, Apple's mobile

ad network. Apple will be sharing 10% of the ad revenue it earns via the service with copyright holders, more than double Pandora's rate of 4%.



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- Like with competitors Pandora and Spotify, iTunes Radio will function under a freemium model; consumers can access an ad-supported version for free, or upgrade to a no-ads version by purchasing a \$24.99 yearly subscription to iTunes Match, Apple's cloud-based music storage feature.
- In this respect, iTunes Radio is nearly identical to Pandora. The main differentiator between the two is that iTunes Radio allows (and encourages) users to download songs that they will own forever. When a user is listening to a song on iTunes Radio, he or she will have the opportunity to buy the song for \$1.29. iTunes Match users will be able to access purchased songs on all of their mobile, laptop or desktop-based Apple devices.
- iTunes Radio, then, is both a Pandora competitor -- in terms of users and ad dollars -- and a proxy convert more iOS users to iTunes Match. Because iTunes Radio does not allow users to search for and play any song at will (like Spotify), users will be enticed to purchase songs recommended through the platform.
- Spotify currently has three payment options: a free, ad-supported desktop version, a version that rids the desktop version of ads for \$4.99 per month and Spotify Premium, a \$9.99 monthly subscription that allows customers to access Spotify ad-free and download songs onto mobile devices for offline listening. A yearly subscription to Spotify Premium is roughly equivalent to an iTunes Match subscription and buying 73 songs through iTunes radio.
- **RELATED STORIES**
- [Apple to Sell Audio Ads on iRadio, its Upcoming Streaming Music Service](#)
- New Ad Product Could Be Pricier Than Pandora, Thanks to Targeting Abilities
- Several agency executives believe iTunes Radio's ad products will have a leg up in targeting over Pandora and Spotify due to the amount of data they already know about their users. Served through iAd, iTunes Radio ads will allow brands to more accurately target customers based on location. iTunes Radio will also allow marketers the opportunity to target consumers based upon what TV shows, movies and apps they've downloaded via iTunes.
- David Reeves, VP at ad agency [22squared](#), said, "Pandora and Spotify probably don't have the location component, and they don't have access to other apps on my device. That's another level of context Apple can access that others can't."
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Slacker launches “EQ Score”

By [cmarcucci](#) on Jun, 7 2013 with [Comments 0](#)

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The Slacker EQ Score is a new system that measures millions of data points on a weekly basis to show how users are engaging with the music they’re streaming. The weekly charts will list the 40 most engaging songs from across the service (also available as a station), plus rankings for six genres: Pop, Rock, Country, Hip Hop/R&B, Alternative/Indie and Electronic/Dance. The scores will be released every Thursday, with the first one released 6/6. The data is made available at blog.slacker.com/EQ. Slacker has also launched a station that counts down the 40 most engaging songs every week, available at: <http://www.slacker.com/station/the-slacker-top-40>

Slacker says Slacker EQ is the most accurate reflection of a song’s trending popularity and listener engagement in today’s world of streaming music. Do people choose to listen to the same songs dominating terrestrial radio airtime? Does an appearance on Saturday Night Live increase engagement with an artist? Does an artist’s exploits in the tabloids impact people’s affinity for a track? These are trends Slacker says Slacker EQ can help the industry decipher.

A number from one to 100, the score measures hundreds of millions of weekly data points to show how deeply users are engaging with a particular song, based on specific positive and negative actions, including:

- Starts – the number of times a song was started on the Slacker service
- Completes – the number of times a song was listened to in its entirety
- Hearts – the number of times a user “hearts” a track, requesting to hear it more frequently
- Shares – the number of times a user shares a track via Facebook, Twitter, Google+, Tumblr, Pinterest or email
- Skips – the number of times a song is skipped before reaching completion
- Changes – the number of times a user changes the station when a song plays
- Bans – the number of times a song or artist is banned from playing again



SLACKER

The Slacker EQ

Defining Engagement with Music in the Digital Age

The 40 Most Engaging tracks across the Slacker service for the week of June 2nd 2013 are:

Position	Song	Artist	EQ Score	Pos
1	Radioactive	Imagine Dragons	98.0	—
2	Mirrors	Justin Timberlake	95.9	—
3	Runnin' Outta Moonlight	Randy Houser	94.9	▲
4	All Over the Road	Easton Corbin	94.8	▲
5	I Love It	Icona Pop	94.2	▼
6	Next to Me	Emeli Sandé	94.1	▲
7	Heart Attack	Demi Lovato	93.8	—
8	Get Your Shine On	Florida Georgia Line	93.6	▼
9	Come & Get It	Selena Gomez	92.6	▲
10	Boys 'Round Here	Blake Shelton	92.4	▲
11	Crash My Party	Luke Bryan	92.3	▼
12	Can't Hold Us	Macklemore & Ryan Lewis	91.5	—
13	Wagon Wheel	Darius Rucker	91.4	▼
14	Stay	Rihanna	91.1	▲
15	My Songs Know What You Did In The Dark (Light Em Up)	Fall Out Boy	90.6	▼
16	Feel This Moment	Pitbull	89.9	—
17	Anywhere with You	Jake Owen	89.5	▼
18	Little Bit of Everything	Keith Urban	88.7	▲
19	Gone, Gone, Gone	Phillip Phillips	88.0	▲
20	22	Taylor Swift	87.9	—
21	Highway Don't Care	Tim McGraw	87.6	▼
22	Here's To Never Growing Up	Avril Lavigne	86.4	▲
23	Give It All We Got Tonight	George Strait	86.4	▼
24	Just Give Me a Reason	Pink	86.3	▼
25	The Other Side	Jason Derülo	85.7	▲
26	Like Jesus Does	Eric Church	85.7	▲
27	More Than Miles	Brantley Gilbert	85.4	▲
28	Beat This Summer	Brad Paisley	84.9	▲
29	Locked Out of Heaven	Bruno Mars	84.7	▼

“The majority of people stream music and old charting methods capture sales or basic streams which only tell a fraction of the story,” said Jack Isquith, Slacker’s SVP/content programming and strategic development. “As access to music trumps ownership for consumers, engagement quickly becomes the most important metric for what’s hot and trending. Slacker EQ provides fans, artists and labels a real-time understanding of not only what consumers are listening to, but how they’re interacting with music, and how their actions change over time.”

Slacker is also the only digital music service that has billing and distribution deals with every major North American wireless provider, including Verizon, AT&T, Sprint, T-Mobile and U.S. Cellular. In addition, Slacker is available in vehicles including Ford, GM, Chrysler Group, Acura, Honda, Scion, Subaru and Tesla.

- **RBR-TVBR observation:** This is great data for performing rights organizations, music publishers and artists. Merging social media behavior along with plays—and how listeners reacted to each song—is going to boost Slacker’s place in the industry and may even help with rights and rates deals down the road. Since it’s not patented, we can assume other music streaming providers will be working to produce similar real-time reports of this magnitude
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- **Growing list of buyers and sellers are using automated ad exchanges.** The rise of programmatic buying technology like WPP’s Xaxis Radio and Triton Digital’s a2x are making it easier for advertisers to buy radio’s targeted online and mobile audio inventory in real-time. Their arrival on the radio scene comes as more business is placed through the exchanges. Programmatic transactions totaled \$2.4 billion in 2012, accounting for 17% of all display advertising buys. In a just-released forecast, Magna Global projects by 2017 nearly half (48%) of display ads will pass through an automated, real-time bidding platform. The list of radio groups now using Triton’s a2x streaming audio ad exchange has blossomed since its partnership with Xaxis was announced in January. Alpha Broadcasting, CBS Radio, Delmarva Broadcasting, Entercom, Greater Media, Guyann Broadcasting, LKCM, Mapleton Communications, Midwest Television, Results Radio, Simmons Media, Wilks Broadcasting and Univision Radio are all using the system, according to Triton.
- *Streaming radio part of Myspace revamp, and radio ads are part of its relaunch. As the pioneering social networking site Myspace attempts to come back from the dead, music and streaming radio are part of its revival strategy. Myspace will offer genre and artist-specific music channels created by users from a catalog of 53 million songs then shared among members on its desktop website and mobile app. That ability to “play DJ” and promote music across the Myspace community goes after people who may’ve tired of sector leader Facebook. “The magic of Myspace has always been at the intersection of creative expression, community, promotion, and discovery,” CEO Tim Vanderhook said in a statement. The company has been working with artists, designers, developers and users over the past several months on a site that’s noteworthy for its use of photos not text, another differentiation from Facebook. A \$20 million ad campaign is planned to promote Myspace’s relaunch. With a Millennial demo target, agency Specific Media is using radio advertising, as well as TV, cable and digital media*

Jim Cady, Slacker CEO

By [cmarcucci](#) on Jun, 19 2013 with [Comments 0](#)

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The streaming music services business is getting a lot of attention—and competition—lately with new and upcoming entrants like **Apples iTunes Radio; Google's All Access Music and MySpace's My Radio**. To get and keep subscribers, advertisers and social media buzz, each service is trying to offer the most music and features possible. We're taking a look at that today with Jim Cady, Slacker CEO. The company was founded in 2004 by Celite Milbrandt and Dennis Mudd who launched it in March 2007. Dennis was the former CEO of MusicMatch, which was purchased by Yahoo Music and is now known as Yahoo! Music Radio. Cady is the former CEO of Rio.

[The most recent feature from this established player](#) (no pun intended) in the biz is the "Slacker EQ Score." It's a new system that measures millions of data points on a weekly basis to show how users are engaging with the music they're streaming. The weekly charts will list the 40 most engaging songs from across the service (also available as a station), plus rankings for six genres: Pop, Rock, Country, Hip Hop/R&B, Alternative/Indie and Electronic/Dance. The scores will be released every Thursday, with the first one released 6/6. The data is made available at blog.slacker.com/EQ. Slacker has also launched a station that counts down the 40 most engaging songs every week. And now, without further adieu, Jim Cady:

What are you seeing in terms of audience consumption as it relates to device? How is mobile, tablet and connected consumer electronic device listening growing specifically?

Mobile is a huge driver for Slacker and streaming music in general. Since our relaunch earlier this year, roughly two-thirds of our new listeners have come in on mobile devices, and we've grown our iOS installed based by more than 300 percent. Slacker is also the only digital music service with billing and distribution deals in place with all five major wireless carriers in the US, **which means we come pre-installed on the most phones and users can simply add their subscription to their monthly wireless bill.**

Tell us about your service and the revenue model.

Slacker offers three tiers of service and is margin profitable on every user, whether they listen for free or are a paid subscriber. Since we have direct deals with the labels, we can offer listeners meaningful subscription tiers. Our free tier is ad-supported and free on any device with no listening caps, but for \$3.99 a month listeners can subscribe to Radio Plus and get unlimited skips, the ability to listen offline and turn off the ads. We also offer a

\$9.99 tier that gives listeners on-demand access to our library of more than 13 million tracks.

Besides the EQ Score, what is unique about your service that your competition doesn't offer?

Slacker is the most complete music service on Earth. When we looked at the market, we saw a lot of services that did one thing well – be it radio, on-demand or custom programming. Users would skip back and forth between services to get what they need. **Slacker gives music fans everything in one place; an easy-to-use radio experience with hundreds of expert-programmed stations, human curated original programming like festival coverage** and countdown shows to fuel discovery and a robust on-demand service. We also work on every major smartphone platform, with in-car infotainment systems, on smart TVs and consumer electronics platforms ranging from Xbox to Sonos.

What do listeners really want from the streaming services providers?

Music is deeply personal. It's tied to the fabric of our lives in ways that an algorithm could never predict or understand. That's one of the reasons Slacker is so heavily invested in human curation and giving people the tools to easily customize their content. Whether that means providing hundreds of expert-programmed stations, producing the ultimate retrospective of grunge music hosted by legendary DJ Marco Collins or simply allowing people to add ESPN sports and ABC news updates into the station they listen to on their drive home, Slacker is the most complete service available.

How well can you target audio and banner ads to specific listeners, based on location and/or demographics?

We can target advertising targeting on a number of attributes, including but not limited to age, gender, location, listening attributes, device being used, etc...

What research and ratings services do you subscribe to? Do they serve yours and ad clients' needs effectively?

We subscribe to a number of services including comScore, Triton metrics, etc...

Tell us about your reach.

Slacker has more than 30 million listeners in the US.

Tell us about your sales structure. Who do you use for outside national or even local sales?

We have a blended model of internal sales resources and partners. We use Triton as an audio sales partner, and a number of other smaller partners as well as selling ad units in-house.

Tell us about your mobile app. What can you offer advertisers who want mobile placement?

We can offer mobile advertisers targeting, including but not limited to age, location, gender, listening attributes, device type, and more. In addition, we can offer them different advertising units, including audio, video, banner, and rich media. We can also offer custom value add promotions like “Premium for a Day” which give free users access to features like on-demand listening which are usually reserved for Premium subscribers.

What platforms and devices are you on?

We believe in the importance of ubiquity, since we’re essentially selling access to content. Walled gardens are not good for consumers. Slacker is available on the web, iOS, Android, Windows Phone, Blackberry, in-car and consumer electronics devices ranging from Sony Smart TV and Xboxes to Roku and Sonos.

What car dashboards offer your service?

We’re in (or will soon be deployed in) cars from GM, Ford, Chrysler, Honda, Acura, Subaru, Tesla and Scion.

Do you have any comment about the recent debuts of All Access Music and iTunes Radio? Are they a threat?

Apple and Google finally jumping into the streaming music space validates the work we’ve been doing at Slacker since 2010. After looking at their offerings, Slacker is still the most complete music service anywhere, with human programmed radio, original programming and on-demand access to millions of songs. While hundreds of millions of people are streaming music, the space is still very young considering the worldwide audience for music. Big names like Apple and Google will bring more people to the category, which is good for everyone.

Do you think the digital streaming services business has become saturated? Why?

There’s more choice than ever before, which is great for consumers. We believe that this space is still very young, and the future is far from written. While hundreds of millions of people have discovered streaming music, those numbers still pale in comparison to the opportunity when you consider the number of people who listen to music around the world. We’re just getting started.

What is the future of the streaming music service industry?

We believe that the next big frontier for streaming music services is in the car, where terrestrial radio has long reigned supreme. With our early integrations, we’ve seen incredibly high ATH with Slacker. And the more integrated the services become, the

higher the engagement. For example, in vehicles where the service is integrated into the dash, like Tesla, consumers listen up to twice as much as users who tether their phones to the car.

Published: June 21, 2013 at 12:10 AM PDT

By [Shelly Palmer](#)

When Apple unveiled iTunes Radio, it jumped into a saturated market: music streaming. [Much like the options you have when you want to watch a movie or TV show online](#), there are many places you can go to get your Radiohead fix. But not all music services are created equal, and they don't all have the same goals. From Pandora to Spotify to iTunes Radio (and everything in between), which are worth your time, money and ears?

iTunes Radio (\$0 - \$24.99/year)

If you've been impressed with the Genius feature of iTunes, you're going to love iTunes Radio. If you've never used Genius before, it's a really simple "music discovery tool" (a key phrase for many of these music services) that can build automatic playlists and find new music based on the artists, albums and tracks you like the most. Based on how often you listen to certain music in your iTunes library, iTunes Radio takes your tastes into account and plays tracks that it thinks you'll like. iTunes Radio is launching this fall for free for everyone, and will be supported **with text and audio ads**. If you pay \$24.99 for an annual iTunes Match subscription, you'll be exempt from all ads. What's nice about the service is that you can skip tracks (hey – not every suggestion can be a winner) and, **if you really love a song, each track has a "Buy" button in the corner of the screen that will prompt an immediate download**. iTunes Radio will be available on iPhone, iPad, iPod touch, Mac, PC and or Apple TV.

Pandora (free)

Pandora is very similar to iTunes's Genius feature (or, vice versa depending upon who you ask). Based on the [Music Genome Project](#), Pandora's team of music experts have analyzed up to 450 musical characteristics of millions of songs to provide you with the best customized music experience. Pandora lets you create and manage up to 100 "stations" based on an artist, song or genre, and then lets you tinker with them to get exactly the feel you want. Like iTunes Radio, you don't have control over what song you hear next, but you do get to control the type of "station" you're listening to. Entirely supported by ads (with no premium level to eliminate them), Pandora can be downloaded on iOS, Android, BlackBerry, Windows Phone, Nook and Kindle Fire devices, has made its way into over a dozen different automotive manufacturers' cars and onto dozens of connected devices in your home. Around since 2000, Pandora's been in the music streaming game longer than most other companies out there, and the service is arguably better now than it has ever been. If you want an easy and free way to listen to music, Pandora is a great fit.

Spotify (\$0 - \$9.99/month)

The best part of Spotify is that you can (essentially) treat it like an iTunes library and listen to exactly what you want, when you want. Spotify is ad-supported (so it's free on the web and in its desktop client). Bumping up to its 'Unlimited' level for \$4.99/month means you don't have to deal with advertisements. Spotify's 'Premium' level is \$9.99/month and unlocks the service's full potential. You're able to stream your music on every device – including smartphones and tablets, which were excluded in the free and 'Unlimited' levels – and can also save music to be played while offline, which is very convenient when traveling. Another one of Spotify's big selling points is its Facebook integration. You're able to easily connect your Facebook account to your Spotify

account, which lets you follow your friends' playlists on Spotify, and also listen to music along with them from anywhere in the world. (You can also minimize the level of Facebook integration or not sync the two accounts at all.) Spotify is considerably more expensive than many of the other music services, but it's also far more robust.

iHeartRadio (Free)

If you want an audio service that's more than just music, check out iHeartRadio. iHeartRadio is a free, all-in-one digital radio service that features a ton of your favorite live radio stations. For people in the New York area, stations like Z100, 106.7 Lite FM and Q104.3 are all available to stream on iHeartRadio. If you're away from a traditional radio – or just want access to your favorite station with crystal clear playback – iHeartRadio is there for you. It's also interactive – you're able to thumbs up or thumbs down each and every song that's played, giving radio stations real-time feedback as to whether the songs they play are hot or not. iHeartRadio is more than just terrestrial radio stations, though – you're also able to create personalized custom stations, just like on Pandora. Pick a song or artist to create a commercial-free uninterrupted station that's generated off of iHeartRadio's over 15 million songs and nearly half a million artists. iHeartRadio isn't in all the places that some other streaming services can be found, but it has found its way onto the Xbox 360 and GoogleTV, as well as on your mobile devices.

So – good, better, best – no, just a few different business models that offer similar, but different experiences. I love Spotify, it is everything I want from a music streaming service. In fact, it is everything I want in a music library, which begs for the question: Do I need to own music in 2013? My personal answer is no. I only have to own stuff Spotify doesn't have, and that list gets smaller everyday.

If license directly-negotiated, no guarantee on artists' earnings from Apple iRadio play

Posted by: [Paul Maloney](#)

We've heard recently that Apple's "iRadio" webcasting service has hit snags in licensing discussions with rights owners (most recently [here](#)).

It's important to note that any such deals that result from negotiation with labels mean Apple will **not operate under the statutory webcast license** (any service willing to operate within the statutory's requirements can pay that rate -- no negotiation needed). A direct license with labels could allow Apple to avoid the statutory's specific limitations on the use of music (its prohibition on "on-demand" and other measures known as the "**sound performance complement**"). It might even grant Apple a preferred royalty rate.

Such an arrangement would also **free the labels from the statutory's required 50/50 split of the royalties with performers**. As per the DMCA, the royalties SoundExchange collects from webcasters operating under the statutory license get split between copyright owners (record labels, who get 50%) and performers (the featured performer gets 45%, with 5% going to musicians unions for backup performers).

But the DMCA also allows for copyright owners to negotiate directly with webcasters, which is what appears to be happening with Apple. In such a case, the DMCA's requirements (like the "**sound performance complement**" and the "**50/45/5**" split) **don't apply**. Performers would still most likely earn something from webcast plays on a service with a direct license, under the terms of their particular contract with their record label. But if some artists are chafing at what they're paid by webcasters paying the statutory, **they'll likely make far less from Apple iRadio plays**.

"And so, it didn't take a rocket scientist to anticipate that direct licenses for an iRadio service **could get negotiated at rates below the webcaster rates** formally established through the Copyright Royalty Board (CRB) or published Settlement agreement," writes Washington and Lee University assistant professor David Touve in Rockonomic [here](#).

It's feasible to imagine that a record label, no longer required to share 50% of the webcasting royalties, could grant a major licensee like Apple a **significant discount**, and **still earn more** than it would under that statutory. Apple's savings, and the labels' bonus, would come from what performers would have earned under the statutory license

SoundCloud hires Pandora director, set to open New York office

SoundCloud is set to open an office in New York City and has appointed former Pandora exec **Dan Gerber to its team.**

Gerber formerly held the position of national director of Strategic Partnerships at the internet radio company and is SoundCloud's first NYC-based hire. He will head up brand revenues in June and more staff will be added in the summer.

A statement from SoundCloud read:

"Coming off our Pro Partner announcement in early March, we have been inundated with numerous brands taking interest in our beta. We realised that in order to best serve this community, we had to bring on a professional with the experience to continue to develop partnerships and to strengthen and ignite relationships with high-level decision makers at top companies.

"At Pandora, Dan was responsible for connecting the nation's top brands with the right combination of digital, mobile, audio and live event strategies. He was also instrumental in developing national partnerships with Pepsi, Unilever, Starbucks, P&G and American Express. Most recently, Dan led the Grammys/Pandora Partnership with Pepsi as well as Chase's integration in Pandora's Summer-Themed Genre Stations."

SoundCloud's HQ is in Berlin. Since its inception it has added offices in San Francisco, London and Sofia, Bulgaria.

Slacker Picks It Up

Posted: 14 May 2013 05:26 AM PDT

It's a week for streaming services to boast about the size of their audience, with both Slacker and iHeartradio making announcements that they have grown. **Slacker, which relaunched with a new design and offerings in February,** had a nice showing in the March ranker of Webcast Metrics that we saw last week. Now we're hearing more details on that from a [press release](#) which reports **that six million new listeners have signed up since that relaunch in Feb, with 3.5 million of them on mobile devices. Slacker has also picked up 100,000 paying subscribers since their relaunch, a 1.6% conversion rate.**

In the release CEO Jim Cady says that "Slacker is the only digital music service that is gross margin positive on every listener – whether they're ad-supported or a paid subscriber." Gross margin positive is good – an indicator that a business is operating efficiently and shows promise. So this is a good thing. I'm not sure how Cady can be sure that they are the only digital music service that can say that – given that only Pandora's accounting data is public. Some other cranky folks might argue that satellite services are digital as well.. But nonetheless, Slacker says they are doing well, and that's good for them and the industry. (Now if only they would change their name..)

Not to be outdone, iHeartradio told us yesterday that they have **reached the 30 million mark in terms of listeners, which is a very big number especially given the fact that they were at 20 million 7 months ago.** iHeartradio has enormous capacity to ramp up its audience via its extensive network of AM/FM listeners.

5/22/13: RAIN Summit recap: Rhapsody chief Irwin's quest for The Ultimate Stream

Rhapsody's Irwin suggests strategic partnerships to defray costs, make services more attractive to consumers

Posted by: [Paul Maloney](#)



Streaming music service Rhapsody has very track in its 17 million-plus library, including the names of producers, engineers, composers, session performers, and more (you can read more about this in *The New York Times* [here](#)).

There are likely several reasons why Rhapsody would commit to such a huge undertaking, but one might just be that enhancements like this help make service the **center of (listeners') music experience**," to quote the company's **Jon Irwin**. Irwin, Rhapsody International president, gave the second of two keynote addresses at the recent **RAIN Summit West** event in Las Vegas.

Liner note-style credits would also help the listener and the artist to "connect in a meaningful way," to again paraphrase Irwin -- fundamentally necessary for creating the experience for which consumers will pay.

The streaming music/Internet radio space is certainly crowded, yet Irwin maintained that **none of these companies are "really killing it"** from a customer experience perspective, or from a profitability perspective (and he includes his own company in that assessment). "Nobody has nailed it across all content types and all listening modes," he said, to offer what he termed "**the Ultimate Stream**." That is, the various types of content (music, news, sports, comedy, live radio) a listener might want at different times, in any listening venue or device (in the car, the mobile phone, at home).

Irwin listed what he thought the necessary qualities of the perfect music service interface. It would (be):

Why Google's \$9.99 streaming music Pandora competitor couldn't be free

Google's new streaming music service costs \$9.99 per month and while it has no limitations, it has no free version either. That places it at odds with chief competitor Pandora, which charges for a premium version but also offers a free restricted option. Google is facing questions as to why it's charging money for even the most basic of usage, but the answer is straightforward: because it can't. And neither can Pandora.

The business model for streaming music services like Pandora and its upstart rival Spotify is to offer free and paid versions, losing money on the free customers in the process but hoping to convert a fraction of them into paid customers eventually, with the existing paid customers subsidizing the losses in the mean time. But with each non-paying customer costing Pandora money in terms of server bandwidth and royalties paid to record labels for each song, and the vast majority of streaming music customers opting not to pay anything, Pandora has been running up losses for years. Only outside investments keep it afloat as it unwittingly proves that the free-and-paid business model doesn't work when it comes to music subscriptions.

TuneIn Radio is a popular app internet radio streaming. It features over 70,000 different stations that stream anything from pop music to talk shows, as well as tons of podcasts. Well, Android users have gotten an update to the TuneIn app that will now allow you to quickly purchase a song you're listening to on the Play Music Store. You can also favorite music to go back and purchase it with a direct link later on. If you're already a TuneIn user, this is a pretty useful feature for you. If you haven't tried it yet, why not test out a new music discovery service? Hit the break for download links

RBR-TVBR observation: Part of the problem could be the thunder that Android devices are taking from iPhones. Apple's stock is down, iPhone sales are lax. Their negotiating power may be waning on that side of the table. But nonetheless, with the iRadio introduction, everyone with an Apple ID, iTunes account or iPhone would be instantly served up the new service. That massive audience is ready and waiting. iRadio will also likely offer the ability to mix in favorite songs that users already have downloaded from iTunes—giving it a bit of an advantage over Pandora, which serves up songs based on other songs the user has liked or chosen initially

Insights on Internet radio campaigns

By [cmarcucci](#) on May, 21 2013 with [Comments 0](#)

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TargetSpot, the largest digital audio ad network, released the results of campaigns for Auto, Retail, Banking, and Insurance advertisers, showcasing the effectiveness of the medium across these categories.

In 2013, more than 147 million people in the US will tune in to Internet Radio, which equates to 67.4% of Internet users in the US. While more people are listening to Digital Audio than ever before, TargetSpot's research shows that 86% of listeners do not pay a fee for access to premium content, opting in to receive advertising on free, ad-supported Internet Radio services. Consequently, this advertising is extremely effective – 58% of listeners recalled having seen or heard an Internet Radio ad within the last 30 days and, of those listeners, 44% responded to an Internet Radio ad in some way, said TargetSpot.

TargetSpot reported these insights from campaigns over the past year:

–Auto: A major auto manufacturer tasked TargetSpot with creating a national campaign that would drive dealer visits and prompt online research among its core audience of 18-54 year olds. The campaign consisted of in-stream audio with a companion banner, as well as pre-roll audio.

As a result of the campaign, listeners who were planning to buy a new car in the next 12 months were 133% more likely to visit a dealership to learn more about the vehicle and 40% more likely to visit the brand's website mentioned in the ad.

The campaign led to lifts in those likely/very likely to consider the brand, with a 66% increase among listeners in the market for a new vehicle and a 31% increase among 18-54 year olds.

–Retail: A national retail chain worked with TargetSpot to increase store visits and inspire their target demographic to visit the store for “quick trips.” The target demographic for the campaign was 25-54 year olds. The campaign consisted of in-stream audio with a companion banner and was geo-targeted to 30 states.

The campaign led to astounding ad recall and purchase consideration rates among the target demographic. 68% of 25-54 year olds recalled seeing/hearing an online ad for the store and, after exposure to the ads, ad recall increased by 183% among this audience. Additionally, purchase consideration increased by more than 20% for multiple key “quick trip” categories.

–Banking: A regional bank partnered with TargetSpot to drive awareness, and reinforce the bank's creative messaging. The campaign was geared toward two target groups: 35-54 year olds as well as adults ages 55 and over. It was geo-targeted to four tiers of markets in the Midwest and Southern US.

Despite the fact that the bank already had a pre-campaign awareness of 67%, the campaign increased awareness by 24% — with 83% of users aware of the brand after exposure. Additionally, the campaign delivered more than 100% lift in message

association among the core target groups. Consideration of the bank was boosted as well. Most notably, there was an 86% increase in the 35-54 year old group who were “very likely” to consider the bank after exposure to the Digital Audio advertising. Those already aware of the bank who were “very likely” to consider the bank increased by 44% after the campaign.

–Insurance: A national insurance provider turned to TargetSpot to drive purchase intent for the brand while measuring the impact of the streaming audience. The target demographic was 18-49 year olds with key income specifications, who were in the market for insurance. The campaign was geo-targeted to 30 states and consisted of in-stream audio with a companion banner.

The campaign showed significant overall lift in ad recall (135% lift), which was further increased by 8% after adding targeted social media-based creative. The brand saw a 150% lift in ad recall among the key target audience of 18-49. Among users who stream music daily on a mobile device, there was a 120% ad recall lift and an 80% lift in being “very likely” to purchase.

Google Play Music All Access may be the best music subscription service

By: [Barb Gonzalez](#)

May 19, 2013

[Leave a comment](#)

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It's Google Play Music vs Spotify and my first impression is that Google Music is the best unlimited music subscription service currently available. I was skeptical when I watched this week's Google I/O (Google conference in San Francisco). I've tried Google Music in its earlier incarnation as a music cloud storage and music store and I was not impressed. However, with the addition of the subscription All Access service and other features, the new Google Play Music is easy to use, offers artist/song inspired "radio" stations, and has a song library comparable to Spotify. Music can be streamed to a web browser or up to 10 Android device including Google TV. While Google Play Music can be accessed on an iPhone's web browser, the experience is limited and iPhone users should probably stick with Spotify for now.

"All Access" subscription service added

Google Play Music has been around for a few years. Originally, it was a free service that allowed you to upload your music to an online library accessible by mobile devices or web browser. Songs and Albums could also be purchased on Google Play Music and added to your online library. The addition of the "all access" monthly subscription service (\$7.99 per month if you start your free trial before June 30) makes it possible to stream your choice of

millions of songs from current hits to oldies. Songs can be added to a queue, and queues can be saved as playlists. Songs can also be added to your general music library by clicking on the "+" and disc icon or clicking on the dots next to the song or album and choosing to add it to your library.

Google Play Music radio stations

Google Play Music shares many features of Spotify and other music streaming services that have preceded it. However, it has taken the "radio" feature to a whole new level. Similar to Pandora, or Spotify, a "radio" station (actually a queue of songs) can be created by choosing a song or artist. Songs that have similar characteristics will play automatically. Refining a "radio station" in Google Play Music is similar to Pandora in that you click on a thumbs up or thumbs down symbol. Still, Google Play has a second use for your thumbs up. Every time you click on thumbs up, the song is added to a smart playlist—sort of an instant favorites list.

Save radio station queues

The best feature of Google Play Music is that you can instantly turn the radio station into a playlist and play the list of songs anytime. In fact, while playing the current song, you can look at what songs are queued up to play next on the radio station by tapping on the note and lines icon. If you don't like a song in the list, simply swipe it out of the queue. If you see a song in the list that you don't have in your library, you can instantly add it. Neither Spotify or Pandora allow you to edit the upcoming song list or skip around at will. This is why Google has dubbed their music service, "radio without limits."

Better recommendations and radio stations

Another way that Google Play Music excels is in its choice of songs that it recommends or puts into a radio station. I have a few albums and songs that have lived in my Google Play library for a few years. Song recommendations are based on those albums, artists, and songs in my library. The more music I play or add to my library, the better Google Play Music will know what I might like.

To test the radio service, I chose "Mack the Knife" by Bobby Darin. Incredible oldies from my childhood filled the queue of songs— "Make Someone Happy" by Jimmy Durante, and the sweet Doris Day song "Que Sera" that immediately reminded me of my mother. Songs from the 60's, 70's, and 80's also procured many favorite hits I haven't heard in years. These

weren't the tired repeats I have heard for years on Pandora. Each radio station I've created include songs I love and have rarely heard on other music streaming services.

Spotify has shared playlists and free radio

Spotify beats Google Play Music on a couple of points. The first is that it offers a free service option where you don't have to pay to listen to radio queues on a device or use the service on your computer. The other feature unique to Spotify is sharing playlists and music libraries. If your friend has made the perfect workout playlist, you don't have to repeat her efforts, you can simply add the playlist to your library.

Making your choice

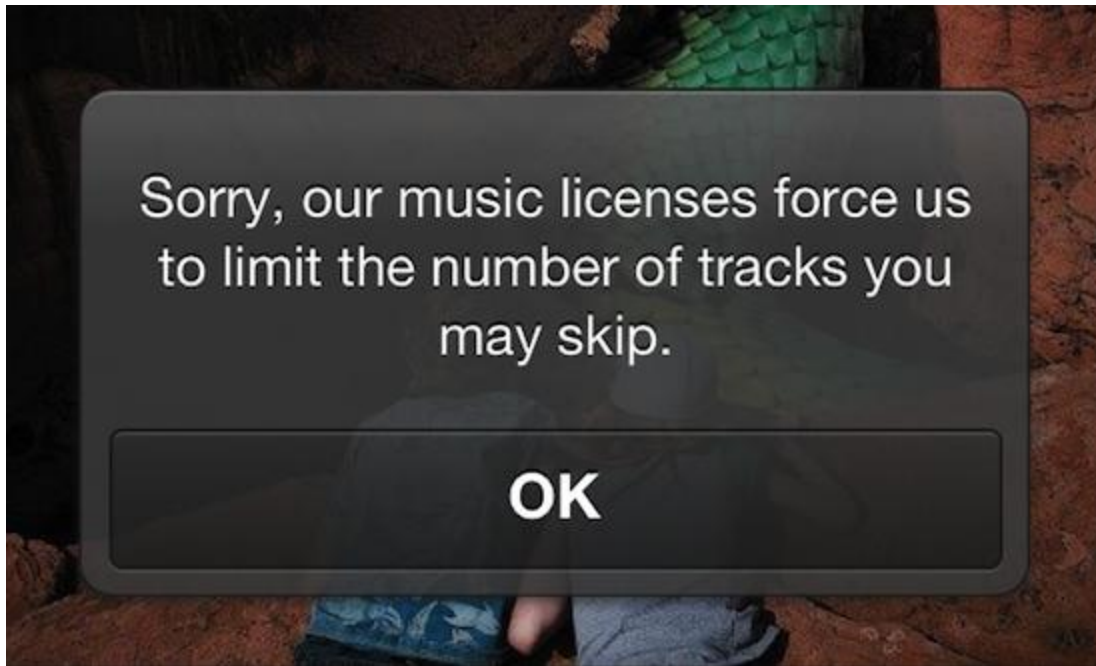
If you are an iPhone user, your choice is made for you. There is no Google Play Music app for iPhone (we know that could change, look at Google Maps for iPhone). Some songs are available using the phone (or iPad's) web browser, but it's less than ideal. But if you have an Android phone and like to listen to music, I urge you to [sign up for the Google Play Music free trial](#) and search for your favorite music. I'd be surprised if you weren't delighted by the results.

What's your favorite song that's played on a music streaming radio station

[Song skipping feature reportedly stalling iRadio talks](#)

By [Cody Lee](#), May 18, 2013

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- [28 Comments](#)



Industry chatter regarding [‘iRadio’](#) is really starting to pick up. Yesterday, a [report surfaced](#) claiming that [Apple](#) is struggling to reach deals with record labels because such a service has never been tried before. And today, we have even more details on the talks.

Citing sources with knowledge of the negotiations, CNET is reporting that the labels are actually very keen on Apple’s [music service](#), but there’s a single issue keeping them from signing on the dotted line. Apparently, they can’t agree on song skipping terms...

From [CNET](#):

“More specifically, Apple and Sony Music, the world’s second-largest music label, are still trying to hammer out details over how much Apple would pay for songs that people listen to a fraction of and then skip, according to people familiar with the negotiations. There could be other points of contention as well.

Apple’s streaming music service, which most closely resembles Internet radio leader Pandora, has some features built into it that give users added control, such as the ability to rewind a song and skip to the next after listening to a portion of it, sources say.”

The site goes on to say that the fact that skipping has become an issue is frustrating executives at the other labels, because they see the potential in Apple’s free radio service. Many of them believe it will be a boon for the music industry, and are eager to see it launch.

Rumor has it that Universal is the only record label on board with the service so far, but Apple is very close to reaching a deal with the Warner Music Group. That only gives the company a few weeks to reach terms with BMG and Sony before [WWDC](#) next month.

The last we heard, Apple was aiming for a summer launch, suggesting that we might see a mention of 'iRadio' at its World Wide Developer Conference. It's hard to imagine it would want to wait until the fall to unveil it—especially now that Google

5/17/13: Billboard: Majors pledge 50/50 royalty split with artists will stay in direct deals

Gizmodo contributor Mario Aguilar decided to find the best "automated DJ" on a streaming music or Internet radio service, pitting eight top services against each other for his "The Best Streaming Radio."



His original intent was to find the service with the algorithm that created the best sounding user-generated station (he only considered services that offer "generative playlists" -- the ability for users to create "stations" on the fly by simply typing in a single artist, song title, or genre). Nearly immediately he realized picking a winner based solely on a good mix was futile, as they all, by and large, do a pretty good job at this task.

So he widened his considerations to other facets of the services -- "integration with social networks to the design and overall usability of each service's unique features" -- for the shoot-out.

I'll let you [click through](#) to see his ranking, but I'll include a few of his points here about specific services:

Turns out he's not a fan of Clear Channel's iHeartRadio service, which (he wrote), "does so little and doesn't do it especially well." He called it "radio in the most traditional sense," and didn't mean it as a compliment, since "regular radio stations are terrible, which is why we turned to the Internet in the first place."



Pandora, which is "showing its age," only fared a little better. He found the service "less evolved" with only "very basic" social integration -- but "if Pandora has a selling point it's simplicity."

And though Last.fm may still have something to offer, in 2013 it "feels ancient." In fact, its concentration on scrobbling (tracking what you listen to on other services) makes it "more of a recommendation engine than a polished way to listen."

Aguilar actually had some high praise for **Slacker's human-curated stations**, which he says offer the "kind of variety you can't get from a machine." But, alas, this shoot-out was for algorithm-driven "generative playlist" channels. And the newly-redesigned Slacker interface seemed "ambitious and very good-looking, but it's pretty confusing" and "needs streamlining." Perhaps even worse, he said Slacker "**completely missed the potential of social**" media integration.

So -- does any service offer anything he *likes*? See which topped Gizmodo's The Best Streaming Radio [here](#).

Forget Google music streaming, Pandora vs Spotify is the real battle

Posted by [Nikol Hasler](#) on May 20, 2013 in [News](#), [Tech](#) | [1 comment](#)

Forget Google music streaming. The real battle is Pandora vs Spotify. I recently asked my Facebook friends if it was worth it to shell out money for Pandora's service that allows you unlimited skips and no ads. I usually listen to Pandora on my phone on my way to work, and got a notification that I was about to reach my limit of free listening hours. The trip to work without music is a longer, less happy journey of an hour and a half.

The response from almost everyone I asked was that instead, I should use Spotify's premium service. Spotify recently released a radio station function that resembles Pandora's, and you can listen to your own playlists. Since Spotify offers a free month-long trial, I figured I'd put the two head to head and see which one I liked better.

Here's the run-down.

Spotify:

I love that I can listen to my own playlists, because sometimes I am in the mood to hear exactly what I feel like hearing, not just a station based on a song I like. The radio function is very cool, and I have discovered a lot of music I'd never heard before and am in love with. Also, anytime you "like" a song on radio, Spotify puts it into a playlist with the other songs you've liked. In general, with Spotify radio, I felt that it was very spot-on in figuring out my tastes. I rarely have to skip songs, and when I do it's usually because I'm just not in the mood for that song just then.

In Spotify, however, there is no "shuffle" feature. When you choose a station based on an artist, song or one of your playlists, you are listening to only that station. I prefer to hear The Zombies, Girl Talk, and Fiona Apple back-to-back. Also, frequently, when I open Spotify on my phone it takes a long time to get started and often gives me error messages. Then there's the issue of not being able to find nearly as much music on Spotify. As a

fairly new service, I believe they'll build their catalog fairly quickly. But the worst feature is the ads. I can handle ads. I can tune them out most of the time. But nobody can tune out that horrible "adorkable" Flo rapping. I'm fearful of the day that I hear that Jack-in-the-Box pin-head singing me a power ballad.

Pandora:

Pandora has a great knack for playing songs I haven't thought about in ages. The shuffle feature works very well, allowing me to customize which stations I want in my shuffle. The comedy channels are fantastic, and I've never had any issues with Pandora crashing or freezing. I also appreciate the feature that allows you to say that you're tired of a certain track, so Pandora can shelf it for a while.

The bad? I have to hit the skip button with higher frequency. Sometimes I look at my phone and say, "Pandora, do you even know me?" The top offender is Maroon 5. I actually call it, "getting Maroon 5-ed" when this happens. And it happens every single day. I thumbs down every time, and yet it happens over and over. There is nothing in any of my stations to indicate that I would be the sort of person who would like Maroon 5. It leaves me to wonder if some bands are able to grease palms to make sure their content assaults our ears. Also, I don't like that I can't hear a specific song when I search for it.

The Verdict:

Neither of these services it without its flaws, but if I had to choose to spend money on either one, I'd go for Spotify. However, I wouldn't get rid of Pandora. After all, I may need it as my backup given how frequently Spotify doesn't work correctly. As for Google Music streaming, once it gets off the ground, we'll see

Apple's "iRadio" stalled yet again on royalties

Posted by: [Paul Maloney](#)

The *Financial Times* reports that Apple's development of its "iRadio" streaming service are **caught up by rights negotiations** yet again, this time with **Sony Music**.

Apple reportedly has reached an agreement with Universal Music, and is close to a deal with Warner Music, leaving only Sony among the "big three" label groups.

Though Apple won't verify any details, or that they're even developing such a product, the *Financial Times* reports:

"**These people** said that Apple had first offered a **royalty of about 6 cents for every 100 tracks** it streams, but had raised this to about **12.5 cents**, in line with the rate paid by internet-radio service Pandora. But it was unclear whether Universal had accepted the 12.5 cent rate, and other labels are thought to be pushing for better terms."

The paper's sources also suggest Apple has offered to pay for music rights on a per-track royalty, an ad revenue share, and a guaranteed minimum. Read the *Financial Times'* coverage [here](#)

LOS ANGELES - Being No. 3 isn't such a bad deal for Slacker.

The online radio service - with 35 million registered users, way behind industry leader Pandora (200 million) and Clear Channel's iHeartRadio (170 million) - relaunched with a facelift in February and likes what it sees.

The San Diego-based service offers programmed radio stations, personalized radio and on-demand music. It has picked up 6 million new listeners since the redesign, and folks are staying to listen longer.

For the re-launch, "We wanted to broaden our wings and go after the average listener," says Slacker CEO Jim Cady. "What we had was a very powerful service. The challenge was that it wasn't very user-friendly."

So out came the redesign and fresh coat of paint. Slacker introduced a new tool, Fine-Tune, that lets consumers move sliders up or down to adjust the mix of related artists, favorite and popular songs and newer or older songs.

Slacker was formed in 2006 as a more aggressively programmed online radio offering for consumers. At first it focused on a \$200 Slacker-branded MP3 player to make its music mobile. That fizzled, and Slacker turned to cutting deals with wireless manufacturers (mostly Android and BlackBerry) to feature the service.

It never found a huge audience on Apple's iPhone as prime space on the device is harder to come by, and Pandora had a big head start there, Cady says.

What makes Slacker most different from Pandora and other online radio services, such as iHeartRadio and CBS' Last.fm, is that it takes a more aggressive approach to programming. It has 200 pre-programmed radio stations in addition to stations based on your tastes. The basic service is free. You can pay \$3.99 for an ad-free version or \$9.99 to subscribe to on-demand music (similar to services from Spotify and Rhapsody). Slacker also runs news and sports programming from ABC and ESPN.

Steve Jones, general manager of ABC Radio, says he's seen a boost on Slacker since the relaunch. "Our audience has grown 3% to 4% every week since February," he says. "We're thrilled."

Prior to the relaunch, awareness of the service was lacking.

At the end of 2012, researcher NPD surveyed consumers and asked which service they were familiar with. Pandora was best known, with 58% of consumers, compared with 37% for on-demand service Rhapsody, 35% for Clear Channel's free online radio service iHeartRadio, 24% for on-demand Spotify and 13% for Slacker.

"Slacker was a service in need of this relaunch," says Russ Crupnick, an NPD analyst. "While they had better awareness than some of the other services - nobody knew who MOG or Rdio was - people couldn't listen if they weren't familiar with the service."

The company is owned by Cady, other Slacker staffers and four venture-capital firms - Mission Ventures, Rho Capital Partners, Centennial Ventures and Columbia Ventures. Overall, the company has raised \$50 million.

Cady predicts Slacker will be profitable by the end of the year.

Pandora has had a few profitable quarters but currently is unprofitable. Michael Pachter, an analyst at Wedbush Securities, says Slacker's route to profitability trumps Pandora's for a simple reason: It runs more ads.

"Slacker is one-sixth the size of Pandora, and both run ads," he says. "Slacker does three minutes per hour, Pandora one per hour. It's that simple."

Meanwhile, like many of its competitors, Slacker sees a big future in the car. The company is working with various car and audio-device manufacturers to get Slacker into car stereos and in the dashboard. It is currently in cars by Chrysler, Tesla and Acura.

"We think the car is a big thing for us," Cady says. "That's where 70% to 75% of all listening happens."

Slacker is playing catch-up to Pandora, which has many more deals, but Cady says it's a priority. Getting audience on mobile and desktops is the beginning, he says, "But the long-term win is having a key position in the car that's easy for the consumer to use."

By Jefferson Graham

Pandora's mobile listening cap pay off for rival webcasters. Looking to target the holes in its chief rival's service, pureplay webcaster Slacker launched a \$5.5 million marketing campaign in mid-February. Based on internet radio ratings for March released yesterday by Triton Digital, the investment is beginning to pay off. Average Active Sessions during the Monday-Friday, 6am-8pm daypart rocketed up 22% for Slacker, as the webcasters blew past both CBS Radio and Cumulus to rank third among Triton's domestic top 20. The increase follows a 3% boost by Slacker in February. The campaign includes a 30-second online video ad that attempts to reposition Pandora as a repetitive music machine with limited selection and Slacker as more human with playlists created by music experts and a larger music library. Pandora meanwhile is headed in the opposite direction. After jumping 8% in February, Pandora fell 4% in March but still remained miles ahead of all contenders with 1.8 million Average Active Sessions. March was the first month the pureplay imposed a 40-hour monthly limit on mobile listening to its free service and that could have driven some audience over to Slacker and other webcasters. Apart from Slacker, the other big online radio gainer in March was Univision, which vaulted 22% after posting a 12% increase in February. Other double-digit gainers include NPR (up 18%) and Emmis (up 11%). Clear Channel remained in second place (first among broadcast streamers) and grew 3% to 309,871 Average Active Sessions — more than four times that of third place Slacker. View Triton's full March online radio ratings [HERE](#)

[SoundCloud Is One of the Fastest Growing Sites In The US](#)

Posted: 06 May 2013 06:11 AM PDT

Traffic to [SoundCloud](#) is ramping up quickly. According to a monthly report by [comScore Media Metrix](#), the number of unique visitors to the site grew 26% from Feb 2013 to March 2013 and landed them in the top ten fastest growing sites on the web (for US users). SoundCloud, which enables anyone to share audio in much the same way that users share video on [YouTube](#), saw nearly 10.5 million users in March.

SoundCloud is based in Berlin. They are well funded, and count both [Fred Wilson](#) and [Mary Meeker](#), two investors who pay quite a bit of attention to the online audio space, as investors and board members.

AOL Radio stops streaming

By [cmarcucci](#) on Apr, 30 2013 with [Comments 0](#)

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Looks like there may be some truth to the news out there from last week [that AOL Music was shutting down](#). While the AOL Music page and Spinner.com, a rock-music news site under the AOL Music banner, are still up, AOL Radio, powered by Slacker, is not playing any streams—all day 4/30. It looks like they’ve laid off many of the staffers, including editors, but are keeping the site up with content gathered elsewhere. Killing the AOL Radio streams may be the first of what’s coming down the pike. AOL corporate does not return request for comment.

Spotify buys Tunigo

By [cmarcucci](#) on May, 3 2013 with [Comments 0](#)

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Tunigo is a Swedish company that offers its own music discovery app which helps listeners discover music by offering playlists picked by its own editorial staff mixed in with songs from other users. The app is available on Spotify and via Apple’s App Store.

“The acquisition fits into our overall strategy around music discovery...basically helping our users make sense of over 20 million tracks,” a Spotify spokesman told CNET on Friday. “Their app will remain on Spotify and their team will be moving to the Spotify offices in Stockholm and New York.”

Tunigo was already a Spotify partner, and its app has been in the top 10 list of all Spotify apps since the streaming music site opened for business.

A private beta is also available for Android users. Spotify currently has 24 million users and 6 million paying subscribers.

[See the CNet story here](#)

RBR-TVBR observation: Curated playlists are the new theme in music discovery sites. For example, in February, Slacker Radio unveiled a new, overhauled offering that employs actual DJs to program the stations rather than algorithmic software, such as Pandora’s Music Genome Project.

Possibly The Best Music Discovery System Ever

ROBERT SCHOON YESTERDAY 8:30 PM

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In the digital age of “nichification” it’s often easier to find lots of things you already like, while inadvertently walling yourself off from experiencing new things that you don’t know about yet. When it comes to music, recommendation systems like Pandora’s can help you discover music you may not have heard before, but that music is going to be related to the genre you’re already listening to.

Well, music data genius [Glenn McDonald](#) has a website to help you encounter music that you have definitely never heard of before. It’s called [Every Noise at Once](#), and it just may be the easiest way to quickly familiarise yourself with everything in that wide world of music.

This site is a beautifully laid-out map of more music genres than you knew existed, arranged in clusters based seemingly loosely on their similarities. Here’s how McDonald describes the map:

This is an algorithmically-generated non-analytical map of the musical genre-space. Genres and artists are positioned by code and data, adjusted for legibility, but the underlying vectors are less interesting than the juxtapositions and clusters that they produce, so the axes have been deliberately left unlabeled and uncalibrated. You are invited to imagine your own qualities and magnitudes that the geometry might be expressing.

The best part is, click on a genre, and you’ll get a 30 seconds or longer preview of a representative song. But wait, there’s even more: Click the >> sign next to the genre and you’ll navigate to another music map, just for that one genre, with even more previews based on the top artists in that style.

Now, because music isn’t a science, surely there are a lot of issues that can be nitpicked with some genre names, spacing and emphasis, and the preview songs chosen for each genre, but first, you’ve got to realise how awesome this thing is as a whole. If you’re having trouble with that, sit back, click the “scan” button at the top of the homepage, and let it automatically flick through “sludge metal”, “warm drone”, “chiptune”, “boogaloo” and “chinese traditional”, as if you were listening to the most comprehensive radio station ever. [\[Every Noise At Once via Boing Boing\]](#)

IHEARTRADIO GAINING GROUND ON PANDORA

4-25-13

The marketing power of hundreds of radio stations and the iHeartRadio Music Festival may be paying off for Clear Channel in its battle with Pandora to be the number one music app for the consumer. According to the data compiled by Arbitron and Edison, Pandora is by far the most recognized online music brand. One out of every five people had listened to Pandora in the past week. Seventy percent of those surveyed are aware of Pandora, compared to 45 percent who were aware of iHeartRadio. The good news for Clear Channel is that one year ago, only 31 percent were aware of iHeartRadio showing a big jump in awareness in only 12 months. Twenty-two percent were aware of Spotify in the most recent study.

Twitter launches #Music app

By cmarucci on Apr, 19 2013 with Comments 0

After testing the app with music artists and influencers, Twitter #Music is now available at <https://music.twitter.com> and as a separate app for the iPhone through the App Store.

The service helps Tweeters find music that's popular on Twitter and music based on the bands they follow. It offers a free preview and then links to other music sites for the full listen. The app is centered around four pages or tabs, which users can swipe through to access.

–The Popular page shows new music that's trending across Twitter.

–The Emerging tab shows “hidden talent found in tweets.” While those two parts feed information about what the collective Twitterverse is jamming to, the last two focus on who you follow and your personal music taste, reports ABC News.

–The Suggested tab shows artists you might like based on the artists you follow on the service and who they follow.

–The #NowPlaying tab shows songs friends are listening to or tweeting about. For instance, if a friend tweets that they are listening to a song by Animal Collective, that song will show up on that page.

The iPhone app features pages that have a grid made up of artists and songs. Tap one of those and the song will start playing along with a spinning CD animation in the bottom left corner. Tap on that and you get an enlarged CD — you can drag your finger around the CD to fast forward or rewind within that song, reported ABC News.

And the fact that you don't have to leave the app to listen might be one of the best parts. Twitter has integrated current music services like Rdio, Spotify and iTunes to allow users to play the songs right through the app or webpage.

“There are times when you need a single-purpose driven knife in the kitchen and there are times when you are out camping and you want a Swiss Army knife. We have different apps for different purposes,” Michael Sippey, Twitter's VP of product, said earlier this week at the “All Things D: Dive into Mobile” conference when asked about the different apps Twitter has been releasing.

See the ABC News story [here](#).

RBR-TVBR observation: The exploding social media company has the following of younger demos like no other social media site. Now it is capitalizing on that to monetize content for both itself and its music partners like iTunes. Not a bad idea, in that it doesn't have to worry about streaming licensing fees from the labels—it links to other platforms for that.

Twitter is also close to reaching partnerships with Viacom and NBCU to bring more high-quality video and advertising to the site. The partnerships would let Twitter stream videos on its site and split the resulting ad revenue with the networks.

Songza 3.0 for iOS: The single best music-streaming app?

With its new user interface, improved search capabilities, and continuing freedom from commercials, Songza deserves a permanent home on your iDevice.

by [Rick Broida](#)

May 3, 2013 10:20 AM PDT



Songza 3 for iOS has a cleaner interface and a terrific new search feature.

(Credit: Screenshots by Rick Broida/CNET)

Not to gush, but I've loved [Songza](#) from [the moment I installed it on my iPhone](#) -- way back in June, 2012.

In fact, it has displaced both Pandora and Slacker as my music-streaming app of choice. That's because Songza builds playlists based on whatever activity I'm currently engaged in (working, making dinner, fighting commuter traffic) or mood I'm in (gloomy, happy, romantic), **and does so without interruptions or money. You read that right: the app is free, and the music plays commercial-free.**

With version 3.0 for iOS, Songza just got even better. (It's [also available for Android](#), but hasn't been similarly updated yet.) It's sporting a vastly improved UI, handy new search and navigation features, and the promise of better audio quality.

Specifically, better audio when you plug in your headphones. That's thanks to Audyssey-powered HQ Audio (a 2.0 feature tweaked in this release), which Songza says "significantly improves your headphone sound quality without increasing your data plan usage." The feature supports around 200 headphone models.

Songza's spotlight feature has always been the Concierge, which offers half a dozen playlist suggestions based on the time of day. Late morning, for example, you'll see categories like Working Out, Driving, and Enjoying the Morning. Tap any of those to further narrow your choices (Golden Oldies, Sunny Caribbean, etc.), and then finally you'll see three available playlists aimed at perfectly matching your mood and activity.

In version 3.0, you can tap and hold any category; Songza will immediately start streaming a playlist it thinks you'll like. It's a nice little time-saver, and practically a safety measure for drivers. Alternately, while viewing the main Concierge screen, you can now shake your iPhone, then tell the app what you need music for (writing, relaxing, waking up, etc.).

Songza's never been too adept at finding specific artists, but version 3.0 lets you search for one, then shows you all the playlists with songs by that artist. Even better, when you choose one of those playlists, Songza reorganizes it so your fave's song plays first.

Finally, app navigation has improved considerably. Gone is the Instagram-style five-icon toolbar; in its place are simple menus that slide in from the left or right. The app not only looks a cleaner, but it operates a lot more easily.

I have no idea how Songza can continue to exist without commercials, but I'm not complaining. The app itself has banner ads, and I have to think at some point the developers will impose a subscription model for commercial-free listening.

For now, however, Songza is free -- and even more fabulous. To my thinking, there's no better music-streaming app

Songza Raises \$3.8 Million

- [News](#)

By [Glenn Peoples](#), Nashville | April 14, 2013 2:15 PM EDT

Internet radio service Songza has raised \$3.8 million in fresh funding, according to an [SEC filing](#). The news was first reported at [TechCrunch](#). When reached by Billboard, Songza did not comment on the round or how it plans to use the funding.

The team that founded and sold Amie Street, the music download store that was acquired by Amazon.com in 2010, later created Songza. The company has taken a different path than Pandora and similar services that create a personalized listening experience with algorithms. Songza **creates themed playlists and allows people to choose music based on mood or activity**. Its "Music Concierge" feature guides the listener to playlists deemed suitable for everything from doing housework to entertaining friends. **Clear Channel copied the Concierge when it launched a similar feature called "Perfect For" in January.**

Although it's a small player in a large market, Songza has made an impact. [Last June](#), Songza's strong numbers adversely impacted Pandora stocks, which dropped 11.2% over two trading days shedding some \$208 million of market value after BTIG analyst Richard Greenfield warned in a blog post that Pandora investors should be worried by the sudden rise of Songza. The last active listener figure the company gave was 2 million in July. CEO/co-founder [Elias Roman](#) told Billboard in October that number had "grown significantly since then."

In August, [Songza raised](#) \$1.5 million through a convertible note led by Amazon.com, Deep Fork Capital and Metamorphic Ventures. That round's other investors included Troy Carter, William Morris Endeavor and NBA star Baron Davis. The company has 27 investors through the most recent funding round, according to the SEC filing.

Although digital music has a reputation for scaring off investors, numerous Internet radio companies have raised funding in recent years. In 2011, Pandora had an initial stock offering while Earbits and Radical.fm each raised funding. Sensari has raised \$3 million since 2011, according to reports. TuneIn, which aggregates various Internet radio streams, [raised \\$16 million](#) in August. Large companies are also heavily involved. Apple is expected to launch an Internet radio service this summer.

Pandora with friends: Turntable launches Piki, a social radio app for iPhone and web

BRIAN APRIL 11, 2013 0

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“We realized early on that Turntable’s best feature was also a problem: everybody has to be in a room at exactly the same time,” says Billy Chasen, Turntable CEO. As time went on Chasen envisioned a complimentary service that let you listen to your friends’ music picks even when they’re not online. Today he’s launching Piki, a Pandora-like free radio service for the [iPhone](#) and web backed by your friends tastes instead of algorithms. After all, he built Turntable to quench his thirst for human-curated music and playlists, yet a lot of the people he liked the most didn’t have time to DJ a Turntable room. It isn’t every night, after all, that Knife Party DJs a Turntable room of 1500 listeners. “We haven’t made algorithms that are good...

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For labels, Apple's iRadio deal could be sweeter than Pandora

Apple is close to a deal with two major music labels to bring to life its streaming-music service, which could pay labels better than Pandora does.



by [Paul Sloan](#)

April 4, 2013 5:06 PM PDT

Apple is close to striking a streaming deal with two of the major music labels that could end up far sweeter for the music industry than what the labels currently get from Pandora, according to two people familiar with the negotiations.

Much has been made [in recent weeks](#) of Apple trying to squeeze the labels on terms, and the deals do have Apple paying the labels a per-stream rate that's half of what Pandora pays. But CNET has learned that Apple's planned music service would offer new revenue streams as well.

That includes a quick way for consumers to buy a song they hear, potentially boosting download sales from [iTunes](#), as well as a revenue share of new audio ads Apple is planning to add to the free service, according to sources.

The product would be tied to iTunes, and available on mobile devices.

Apple spokesman Tom Neumayr declined to comment.

Apple could sign deals with both Warner Music and Universal Music Group within the next week, according to the sources. But both people caution that the deals have not yet been made and could still fall apart. In addition, Apple still needs to get Sony Music Group on board, as well as the music publishers.

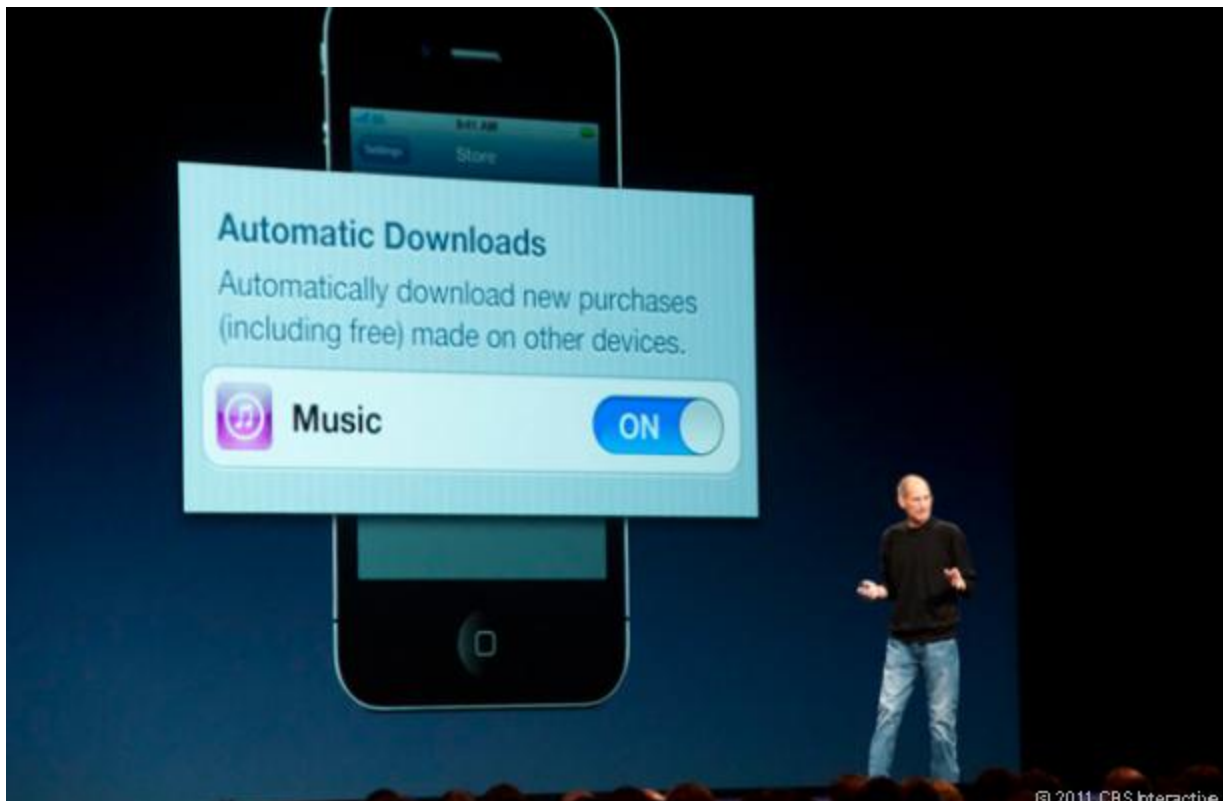
Even so, Apple has told the labels it's determined to get all its deals signed in time for a summer rollout. In addition to the U.S., Apple is hoping to quickly unveil the service in up to a dozen territories, according to sources, including the U.K, France, Germany, Australia, and Japan. Apple's annual developers conference, where it [first introduced iCloud](#) and iTunes Match in 2011, typically happens in early June.

Though the press has dubbed the service iRadio, in negotiations with the labels Apple is referring to it as its "new streaming service," says a source.

The service, according to sources, most closely resembles Pandora because it doesn't offer on-demand listening. Apple is building some unique features, such as the ability to jump back to the beginning of a song, according to one person briefed on the company's plans.

Apple faces growing competition in the music market. There's been a proliferation of on-demand streaming music services with both free and paid plans, from Pandora to Spotify to RDIO. Apple rival Google is also set to launch its own streaming-music service as part of YouTube. Sources told CNET recently that [Google is aiming to launch its product, which would work on desktop and mobile devices, this summer](#) and that it is also working on another service for Google Play.

To some degree, the music labels are taking a gamble on Apple. Label executives are confident that any Apple iRadio service will gain traction, given Apple's dominance with iTunes and the likelihood that Apple will make an easy-to-use service on the iPhone. And the labels are guaranteed to make a slice of every stream that's played, albeit a fraction of what the labels get from Pandora.



Late Apple CEO Steve Jobs unveils iCloud's music-syncing feature in San Francisco in 2011.

(Credit: CNET)

What's unknown, however, is whether people will click through the app to buy songs that they can stream, and how successful Apple will be at pulling off the ad part of the business. Though Apple serves ads on mobile apps via [iAds](#), the sources said that what the company is proposing to the labels is something different -- a full-on, multinational sales force that would sell audio ads akin to what Pandora serves up for listeners to its free service.

"The only thing concrete in the contract is the per-play rate," said someone familiar with the terms. "If you end up having no ad revenue, that's still zero. And we won't know what the buying habits will be. Will people streaming still take the time to buy from iTunes?"

These sources said Apple and the labels are still hammering out what the revenue share of the ads would be but that the labels are pressing for generous terms -- possibly between 35 percent and 45 percent -- if they are to agree to a small portion of the per-stream revenue

Reports that Apple has been working on a streaming or subscription music service have lingered for years. Apple owns nearly two thirds of the legal music market, something

that adds extra scrutiny to the possibility of a new service, or a change to its existing business model.

Apple already has Internet music streaming inside of iTunes for desktops, as well as on its [Apple TV](#) devices, but not on iOS. The feature taps into streaming Internet stations maintained by third parties, and doesn't connect with Apple's iTunes Store in case a user wants to purchase a song. Users also can't record or save anything they hear.

Adding intrigue to the possibility is a set of buttons and code referencing "[radio](#)" that were spotted in an update of Apple's iOS software in February. These features were not active or available on the software itself, but nestled in some code strings

Apple Plans to Launch Internet Radio Service Dubbed “iRadio”



Negotiations between [Apple](#) and major record labels Universal Music Group and Warner Music are crawling at a slow pace according to a report by [Cnet](#). Apple is doing this in preparation for their rumored music streaming service that speculators dub as iRadio. Sources say that the company is aiming for a summer launch despite the fact that even if the deal with Universal and Warner falls through, they would still need to negotiate with Sony Music.

To make iRadio a reality Apple would have to make a deal that is better for both the music labels and the users than what is currently being

offered by Pandora, currently one of the biggest names on internet radio. Apple also would need to stay one step ahead of Google who is said to be planning to offer a music streaming service via YouTube, and Facebook who also has the same plans.

Apple will try to stay on top of the competition by offering a better deal to music labels than Pandora. They can do this and still stay competitive because Apple is planning generating additional revenue through the features iRadio will have. According to inside sources, Apple is planning to incorporate a prominent download/purchase button linked to [iTunes](#) on the interface of iRadio so that a user can use while listening to a song.

Apple hopes this would generate a lot of impulse purchases. It is also rumored that Apple would be incorporating features not currently offered by current Internet Radio providers like a means to restart a song as well as make the service very accessible and easy to use on Apple devices especially the mobile devices like the iPhone, iPod and iPad. Aside from the sales from downloads, Apple could also use audio advertising to add revenue stream to the free iRadio service.

Once the plan for iRadio is realized, Apple would have no problem introducing the service to the millions of Apple users all over the world. With this many devices and the huge database of customer credit card information the next thing Apple might think when if iRadio is realized might be iWallet

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Panasonic Could Challenge Pandora -- or Sirius

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April 8, 2013 | [Comments \(1\)](#)

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As if competition from Rhapsody, Spotify, **Sirius XM Radio** (NASDAQ: [SIRI](#)), and last.fm weren't enough, free-music-streamer **Pandora** (NYSE: [P](#)) may have a new rival to contend with. On Monday, Japanese electronics titan **Panasonic** (NYSE: [PC](#)) announced that it has just bought Germany's Aupeo GmbH, a "leading content and audio streaming service" based in Berlin.

If that sounds too far away for Pandora to worry about, Panasonic brought the threat home with a [press release](#) Monday that warned ominously: "Aupeo has global reach providing consumers with a unique content experience." And despite the plethora of music-streaming choices out there today, Panasonic believes there is still "a considerable need for a connected and personalized media content platform that enables consumers to access content on any device while also enabling businesses to have a richer relationship with their customers." So it's buying Aupeo to help provide that platform.

According to a press release on the acquisition, Aupeo is already licensed to provide music streaming in more than 40 countries, and offers more than 6,000 channels of terrestrial radio, podcast streaming, "and other services."

The acquisition, while a threat to Pandora, may worry investors in car-focused satellite-radio provider Sirius XM as well. Describing its desire to own Aupeo on Monday, Panasonic noted that the company "will further enhance the leading-edge technology and customer relationship tools Panasonic is able to offer its automotive customers." It added: "Aupeo's technologies and content delivery platform provide a solution that is complementary to Panasonic's automotive, business-to-business, and business-to-consumer product lines."

Google preparing a music streaming service, Pandora and Spotify should be worried

by [Bogdan Petrovan](#) on Feb 23, 2013 with 9 Comments

[Tweet](#)

Google owns YouTube, the largest video streaming site in the world by a huge margin, and Play Music, the service that lets users download songs from a catalog of over 13 million of tracks. It makes perfect sense for the tech giant to move into the music streaming business, and, according to the *Financial Times*, that is precisely what Google is doing.

The move will put Google in competition with established music streaming services like Pandora and Spotify. When Apple was rumored to weigh in an entry in the sector, Pandora's stock tanked, so I am wondering how the markets will react at the news of Google getting into streaming. Larry Page's company has a reputation of offering free or cheap services, which would put even more pressure on a competitive and notoriously difficult industry.

As *The Next Web* notes, Google already announced plans to roll out paid subscriptions on YouTube. From there, the move to paid music subscriptions is logical and quite reasonable to envisage. Google certainly possesses the infrastructure required for the venture.

Also, Google's [Music Match](#) service is similar to a streaming app, albeit without the paid subscription. With Music Match, Google scans the users' drives for music, which it then proceeds to match with cloud-stored versions. Users of the service (limited to the US and some European countries) can then listen to up to 20,000 tracks directly from the cloud, from any Internet connected device.

My bet is Google will integrate the new streaming service into its current Google Music offering. As for when the new service is expected to launch, we have no information, but [Google I/O](#) would certainly make a great launch venue.

Twitter acquires We Are Hunted, readies standalone music app

SCOOP: Twitter is preparing a music discovery app built on technology from a recent acquisition. It could be released by the end of the month.

by [Casey Newton](#)

March 13, 2013 9:52 AM PDT

We Are Hunted's streaming music service is coming to a new Twitter app.

(Credit: Screenshot by Casey Newton/CNET)

Twitter acquired the music discovery service [We Are Hunted](#) last year and is using its technology to build a standalone music app, CNET has learned.

The app, to be called **Twitter Music**, could be released on iOS by the end of this month, according to a person familiar with the matter. Twitter Music suggests artists and songs to listen to based on a variety of signals, and is personalized based on which accounts a user follows on Twitter. Songs are streamed to the app via [SoundCloud](#).

Twitter Music, which is set to arrive in the wake of key competitor Facebook [overhauling the music section](#) of its News Feed, shows Twitter taking new steps into becoming a full-fledged media company. **The app acknowledges the key role music has played in drawing new users to the service -- particularly younger, mainstream users.** Pop stars have some of Twitter's most popular accounts, with followings in the tens of millions. The [TwitterMusic](#) account has 2.3 million followers -- not a bad perch from which to launch an eponymous app.

Twitter and We Are Hunted did not respond to multiple requests for comment.

An app built for discovery

Unlike [Vine](#), the video sharing app that Twitter [released in January](#), the music app carries Twitter branding. The app's icon consists of a silver "play" button with the familiar blue Twitter bird looking down on it from the corner.

Once it launches for the first time, the app offers a short guided tour. Users with Twitter accounts are invited to sign in so that they can receive personalized music recommendations. It's also possible to use the app without having a Twitter account, which could help attract new users to the service.

Twitter Music uses four main tabs. 'Suggested' recommends songs and artists based on a user's follower graph -- artists they are following, and artists that other people they follow are following. #NowPlaying brings in links to songs tweeted by people you follow who tweet using that hashtag. For the past month or so, We Are Hunted employees have been using the #NowPlaying hash tag frequently on Twitter in an apparent test of the forthcoming app. Here's We Are Hunted co-founder Stephen Phillips with a test tweet:

The app has two more tabs: 'Popular' brings in songs trending on We are Hunted, and an 'Emerging' tab tracks up-and-coming artists.

Artists and songs are displayed in an elegant grid design. Tapping on the tile for an artist causes the tile to expand, showing a short biography along with links to any music the artist has stored on SoundCloud, or to song previews from the [iTunes](#) store. Users then tap a 'play' button to start streaming the music. So far, the app does not integrate with Spotify or other streaming services.

One aspect of the app artists are sure to like -- users can follow them on Twitter directly from Twitter Music.

The Hunted join the flock

Twitter Music will be powered by technology built by We Are Hunted, which was acquired some time in the last six months, according to our source. Terms of the deal were not available.

We Are Hunted, whose free music discovery service remains available, was [created by a group of Australian software developers](#) in 2009. Stephen Phillips, who founded a news aggregation service called Wotnews, built the site along with Richard Slatter and Michael Doherty. A fourth founder, Nick Crocker, has since [left the company](#).

Angel investor Graeme Wood, founder of Australian travel site Wotif, put \$3 million into the company in the company's [only disclosed investment](#). On April 17, 2009, they opened We Are Hunted to the public.

The service creates a kind of Billboard chart for online music, monitoring popular songs on blogs, social media, message boards and BitTorrent. Users can stream music, create playlists and share their favorites on social media.

The team has also released a series of music discovery apps for smartphones and [tablets](#), including Music Hunter for [iPad](#) and SuperSonic for iPhone. We are Hunted formed a number of partnerships to create other standalone apps, including Pocket Hipster, a novelty app created with the Echonest that poked fun at hipsters while also promoting new music. It was a launch partner with Spotify, where it built an app to let users listen to We Are Hunted charts from inside the Spotify client. As of last June, We Are Hunted said it was getting about 1 million unique visitors a month.

Today We Are Hunted is based in San Francisco. The team is said to be fewer than 10 people. Meanwhile, [the founders' bios](#) have been removed from the We Are Hunted site. The We Are Hunted [Twitter account](#) hasn't tweeted for two weeks.

What it means

The question for Twitter will be whether a groundswell of users find the app useful enough to displace the existing options for music discovery, which are numerous and popular. Pandora has more than 67 million active users; Spotify has more than 24 million. Facebook made music a key focus of its recent news feed redesign, and Google is striking deals to build [a subscription music service of its own](#). Twitter Music looks fun to browse, but it may find it hard to compete against more full-featured music apps, which among other things allow for offline storage of songs.

Still, Twitter Music represents an intriguing effort to take the many successful artists broadcasting on the platform daily and use them to form new relationships with their fans. In time, it's easy to imagine Twitter integrating ticket purchases or other e-

commerce into the app. For now, though, music fans can only watch and wait as Twitter puts the finishing touches on one of its most interesting experiments to date

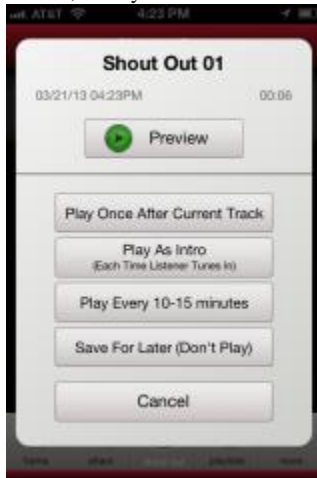
Report: Spotify to launch video service... On-demand music streaming service Spotify is planning an expansion into streaming video that would pit it against Netflix and HBO, according to Business Insider. Sources tell the publication Spotify is looking for funding for the initiative, which would entail producing original video content. But CEO Daniel Ek says video is not in the company's immediate future. "I won't rule it out because we're a company that looks at what we're doing incredibly long term," he told CNet. "But right now, we're all focused on music." Spotify has 24 million active users worldwide, about one-in-four are paid subscribers

Live365 Makes iPhone or Android into a Radio Station... If You Can Handle It

Let's get it right out of the way: broadcasting a Live365 internet radio station is not for everyone. It's not to be taken lightly. If you want to set up your station, you'll need to load the MP3s into the station yourself, for example, among other things.

That said, if you want to run your own personal internet radio station (starting at \$4/month) or even a professional, money-making, advertising-laden pro station, Live365 is the best way to go, and has been since 1999 or so, because it takes care of the technology (a Shoutcast server) and copyright royalty payments, and lets you simply focus on your station.

In a way, it's amazing that Live365 is still around, given that it launched in 1999 (the same year as Napster), and that it requires way more effort to broadcast a station by uploading MP3s than it does to simply, like, connect Rdio or Spotify to Facebook and do your "broadcasting" that way. Those who don't want to expend the effort might try Wahwah instead, or any number of other taste-broadcasting techniques. It doesn't get simpler than this, for instance.



It was easy to record a shout-out using Studio365 on the iPhone, and it played after the next song, as we requested. Not only is Live365 still alive and kicking (with over 5,000 broadcasters and "millions" of listeners), but this week, the company released a new iPhone and Android app called Studio365, which lets broadcasters manage their streams from anywhere. Technically speaking, you could probably be sitting at 40,000 feet on an airplane WiFi system, and record a real-time "shoutout" to insert into your station in near-real-time, which your listeners would then hear on your station. It's an intriguing mix of new-school internet (apps) and old-school internet (streaming actual MP3s that you actually own).

Live365 provided Evolver.fm with a station for us to manage. After kicking the tires on Studio365, we can verify that it works as advertised, which is as follows:

- “Create, preview, and manage Shout Outs

- Set and update pre-roll and station ID messages

- Update the station profile including title, image, description etc.

- Check the station listening stats

- Listen and share the station anywhere”

Indeed, we added an Evolver.fm shoutout to play after the current song on the “80s One Hit Wonders” channel, and it played perfectly. The best part: the music kicked in nanoseconds after our station ID ended, which sounded much tighter than anything I ever managed on my college radio show. Super slick.

There is one big thing missing from Studio365, which is the ability to manage the playlist your station is playing. However, a note within the app notes that that feature will be coming “in the future.”

TuneIn reformats its web interface to promote more personalized discovery. With 70,000 broadcast and web radio stations from around the world, finding what you want on TuneIn can be like looking for the proverbial needle in a haystack. To evolve the service from radio directory into more of a discovery platform, the company has added new “live” tiles to display the album art of what’s currently playing across different genres on its relaunched website and new iPad app. With a free personal account, consumers can customize the experience so the rotating tiles surface relevant music, sports and news as it’s being broadcast live, based on their listening habits and interests. “We needed a sophisticated system to do the work for our listeners, not ask them to do extra work in order to personalize their experience,” CEO John Donham says. In addition to music, Donham says the new system combs through thousands of live radio events — from concerts to interviews to sports — to “bring into focus just the stations that mean something” to the individual user. A new trending feature displays a current feed of the most-listened-to stations from around the world. TuneIn says it has about 40,000 monthly active listeners.

The [report](#) found that 24 percent of U.S. smartphone users see at least one mobile ad a week. About 50 percent of U.S. consumers surveyed said they were fine with ads that allow them to interact with free content.

Triton Digital launches "a2x" for real-time bidding on targeted online audio ads

Posted by

Paul Maloney

Title

[Triton Digital launches "a2x" for real-time bidding on targeted online audio ads](#)

From Issue:

1/17/13: SoundEx pays labels and artists \$462 million in 2012



Triton Digital has announced the launch of **a2x**, what it calls "the industry's first audience-based programmatic buying solution for online and mobile streaming audio ads."

The product is an audio ad exchange allowing ad buyers to purchase targeted online and mobile audio inventory in real-time. It includes a system to manage, buy, and sell third-party campaigns, and facilitates digital ad trades between third parties.

"The automated, exchange-driven method of buying and selling ad impressions facilitates increased efficiency, eliminating waste and resulting in the highest price for publishers and the greatest efficiency for advertisers, Triton Digital says.

Welcome to the machine: Automated ad sales off to a promising start for some station streams. Streaming audio accounted for just one in five digital dollars that flowed to radio last year, according to Borrell Associates. That could change as more business is transacted in a new, fundamentally different way: through automated ad exchanges. Buyers and sellers are upbeat that machine-to-machine sales, also known as programmatic buying, will ultimately bring more dollars and clients to internet radio. "It's an easier, more efficient way to buy digital radio audiences," says Mike Finnegan, director of product development for digital trading desk Xaxis, part of the GroupM agency. Xaxis in January became the first buyer to offer a trading desk for digital audio, launching Xaxis Radio in partnership with Triton Digital's a2x streaming audio ad exchange. More agencies are expected to follow. As more shops and broadcasters take a seat at the exchange, multiple buyers would bid against each other for the same audience impressions, driving up demand and tapping into digital budgets. The goal for broadcasters is to extract higher costs per thousands (CPMs). Finnegan expects it to bring in clients "who would have never considered radio because the reach was too much and there were a lot of wasted impressions." It's part of a broader trend that first rose to prominence in paid search advertising and now is a significant factor in how digital display is sold. The use of real-time exchanges is only expected to increase, now that executives who rose through the ranks from digital are in charge of planning and buying all media at Universal McCann, Starcom USA and Zenith.

Real-time exchanges seen as way for radio to tap into digital ad budgets. After successfully using an automated exchange to sell a portion of its display advertising, CBS Radio is now experimenting with the concept for some of its streaming audio inventory. "It's opening up the door to whole new budgets that we haven't touched before," CBS Local Digital Media president Ezra Kucharz says. "There are certain advertisers that are only going to buy this way in the future." The majority of the company's streaming audio is still sold the traditional way. But a portion of unsold impressions, numbering in the millions each day, are put into the exchange, where advertisers bid on them through Real-Time Buying. There's a minimum price bid with the final price determined by demand, which varies based on factors like seasonality and the time of the month. Xaxis director of product development Mike Finnegan says GroupM digital media planners are receiving a warm reception from clients for Xaxis Radio, with the conversation often escalating to one about creative specs. Xaxis Radio has three pilot ad campaigns running in the first quarter at what Finnegan calls "significant scale," including a financial services client that Finnegan says has renewed the campaign for second quarter. Assuming the test campaigns demonstrate positive results, Finnegan expects "the floodgates to completely open up and we'll start to drive home the rationale, especially to the crucial digital planners, that creating awareness doesn't just mean banner ads and video." He says ads sold through the exchange are "completely incremental." Kucharz says CBS is also optimistic. "We'll know in next few months how it's going to perform," Kucharz says. "If it's anything like the display business, it will be good for the industry."

How to add local news, traffic, and weather to iHeartRadio

New Add-ins for iHeartRadio help you to stay up-to-date with current events by inserting local news, traffic, and weather updates.

by [Ed Rhee](#)

March 12, 2013 9:44 AM PDT

(Credit: Screenshot by Ed Rhee/CNET)

Internet radio and music services offer a lot of customization options that allow us to focus on just the music. However, if you feel a bit out of touch with what's happening in the world around you, iHeartRadio's new **Add-ins might** be able to help. The new Add-ins insert local news, traffic, and weather updates to your custom stations every hour.

To enable Add-ins, log in to your iHeartRadio account on the Web and go to the [Add-ins section in Settings](#). iHeartRadio will use your current location to provide local updates, or you can manually set a location via ZIP code.

(Credit: Screenshot by Ed Rhee/CNET)

Once you've chosen the Add-ins you want to turn on, the local updates will play every hour between songs. The Add-ins feature is only available on iHeart.com for now, but Clear Channel promises support for [iOS](#), [Android](#) and others soon.

Apple music streaming service delayed - Tapscape

[Dan](#) | On 07, Mar 2013

It wasn't long ago Apple were rumoured to be planning a music streaming service to compliment iTunes Match, and was scheduled to launch an Apple Music service in the first quarter of this year. We also heard recently Google were looking at leveraging their YouTube service to offer a similar [freemium subscription service](#). However, it appears The New York Times is reporting the **service has been delayed until the summer at the earliest**.

Unsurprisingly, it seems to be down to not being able to negotiate licensing agreements with the record labels – a similar story that most music streaming services have

experienced. Apple have successfully negotiated a lot of its licensing deals through ASCAP and BMI which are two music organisations that license the right to play content, whether that be at public events or over the internet. It seems, however, that Sony have pulled the digital rights from ASCAP and BMI, causing streaming services to negotiate directly with them for licensing agreements.

According to sources, Apple has offered up to six cents per 100 songs streamed, but with Pandora at 12 cents per 100 songs, and Spotify at 35 cents, the labels see Apple's bid as way below the going market rate. But it's important to consider that Apple's offer is just an opening bid, so while negotiations have been slowed, they have no means stopped.

Pricing has also been the ultimate breaking point with these deals, and understandably so. Why would record labels settle for a few cents per song when they can get \$0.99 for 1 song download? The model just isn't there, with record labels absolutely focused on making money and not keeping up with technological demand or user experience.

Apple holds one of the biggest catalogs of music on the Internet, so perhaps Apple may be able to leverage some of its existing agreements it has with iTunes to create a streaming service in the very near future.

TuneIn takes "content first" approach to new site. Webcast aggregator TuneIn has given its website a facelift, giving users photos of popular artists to help them find stations. It replaces the previous text-focused design. The company tells TechCrunch that while its mobile listener base has nearly tripled over the past year, its computer-based growth hasn't kept pace. The goal of the "content first display" is to help users cut a path through the more than 70,000 stations listed on TuneIn. "This is a big step away from the older web experience, which presented the TuneIn content offering as more of a directory of stations," TuneIn director of product Kristin George says. The new site should give users a better idea of the depth of content offered, she tells TechCrunch. The new design also highlights a list of trending stations around the world. There's still a list of "popular local radio," although it's less prominently displayed. TuneIn says it has about 40,000 monthly active listeners

SUMMARY

The genius of digital music services can be in the simplicity

Pandodaily columnist wants music, not more "features"

Posted by: [Paul Maloney](#)



Pandodaily's Erin Griffith has some food for thought for digital music startups: **Hold the bells and music.**

(She opens her column by reviewing the discussion of how expensive and complex music royalties make it onerous for digital music start-ups (in [RAIN here](#)), but her ideas that follow aren't really related to that discussion.)

Griffith reminds us of the concept of "FNAC" -- that is, "Feature, Not a Company."

"If its pitch is something like, 'Spotify is great, but don't you wish you could (fill in blank with one missing feature)? That's what StartupX does,'" she writes, "it's probably a FNAC."

In other words, the only real differentiator many (potentially-failed) music start-ups have is in the presentation of music -- the "features."

But "the last thing listeners want in a music streaming service is **more features**. Typically when a user opens a music application, he or she wants to listen to something right now, not to browse for 15 minutes discovering new artists," she argues.

Who's "keepin' it simple?" The revamped Songza. The "streamlined" update to Spotify. And "If you think about it, **traditional radio is the simplest of all...** when I get into the car, I almost always listen to radio. I even have my phone out for navigation, but it's just not worth the trouble of booting up an app," she says. "That could change if I ever upgrade to a fancier car with built-in apps. But the point is that simplicity — with as few options and features as possible — will always win."

For Coke, Music Really Hits the Spotify

Beverage giant talks about tunes and global marketingBy [Christopher Heine](#)

- December 07 2012
- [Technology](#)
-

Spotify had a party-minded [event](#) in New York yesterday with music stars [Vampire Weekend](#), [Frank Ocean](#) and [Janelle Monae](#) sharing the stage. Metallica drummer [Lars Ulrich](#) and Napster founder [Sean Parker](#)—intellectual property combatants in years past—even [hugged it out](#). And Spotify unveiled a browser app, [music discovery features](#), social additions and other bells and whistles.

Around 350 folks took in the eclectic mix of tunes, conversation and press-junket pageantry, drinking Coca-Colas, Brooklyn Lagers and other beverages. While [Brooklyn Lager](#) is not a Spotify advertiser, Coke's presence as a drinks option certainly pointed to dollar signs. The Atlanta-based beverage giant last month poured [some \\$10 million](#) into the music-streaming platform, marking one of the bigger brand-based investments in a digital startup in recent memory.

Coke's involvement in Spotify is notable, as the soda marketer has tested the platform's various [ad units](#) repeatedly, while also helping to launch the digital firm's presence in Germany and Australia. Spotify has appeared on 100 million Coke bottles in [Australia](#) during the last five months, while receiving a similar on-package treatment recently in Germany.

The music upstart is now in [17 countries](#) and goes head-to-head in the U.S. with the formidable [Pandora](#). For its part, Coke seems to be in a music-based turf war of larger scale, battling rival Pepsi for high school and college-aged consumers. Both brands have sponsored various [concert series](#), with Pepsi spending significant resources in the last three years at [South by Southwest](#).

[Joe Belliotti](#), director of global entertainment at Coke, recently told [Adweek](#) his company's digital music investment is premised on the youth market. But Coke has been associated with music for decades, going back to classic tune-driven initiatives like "[I'd Like to Teach the World to Sing](#)."

"Music has always been a huge part of Coke," he said. "I think since 2008 or 2009, you've seen us ramp up from the global perspective, and I think Spotify is the next evolution of Coca-Cola music. It's going to be interesting to see how Spotify accelerates our global music strategy, and how the brand can facilitate that conversation where people discover music and share it amongst each other."

Belliotti hinted at what's in store for Coke and Spotify in 2013. "You are going to see Coke creating experiences on Spotify, using the technology and music content," he said. "It will involve supporting TV commercials, PR, visuals and shopper programs—a whole integrated campaign coming to life."

Jeff Levick, Sweden-based Spotify's global ad sales chief, has led the company's [14-month monetization](#) march in the U.S., striking native-ad-styled deals with not only Coke but also brands like McDonald's and Procter & Gamble. [He said Spotify ads can target based on location, gender, age and preferred music genre.](#)

"I think we do the best when brands develop content that's relevant for the platform," Levick said. "And also when they tie in the power of combining audio and display together. These units are interesting when they work on their own. But when you connect the two, where you actually have a message in audio that drives a message on display and takes them to a place where they can do something useful, that's where we see incredibly meaningful results."

Belliotti said he expects the Coke-Spotify relationship to grow globally next year, mainly aiding the music platform's launch plans in new countries. Think more co-branded packaging, he suggested.

"You are marrying this virtuoso social experience with music and the physical experience of Coke," Belliotti said. "It's unusually beneficial for Spotify to be able to leverage Coke's brand equities in the markets they expand into, but it is also hugely beneficial for Coke to bring new innovative ways to access music into those markets."

By [Carl Marcucci](#) on Dec, 19 2012 with [Comments 0](#)

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TuneIn, the leading service for listening to music, sports and news streams from around the world, announced strategic alliances with 18 major broadcast companies, representing over 250 total stations. This news comes at a period of continued growth and momentum for TuneIn, which has 40 million monthly active listeners, 70,000 AM, FM, HD and Internet radio stations and more than two million on-demand programs streaming from every continent.

As part of these alliances, TuneIn will provide each broadcaster with access to free tools, such as analytics through TuneIn Amplifier, and access to the audio service's ad platform.

TuneIn's new broadcast alliances:

Spotify Rival Deezer Eyes U.S.

Deezer, the French-based online music streaming company, is offering two hours of free streaming to customers in 150 countries and planning to enter the U.S. market. WSJ's Sven Grundberg explains how this puts pressure on Spotify, the world's leading online streaming company. Photo: Getty Images

Online music streaming company Deezer stepped up pressure on its peers on Thursday with the launch of a free streaming service in more than 150 countries and said it is looking for a partner to enter the U.S. market.

The Paris-based company, partly owned by Russian-born billionaire Len Blavatnik's Access Industries, Thursday launched a plan that offers users around

two hours of free streaming music a month on desktop computers and laptops. This is the first time that Deezer has offered a free service backed by advertising outside France.

Access Industries also owns Warner Music Group.

Enlarge Image

Close

Agence France-Presse/Getty Images

French music streaming service Deezer co-founder Daniel Marhely, right, and CEO Axel Dauchez at the company headquarters in Paris in October.

Deezer's offer of a free streaming music service comes as a number of technology companies jostle for market share in a growing segment. In several countries, digital-music sales—both streaming and downloads—are set to overtake sales of physical CDs as the main source of revenue for music labels and publishers.

Anglo-Swedish music provider Spotify is among Deezer's most recognizable rivals, and offers 10 hours of free content a month, which also includes advertising. Deezer said it will also offer a promotional trial during which users will have unrestricted access to its advertising-backed free-service for a limited period; in markets where Spotify is available, such as the U.K., the trial period will last for a year. The two-hours free plan, however, will be a permanent part of the company's offering.

Spotify declined to comment on Deezer's latest initiative.

Although available in only 17 countries compared with Deezer's 160, Spotify has five million paying subscribers compared with Deezer's three million. That is partly because it is available in the U.S. where it has over a million paying subscribers and where Deezer doesn't so far have a presence.

"We are looking for a partner in the U.S., maybe an operator or a blue-chip company, that is able to provide us with a significant volume of subscribers," Deezer Chief Executive Axel Dauchez said in an interview Thursday.

He said the company opened discussions with potential partners in U.S. "months ago."

Mr. Dauchez said that the U.S. music streaming market is characterized by "unbelievably high" entry costs, and also is one of the most competitive markets

for online music. In addition to Spotify, rivals in the U.S. includes streaming services Rhapsody and Rdio Inc., and online radio services such as [Pandora Media Inc. P +0.11%](#) and Last.fm.

[Apple Inc.'s AAPL -1.27%](#) iTunes, the juggernaut of the digital media world, has a strong hold on U.S. consumers but doesn't yet offer a streaming music service.

Deezer, like Spotify, charges any user accessing the service from a smartphone or tablet. Subscription services for Deezer and Spotify cost between approximately €7 and €10 a month, or about \$9 to \$12 a month, depending on the country.

Earlier this fall, Deezer landed funding of \$130 million, lead by Mr. Blavatnik's Access Industries, which last year acquired Warner Music. Deezer hasn't disclosed the size of the stake acquired by Access Industries.

Other investors include AGF Private Equity and CM-CIC Capital Privé, which participated in a €6.5 million (\$8.6 million) round of funding in 2008

With TuneIn Radio Pro, you can:

- Record, pause and rewind any station as you are listening
- Set timed recordings for your favorite morning talk show so you can listen on your way to work
- Pause live streams for up to 30 minutes with the ability to rewind and listen again as much as you like
- Add the stations, songs and shows you love most to your presets
- Shake your phone to hear new stations based on what you already like
- Share a station, show or song with your friends on Facebook or Twitter
- Wake up every day using the alarm clock and fall asleep every night using the sleep timer
- Play your stations in the background while you use other apps
- Stream your stations to an AirPlay-compatible receiver (requires iOS 4.2)

Burbank, CA (PRWEB) December 23, 2012

After giving the world's radio stations a three month head start in 2012, [numbers released this week](#) by [TuneIn](#) reveal that The New Normal's "[Tom Leykis Show](#)" [finished 34th](#) among over 70,000 radio streams that can be heard through the popular streaming

radio smartphone app since debuting last April. The 24/7 Leykis stream had more listeners than the internet radio streams of all but eleven US terrestrial stations that can be heard on the TuneIn app.

Following yesterday's launch of iTunes 11 and a series of industry executive meetings, it is increasingly clear that Apple will launch an iRadio service in 2013. While Pandora investors may have breathed a sigh of relief when iTunes 11 did not include an iRadio service, at launch, as some had speculated, we believe Apple is laying the groundwork for such a product in the first half of 2013.

iRadio appears to be a product that will materialize far sooner than some form of Apple Television product, which continues to be a work in progress. In August 2012, we revisited the Apple Television debate ([click here](#)), where we highlighted three key issues holding the product back: Nationwide Coverage, Are Managed Services Legal and TV Everywhere Usage restrictions as a follow up to our April 2012 blog post ([click here](#)), where we stated:

“Apple’s pursuit of the television will take longer to come to fruition than investors are likely expecting”

While we believe MVPD/ISPs such as Comcast and Time Warner Cable stand to benefit immensely from opening up their API to enable a premium priced Apple generated user interface, we believe the product could take at least another year to materialize, if not longer due all of the aforementioned challenges.

In the meantime, Apple’s iTunes 11 has made the current generation “Radio” product far more prominent, adding it to the horizontal feature bar that runs across the top of the screen (see screen capture embedded above right). While the service underlying that Radio button is unappealing to most consumers today, we believe the radio service can easily be updated to incorporate the functionality we envisioned in our October 2012 blog post, [click here](#). We continue to believe an iRadio product is critical for Apple to create a local advertising/commerce strategy, tying together Maps, Passbook, Siri and a new music service (which we are calling iRadio for now

Posted: 26 Nov 2012 05:43 AM PST

Spotify recently closed a new \$100 million in funding, which brings their total funding to [\\$288 million](#). Mary Meeker is a partner in the firm [Kleiner Perkins](#) Caulfield and Byer, which has lead the last two rounds of \$100 million each. Meeker is widely respected for her ability to see and report trends in technology, last year she predicted that [mobile and audio were “the next big thing.”](#) Apparently she thinks Spotify is as well.

Another interesting thing about this recent investment is that Coca-cola is a player as well, owning about ten percent of that latest \$100 million. Last spring we began to hear of Coke’s

relationship with Spotify, which was described as a marketing partnership, in which Spotify would enable Coke's music platform, and Coke would feature Spotify on its Facebook page and advertising. It was announced then that there would be a cash investment, so now the details on that are emerging.

The value of a global brand like Coke is huge to an upstart like Spotify. Spotify is in 17 countries, and has 15 million users, so they are a long way from global. But their goal is to have everyone use their on-demand service like a song library, where you can listen to whatever you want to hear. Coke's a brand that has associated itself with the idea of music as the universal language for a long time, which is why I like the relationship with Spotify. If you've been around awhile like me then you remember this ad

Read more: <http://www.mediapost.com/publications/article/187699/engagement-key-to-making-mobile-work.html?edition=53792#ixzz2DLrLvWC>

ONLINE LISTENING EXPLODING. IS IT AT THE EXPENSE OF RADIO?

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11-9-2012

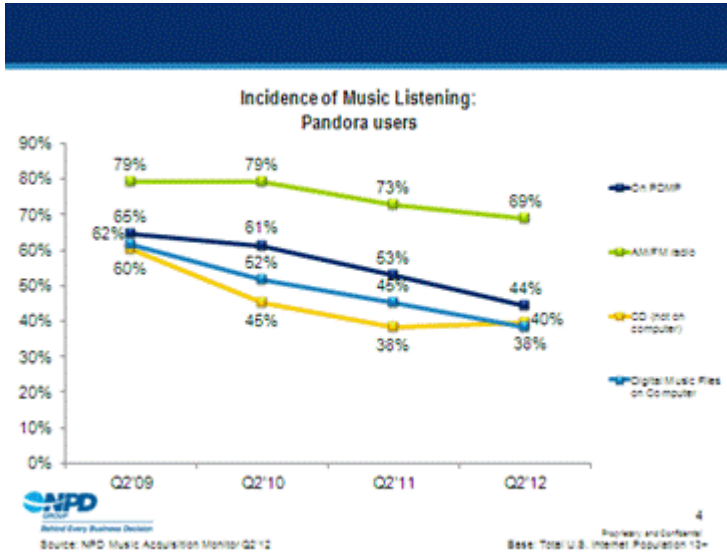
Senior VP of Industry Analysis at NPD, Russ Crupnick says, "Although AM/FM radio remains America's favorite music-listening choice, the basket of Internet radio and streaming services that are available today have, on the whole, replaced CDs for second place. We expect this pattern to continue, as consumers become more comfortable with ownership defined as a playlist, rather than as a physical CD or digital file."

NPD says its study showed that 50 percent of Internet users (96 million) listened to music on an Internet radio or on-demand music service in the past three months. More than one-third (37 percent) of U.S. Internet users listened to music on Pandora and other Internet radio services (OVER 3 MONTHS?), while an equal percentage (36 percent) used an on-demand music service, like YouTube, VEVO, Spotify, MOG, Rhapsody, and Rdio.

NPD's says its study revealed that since 2009 the percentage of Pandora users who also listened to AM/FM radio declined by 10 percentage points, those listening to CDs on a non-computer device fell 21 percentage points, and listening to digital music files on portable music players also dropped 21 points. Part of these declines can be attributed to the fact that 34 percent of Pandora users are now listening to music on the service in their cars -- either connecting through an in-car appliance, or listening via car-stereo-connected smartphones or other personal listening devices.

Consumers who listened to music on Pandora, VEVO, and YouTube also noted a significant positive effect on their overall discovery and rediscovery of music. In fact 64 percent of these services' users reported

rediscovering older music, and 51 percent were learning about new music. “AM/FM radio has traditionally played a significant role in helping consumers learn about new music from well known artists, as well as finding new ones; however, Pandora and other music services are an increasingly important part of the music-discovery process.”



Read more about the NPD research [HERE](#)

NPD data is derived from NPD’s “Music Acquisition Monitor,” which is based on 14,000 outgoing surveys to NPD panelists yielding more than 4,000 survey completions each quarter. The report includes consumer data through June 2012. Data is weighted and projected to be representative of the U.S. Internet population (age 13 and older). Pandora, YouTube, and VEVO users frequently use other radio and on-demand services; changes in their habits, or discovery patterns often reflect the variety of services used to engage with music

By [Carl Marcucci](#) on Nov, 15 2012 with [Comments 0](#)

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Coca-Cola is becoming a minority investor in Spotify, as part of a new round of financing that will bring in \$100 million and value the streaming music service at about \$3 billion. Spotify has completed the financing round, [according to The NY Times](#). Of the \$100 million, half is from Goldman Sachs, and Coke is contributing about 10%. Another new investor, Fidelity Investments, is also said to be chipping in about 15% of the financing round, with the remaining quarter coming from Spotify’s existing investors, said the story.

In April, Coke made a vague announcement about a marketing partnership with Spotify, with few details other than a promise to help the service reach new markets around the world. Spotify, which was founded in Sweden in 2006, came to the US last year and is now in 17 countries; this week it opened in Ireland and Luxembourg.

An investment of \$10 million or so would be small for a company like Coca-Cola, which has a market capitalization of \$162 billion. But it is a step toward technology investment for Coke, and it represents a potentially huge new pool of investment sources for digital music.

Almost all digital music companies have struggled to make a profit. Spotify, though it has 15 million users around the world, 4 million of them paying subscribers, is not profitable. Last year it lost about \$57 million on \$236 million in revenue.

Last year, Spotify raised another \$100 million from Kleiner Perkins Caufield & Byers and DST Global, in a deal that then valued the company at about \$1 billion. In addition to those companies, minority positions in Spotify are also held by major record companies and Merlin, an organization that negotiates digital licensing deals on behalf of independents.

RAIN 10/23: 7Digital and Rara turn up the competition in online music

Two more on-demand music services include Internet radio in their gameplans

Posted by: [Paul Maloney](#)

Online music store and "white label" vendor **7Digital** has announced plans to expand its service to an **online radio service, plus more on-demand streaming, and "scan-and-match" capability** for its existing cloud storage.

The company, having **raised \$10 million**, also plans to offer its 22 million track library to more markets in North America and Europe. Paid Content has more [here](#). The company also announced it will be the "official music download provider" for the **BlackBerry 10 line of smartphones** coming out next year. More [here](#).



Meanwhile, music streaming service **Rara.com** is launching new mobile apps, widening its footprint to 27 countries, and will have apps preloaded on **Lenovo**

Windows 8 tablets, Android tablets, and some PCs. Rara.com is available in the U.S., the UK, most of Europe, Brazil, Mexico, Hong Kong, Australia, Malaysia, and more.

Rara offers "ready-made playlists and stations, put together by music experts," and offline listening. It costs 1.99 pounds, euros or dollars per month for three months of ad-free mobile access to 18 million tracks. After three months, it's £/€/ \$9.99 per month. Web-only access is £/€/ \$0.99 per month for the first three months, then £/€/ \$4.99 per month.

In both cases – Microsoft and Apple – radio would be a “feature” of another brand.

But so what, you might say. Anybody with an Internet connection can create their own radio station, after all – and they do. But what differentiates radio itself from everybody who wants to be like radio is primarily scale and convenience and habit and a perfectly passive “lean back” experience. Only Pandora comes close to this scale, and that scale creates convenience in what can be (and what generally is) a perfectly passive “lean back” experience. Habits don’t grow overnight, however – those take time. But all the other elements are in place.

Now consider who can achieve scale overnight by integrating their new Internet radio feature into their platforms with already-massive distribution and worldwide scale.... That’s right, Microsoft and Apple. To say nothing about Google and Amazon, who I strongly suspect will be following suit soon.

When radio is a “feature” of another brand, and that other brand already has massive distribution, it is functionally equivalent to the very radio that these brands and their peers would otherwise buy from traditional broadcasters. Not only will these brands spend their money on their own radio platforms, they will compete against you for the dollars of other brands, too.

While this has been “framed” by the radio press as a challenge to Pandora, it is really a challenge to all radio since that’s where the obvious dollars are. Wake up and smell the coffee, radio.

Well, you might say, these services are only one manifestation of radio – the music-centric one. Where are the other elements of radio – the entertainment – the people on the air?

This is the first inning of the game, folks. In time, I strongly suspect that these services will become broader in their offerings, create original content, and resemble radio all the more. “Home Box Office” did this when it debuted The Sopranos. Recall that Netflix was once simply a place to

download the content of other producers – except now Netflix is in the original content business. Ditto for Hulu, which became famous for streaming other producers' TV shows and now produces their own, too. Ditto for YouTube, which is investing heavily in original content that lives alongside your kitty on the piano keys.

Invariably, once a platform achieves scale and usage, that platform recognizes the importance of creating proprietary content.

What's to keep Xbox Music from launching a series of entertainment shows a la SiriusXM?

This is an easy problem that a large-enough audience instantly solves.

So here's where we're headed: More alternatives to radio that are functionally similar and ad-supported and fit within a growing category called "radio." More alternatives to radio that are joined at the hip with some of the very brands who are our large advertisers – many of whom will look to radio programmers or companies like mine to help them get there.

The rise of "radio as a feature" means the "best in the world" content with the "best in the world" ideas will win. And current radio advantages like distribution and scale and ubiquity will cease to be as decisive as they are today.

How much are you investing in your content and your ideas?

[Microsoft Re-Enters the Digital Music Arena with XBox Music, Will Apple and Amazon One-Up Them?](#)

Posted on Mon, Oct 15th, 2012 at 2:02 pm

by **Richard Greenfield** — [POSTS](#) | [DISCLAIMER](#)

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Categories: Media, Equity Research, USA, Internet

Tags: [AAPL](#), [MSFT](#), [AMZN](#), [Radio](#), [SIRI](#), [P](#), [Spotify](#)

Earlier today, Microsoft announced it was relaunching a comprehensive music service tied to the launch of Windows 8, following the failure of its Zune music service. The service takes aim at a fractured digital music landscape, with Microsoft's blog post citing how consumers have to use multiple services such as iTunes, Pandora and Spotify today ([click here](#)) and do not have one simple destination that allows them to do everything.

- Utilizing the Xbox brand for the service is particularly notable, as it is hard to believe Microsoft wants anything branded with Xbox to fail, given the importance of their Xbox (and Kinect) brand.
- Short teaser video created by Microsoft embedded below.

Microsoft is not alone in realizing that the music experience is fractured, with Spotify having added a free radio feature last summer ([click here](#)) and Sirius announcing that it will add a customized radio feature for its subscribers before year-end 2012. We also believe Apple has far broader ambitions in the digital music space (see our 10/3 iRadio blog post [click here](#)) and would not be surprised to see Amazon add some form of music component to its Amazon Prime offering (already has free shipping, free TV/movie streaming and free book lending).

- While Pandora may do a very good job with free streaming radio today, competition for new users and listening hours per user is going to get a whole lot more competitive over the coming year.

Key aspects of Xbox Music:

- **Free streaming artist radio (like Pandora) will be pre-installed on all Windows 8 desktops and tablets.**
- **The free streaming radio service will include unlimited skips** (other IP-based radio services such as Pandora are limited to 6/skips per hour), illustrating that Microsoft has negotiated rights with the labels that go well beyond what the compulsory licenses allow.
- **Free streaming radio hours of use will be limited after the first six months of use – but remains unclear how high/low the cap will be.**
- **Consumers can pay \$9.95/month or \$100/year to eliminate advertising and have an unlimited number of streaming hours per month, including the ability to listen to any songs in the catalog wherever and whenever you want, along with enabling fully-customized playlists (like Spotify)**
- **Paying subscribers to Xbox Music will also gain access to the service on Xbox 360 devices (must also have an Xbox Live Gold membership) and Windows 8**

smartphones as they become available. In 2013, Xbox Music will expand with apps on iOS and Android smartphones and tablets

Music streaming service Deezer raises \$130 million from Warner Music parent

Posted by: [Paul Maloney](#)

Various sources today report French streaming music service **Deezer** has raised \$130 million in a funding round led by Warner Music Group owner Access Industries.

Deezer had been planning to make the announcement Wednesday, but confirmed the deal after the story broke in the French media this past weekend. Deezer Deputy GM, Head of Ad Sales **David Deslandes** spoke on the "Monetizing Digital Audio" panel at **RAIN Summit Europe** on Friday in Berlin.



Deezer says it intends to use some of the new money to extend its geographical reach and update the product updates; \$30 million of that will reportedly go to buy out current shareholders. The company promises full details will be revealed on Wednesday.

According to **MusicWeek.com**, "Deezer has been profitable since 2010 with a number of partnerships including Facebook and local telecommunications companies such as Orange in the UK." CEO Axel Dauchez confirmed to *The Wall Street Journal* that the company was profitable, "but due to expansion plans was now entering an investment phase. We will return to profit in 2014."

Deezer currently has 26 million users, of which some 1.5 million have a paid-for subscription. In December Dauchez announced his global strategy to offer a service in every country except Japan and the U.S.

The Journal reports, "Digital channels now account for an estimated 32% of record-company revenues globally, up from 29% in 2010. Some markets now see more than half of their revenues derive from digital channels, including the U.S. (52%), South Korea (53%) and China (71%)."

Songza

Music site Songza, has been turning some heads in the industry with new improvements for streaming music. Songza offers over 14.5 million songs. Like Pandora, Songza allows users to listen to their favorite music streaming in a seemingly infinite playlist. However, Songza differs from Pandora in that it specifically syncs that music to what each user is doing at any given time. Songza's playlists are frequently categorized by the days of the week, and it even plays music sympathetic to a person's mood, not just an artist or song that they like. Songza has



more than 75,000 playlists, all created by humans including celebrities and music industry elite, and not by artificial intelligence. Songza does not charge a fee to users and also does not feature audio advertisements. The entirety of Songza's revenue comes from standard banner and custom advertising, with video advertising planned, taking advantage of the time spent by users actively managing and navigating their playlist, which can then be offered to other users. There are copyright issues impacting the company, which was founded in 2007 by Asa Raskin and is currently headed by CEO and co-founder Elias Roman

By [Carl Marcucci](#) on Sep, 21 2012 with [Comments 0](#)

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TuneIn has had a good week at the NAB Radio Show, signing some 22 broadcasters. This time, SBS has formed a strategic alliance with TuneIn to offer listeners access to SBS Radio programming. Listeners can enjoy SBS Radio programming like “El Vacilon de la Manana,” “DJ Laz Morning Show,” “El Vacilon del Mandril,” “El Circo de la Mega,” and “La Bola de la Manana,” among others via 200 different platforms including smartphone apps, connected vehicle dashboards, internet home entertainment systems and online at www.tunein.com.

TuneIn Radio and TuneIn Radio Pro are the only audio streaming apps that have a 4.5 or 5 star rating on every mobile platform, worldwide.

“We have always believed in the value of great local content, and this alliance validates the demand we know exists for our original programming while at the same time creating a new revenue source for the company,” said Andrew Polsky, VP of Digital Sales at Spanish Broadcasting System. “By forging relationships with premiere distribution services such as TuneIn, SBS Radio will significantly grow its audiences by exposing our content to new listeners.”

“As we transform into a digital media company, SBS is extending its great local brands to as many digital platforms as possible to seamlessly provide our audience with the programming they want where and when they want it,” said Albert Rodriguez SBS COO. “TuneIn leads the industry with their listener-first approach to everything they do, and we are excited to offer our broadcasts to the growing and vastly important digital audience, especially as it pertains to the mobile and automotive worlds, into which TuneIn has made great strides.”

Additionally, SBS Radio stations will gain access to TuneIn’s offering of free analytics via TuneIn Amplifier.

Two GM models will integrate with online audio aggregator TuneIn. As broadcasters vie for a position in the digital dashboard, General Motors has unveiled plans to **include online radio portal TuneIn in its 2013 Chevy Spark equipped with MyLink Radio.** Owners that have downloaded the free TuneIn app to a compatible smartphone and connected the phone with MyLink **will be able to access all TuneIn buttons and controls on MyLink's seven-inch touch screen,** while the app on the phone itself will be disabled to help promote safer driving. GM used Detroit-based middleware provider Livio to bridge the technology gap between MyLink and TuneIn, which provides access to more than 70,000 stations from around the world. Chevrolet said it expects TuneIn will be available in the first quarter of 2013 on the Spark 1LT and 2LT models and on the Sonic RS. The Sonic RS goes on sale this fall. "The TuneIn app for MyLink gives Spark buyers a truly global, personalized infotainment solution," says Sara LeBlanc, global program manager for Chevrolet and General Motors infotainment. Spark's MyLink Radio launched this summer with two embedded apps: Pandora and spoken word audio aggregator Stitcher. In January, TuneIn announced a deal with Ford that gives motorists hands-free, voice-controlled access to the online audio app in vehicles equipped with Sync AppLink.

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- **TuneIn, Livio Score With Chevy**
- Posted: 13 Sep 2012 04:55 AM PDT
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- One of the best universal portals to Internet radio on the planet is **TuneIn**. Formerly called **RadioTime**, TuneIn has been in the business of enabling listeners to search, find and listen to Internet radio for a long time. They've been through several rounds of funding and a management shift, not to mention some serious competition, and they're still holding their own.
- **One of the things that TuneIn has done well is create partnerships with the auto industry to bring their technology into cars.** This week, **General Motors** announced it will use **Livio Connect** technology to integrate the popular TuneIn music smartphone app with the **Chevrolet Spark's MyLink Radio** dashboards manufactured globally.
- This is good news for TuneIn and Livio, as well as all of Internet radio. **TuneIn is the most sophisticated universal platform for online radio that is independent. They will play with everyone, regardless of the size of your station. No exclusive contracts necessary. Their success in creating relationships with car companies means that listeners will have more choices and stations will have more options.** When Pandora and iHeartRadio announce integration with car companies, that's good for them. When TuneIn announces the same, that's good for the industry...

The talk radio equivalent of Pandora is now available for offline listening. Spoken word audio aggregator Stitcher has released an update to its iPod Touch, iPhone, and iPad apps that enables offline listening to its menu of on-demand news, entertainment, sports and talk radio. The company says a recent survey of its listeners found that 38% prefer offline listening to protect against potential mobile data overages. A majority of its listeners tune in in away from home and 38% say they will listen offline in the car, 23% when flying and 15% when traveling abroad. “Our goal is to make on-demand radio more accessible than ever,” Stitcher CEO Noah Shanok says. “Our most requested feature, offline mode, solves the biggest obstacle to listening on the go or when users would prefer to use Wi-Fi and conserve mobile data usage.” Stitcher lets users access on demand news, entertainment, sports and talk programming from a menu of 10,000 shows and “stitch” them together into personalized stations. The free mobile service considers itself more of an ally than an enemy to broadcast radio, with Shanok saying a “significant number” of the platform’s most popular offerings comes from broadcast radio content partners, including Premiere Networks, Fox News Radio and NPR

By [Carl Marcucci](#) on Sep, 18 2012 with [Comments 0](#)

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Look out, Live365: Radionomy, the free global service that lets consumers create their own online radio station or discover online stations created by others, is launching in the U.S. Consumers have used Radionomy to create more than 6,000 new online radio stations, and the service has attracted more than 13 million unique listeners elsewhere around the world.

“Radionomy is for fans who are passionate about creating and sharing content on their own station, and for whom sharing a song or playlist just isn’t enough,” said Thierry Ascarez, vice president of business development, Radionomy. “It’s also for listeners that may not want to create their own station, but want to discover and enjoy content programmed by a person, not an algorithm.”

RBR-TVBR asked Ascarez how they differentiate themselves from Live365:

“First, Radionomy is totally and completely free. Live365 costs users anywhere from \$4 to \$100 each month. The fees can be more than \$100 if Live365 subscribers use the PRO broadcasting product.

Second, Radionomy is web-based, so it is fast and useable on any Internet-enabled device. Live365 requires users to download complex software onto their computers.

Third, Radionomy differs from Live365 in that we are built from the ground up to be social. Sharing is part of our DNA and design.

Also it’s also important to note that Radionomy makes it incredibly easy to create and also manage everything from our dashboard – programming, analytics of streams and

listeners, promotional tools, advertising management and sharing are all done from one simple-to-use web interface.

And, Radionomy provides fans with the opportunity to personalize profiles, bookmark favorite radio stations on any device.

The ease of use, simplicity of design and social features are reasons we're adding more than 50 new stations every day."

He tells us Radionomy monetizes the stations for the users: "Our sales house in the US is Target Spot."

Radionomy provides a content library of 80,000 songs and other items, audience reporting metrics, and storage for programmers who want to provide their own songs.

Unlike currently available online radio services, Radionomy is free and web based, so consumers use a simple dashboard to manage their station and never, ever have to download complex software.

Radionomy also offers consumers a way to monetize their stations, with creators of the most popular stations able to make up to \$5,000/month.

Radionomy's U.S. launch is built around the G2 platform, a new version of the service that offers improved ease of use and more customization options. The new G2 version of Radionomy features the Radio Manager, a web-based dashboard that centralizes the functions needed for running an online station all in one place; the Planner, which helps producers create and manage their station; and new versions of the iPad, iPhone and Facebook apps. A new version of the Android app and a Desktop app will be available in November 2012.

Users in other parts of the globe have been using the previous version of the Radionomy service since 2008.

The Radionomy service has already resulted in:

- More than 6,000 stations
- More than 92 million listening sessions each month
- More than 42 million hours streamed each month
- More than 13 million unique listeners
- 50 new Radionomy stations created each day

RBR-TVBR observation: The YouTube craze has made a huge marketplace for user-curated content. Radionomy appears to make audio content easy to do, while allowing monetization. Unlike competitor Live365, Radionomy is free.

TUNEIN TEAMS UP WITH BONNEVILLE

9-20-12

TuneIn makes another alliance, adding Bonneville International's stations in four major markets to its streaming service, which reaches listeners all over the world. TuneIn CEO John Donham said, "We are thrilled to make the varied programming that Bonneville International broadcasts available to our 40 million monthly active listeners. This alliance is another step in our journey to make all the best stations and programming accessible to everyone, no matter where they are."

Bonneville has stations in Los Angeles, Seattle, Phoenix, and Salt Lake City, and Bonneville President/CEO Jeff Simpson said, "Through this partnership with TuneIn, and as we expand our reach into the digital realm, we're giving our dedicated listeners almost unlimited ways to hear our programming and uniquely produced content."

TuneIn programming is available through more than 200 platforms, including smartphone apps, connected dashboards, Internet home entertainment systems, and online at www.tunein.com

Serendip Finds Music "Soul Mates" With Socially Curated Radio

One of the standout music tech showcasers at [TechCrunch Disrupt](#) this week in San Francisco was [Serendip](#), a social music service that helps users find their music "soul mates" and provides them with a personalized **social radio** experience that plays songs shared by others who have **the same musical interests**. An alternative to an algorithm approach or to "expertly created" playlists, Serendip curates its content through what is actually being **shared on social networks** by people who have similar tastes as you.

Serendip works by collecting all of the music related posts that have been publicly shared on Facebook and Twitter, and indexes them along with the people who have shared them. This essentially turns Facebook or Twitter users who actively share music into a "DJs". Serendip claims more than 25 million DJs are currently registered in their database, and

users can discover others that match their interests. They can then follow them and lean back for a personally curated playlist based on the music they share.

“Online music became a disappointing experience for us,” co-founder and CTO Asaf Atzmon told Hypebot. “It became harder and harder to keep track of what's going on, and to interact with others who love music too. We felt that something was missing – a truly social music experience, where you can enjoy music with others, share what you love with them, listen to what they are playing, and discover great music in the process.”

Songs on Serendip come from publicly available sources, namely **YouTube, Bandcamp, Vimeo, and SoundCloud** – effectively avoiding issues with copyright or digital rights management. This means that if you already share music on Facebook or Twitter (or who have friends who do), you basically already have a playlist of music ready to go pulling from these sources.

Users can also interact with the music they're hearing. For instance, when one hears a song they love, they can give it a “Rock On” (Serendip's version of a Like), which is a way of recognizing the DJ who shared it and can then share it on their Facebook or Twitter feeds.

Both co-founders Sagee Ben-Zedeff and Asaf Atzmon were on hand during Disrupt to give me a demo of their product. After playing around with it myself, I found it to be enjoyable coming across songs that I hadn't heard before (and sure enough they fit what I'm into), but my overall satisfaction of the discoveries stemmed more from the fact that I was being presented with songs through a means that I had not yet seen before. Since these “DJs” are adamant enough about their musical taste to be sharing it across their social networks, I got a sense of being presented with content that came from real and passionate music fans that I could actually relate to.

TuneIn signs 20 more broadcasters

By [Carl Marcucci](#) on Sep, 17 2012 with [Comments 0](#)

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On the heels of celebrating their 40 million monthly active listener milestone, TuneIn announced continued growth, forming strategic alliances with 20 broadcasting companies, including news giants C-SPAN Radio and Public Radio International.

“After reaching the 40 million monthly active listener milestone earlier this month, we are more committed than ever to serving our growing listener base by offering as many

quality content options as possible,” said John Donham, CEO, TuneIn. “Aligning with renowned and respected news organizations like C-SPAN and PRI will be a fantastic and effective way for both TuneIn and these broadcasters to continue to build and expand our audiences.”

The 20 companies aligning with TuneIn include:

Public Radio International (PRI)

C-SPAN Radio

ABC Australia

Hearst Corporation

mvyradio – Records, tapes and CDs still line the walls of the WMVY studios at Martha’s Vineyard, Nantucket and Cape Cod in Massachusetts.

WFMU – Based in New Jersey, WFMU’s programming ranges from flat-out uncategorizable strangeness to rock and roll, experimental music, 78 RPM Records, jazz, psychedelia, hip-hop, electronica, hand-cranked wax cylinders, punk rock, gospel, exotica, R&B, radio improvisation, cooking instructions, classic radio airchecks, found sound, dopey call-in shows, interviews with obscure radio personalities and notable science-world luminaries, spoken word collages, Andrew Lloyd Webber soundtracks in languages other than English as well as country and western music. Stations include Great Freeform Radio, Ichiban Rock & Soul and Give the Drummer Radio.

WSM – Based in the nation’s country music capital of Nashville, and founded in 1925, WSM is one of the oldest and most famed country music stations in the world.

KDHX – Independent music plays here. Never automated and never commercial, an army of volunteer DJs runs the airwaves around the clock: Bluegrass. Punk. Blues. Rock. Americana. Hip Hop. Country. Reggae. Electronica. Pop. World Music. If you’re a fan of it, KDHX probably plays it. More than 100 DJs curate the music, guaranteeing you’ll hear something amazing you’ve never heard before. The PRX-syndicated Collector’s Edition joins Stumble in the Dark, Memphis to Manchester and a plethora of unique, incredible shows you won’t hear anywhere else.

KXT – KXT 91.7 FM is a Triple-A music station in North Texas, providing listeners a mix of acoustic, alt-country, indie rock, alternative and world music. KXT has one of the biggest weekly audiences of any Triple-A station in the country, and features an eclectic variety of artists and genres with a focus on emerging performers from North Texas and across the Lone Star State.

Wu-Tang Radio (Wu World Radio) – Wu-Tang Radio is part of an entire Wu-World social network, including television, events, an entire DJ coalition, and of course, the

Wu-Tang Clan. It's not just music, "it's a Wu-Volution", attempting to reclaim true Hip-Hop. Wu-Tang Radio is broadcast straight out of Wu-Tang Management's Headquarters in Shaoalin, NY.

Israel Sports Radio

Peak 38 – Peak 38 brings several popular stations to TuneIn listeners, including UFC Radio.

My Cool Inventions Radio – My Cool Inventions Radio is a nationally syndicated i"reality radio" show based from Tampa hosted by inventor and billion dollar pitchman — Akos Jankura 'The Solutionist' and John Cremeans 'The Doctor of Shopology', allowing entrepreneurs and inventors to pitch product ideas live giving listeners the ability to vote on their favorite invention.

Caribbean Vibes Radio – Launched in November 2004, this popular online radio venue offers the best in Reggae, Soca, and dancehall music. Reggae music lovers can tune in 24 hours a day, seven days a week. Now boasting nearly a million hits monthly, CVR has quickly become the home for Caribbean music enthusiasts worldwide.

CIO Talk Radio – CIO Talk Radio is an internet-based talk radio show aired globally, with live broadcast every Wednesday at 9 a.m. CST, about how technology has changed and is changing the way we live our lives as well as do business.

SoFlo Radio – Located in Hollywood, Florida, SoFlo Radio is South Florida's only internet talk station. Twentyfirst Venture AS – Headquartered in Oslo, Twentyfirst Venture owns and operates radio stations in Norway and has radio assets in Southern Africa as well. Stations include RadioMetro, The Beat and Rox 90.1

Filed Under[Broadcast News](#) [Internet](#)

Nokia Tries Again With Streaming Music Service

Hoping the second times's a charm, Nokia is taking another crack at the streaming music space.

"And this time, it's completely ad-free and no cost," [GigaOm](#) writes. "Lumia 710 and 900 device owners can grab it now from the Windows Phone Marketplace to start streaming or customizing their playlists; even when offline."

"With a US-based team of 'musicologists' running the show... users will have access to

more than 150 playlists that span all major genres as part of an all-you-can-eat pro bono offering,” according to [Engadget](#).

“It's Pandora without the ads,” as [Gizmodo](#) puts it. “Unlike the similar services offered by Samsung and Sony, Nokia Music won't cost you a dime. Not a bad deal, and certainly a reason to consider switching.”

Granted, “Nokia didn’t fare so well with its streamed mobile music service called Ovi Music Unlimited,” [TechCrunch](#) recalls.

Bigger picture, ZDNet asks whether a music streaming service can save Nokia and Windows phones. “It's no secret that the Microsoft's Windows Phone platform has been struggling in the face of stiff and unrelenting competition from the iOS and Android platforms,” its notes.

“While the service is one way for Nokia to lure more users to its new smartphone devices, it is also a way to get them using Nokia’s other music services,” TechCrunch adds. “Nokia also has an MP3 store where it offers downloads for a price, similar to iTunes for Apple.”

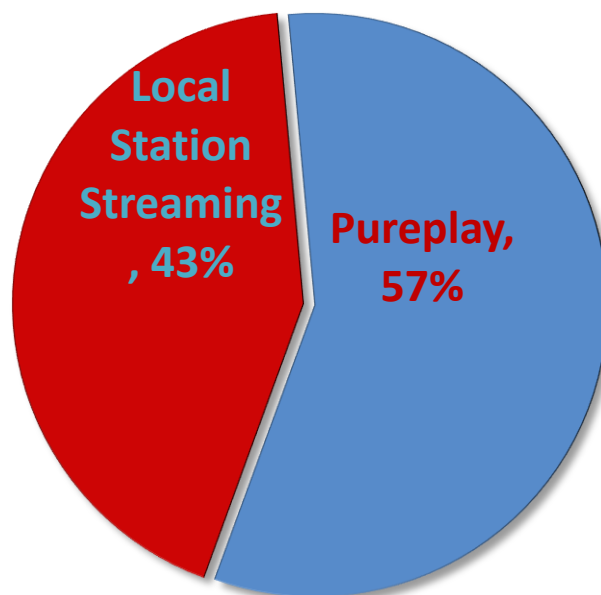
- The online radio service TuneIn wants to insert pre-roll audio ads before broadcasters’ streams and is planning to improve discovery with personalization features, after taking [\\$16 million investment this summer](#).
- **Audio ads**
- The outfit, which aggregates metadata and streams for 70,000 stations, has 40 million active users and serves iAd and AdMob display ads through its mobile apps. These visual ads are all well and good and yield “okay” click-through rates, but TuneIn is an audio service. CEO John Donham tells paidContent:
- **“We’re going to do audio adverts before the stream and have a companion display ad associated with them.** We’ll be starting that shortly as a test, to make sure it doesn’t have a negative impact on the user experience.”
- Of course, most of the radio stations on which TuneIn depends already sell their own ads in their streams. In TV, the practise by which live aggregators like

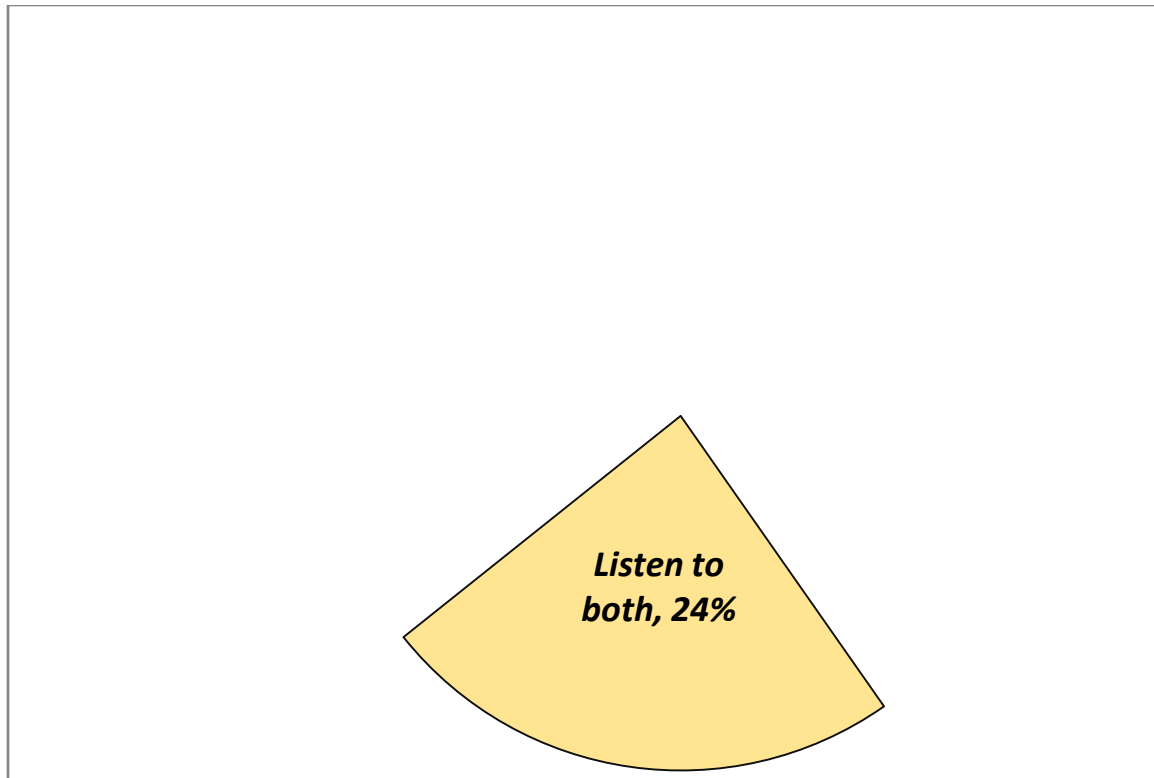
FilmOn and TVCatchUp insert their own video pre-rolls before channel streams has riled some broadcasters. But Donham says TuneIn won't trample on owners, citing existing partnerships with broadcasters including CBS, NPR, Entercom and TalkSport...

- “We don't touch any broadcaster streams. If a broadcaster has a pre-roll in front of the stream, **we won't stomp over that**. It would be a double-negative to user experience if you got multiple pre-rolls before the content. We would look to avoid that as well.”
- **Discovery**
- TuneIn took \$16 million this June, led by General Catalyst Partners and including Jafco Ventures, **Google Ventures** and Sequoia Capital. Why? Donham explains:
- “Discovery is a hard problem to solve. **We want to hire the best people to help us do that**. For us, it's harder, because how do you know what's playing at any given time?”
- **“We have a lot of really exciting challenges ahead of us. Google, Sequoia – these places are full of entrepreneurs who have tried to solve similar problems.”**
- **Personalized radio**
- Donham is coy, but one of the key approaches to enhancing discovery will see TuneIn presenting radio options based on listeners' habits:
- “A lot today is browse-by-location. There's much more we can do. How do we create an additional user interface that surfaces the awesome stuff right now and more awesome stuff based on what you listen to?”
- The additions are yet to be announced.
- **Netflix for radio?**
- TuneIn began life a decade ago as RadioTime, the online radio metadata service which sells its guide service to third-party audio brands. But, having rebranded to become a direct-to-consumer business, **TuneIn will soon have no white-label customers left** – the last remaining, BMW's Mini, will soon carry TuneIn's own-brand service. Donham says:
- “We see this as such a big opportunity. **Radio is the last mass-market medium to move online – the final frontier**. As Amazon is for books, iTunes is for CDs, Netflix is for movies, so TuneIn is for radio. The more we can create a consumer brand that people recognise, the more successful we will be become.”

- TuneIn's backers are all institutional investors rather than strategically-placed radio industry players on which it could have drawn for advice, but Donham says: "As we continue to grow, the options for more strategic relationships make sense."
- **Free, not paid**
- TuneIn's apps, which have become its core consumption method, come in two flavors – free with display ads, or at a small fee for a built-in recording feature.
- It is a rare CEO that asks you not to pay, but Donham surprised me by saying:
- "The number one way we monetise is advertising on the free app. The paid app is a legacy. **We would rather you listen to the free app than the paid. We would urge you to switch.**"
- I trust that a cheque refunding my earlier £0.69 outlay is in the post. But this is an indication of where TuneIn wants its model to go. A Netflix for radio, perhaps – but not with Netflix- or XM-like subscription fees.
- "One of the cool things about radio is, it's free," Donham says. "For us, we see a really big opportunity in addressing the largest market possible."

Online Audio Universe - % of total U.S. Adults 25-54 listening





Slacker Launches First Fan-Curated Radio Station

Wed, 22 Aug 2012 12:14:03

This is one way you can make your parents and their listening habits cool!

Slacker posed this question to their Facebook fans and received an incredible response. Based on hundreds of listener suggestions, Slacker has launched their first collaborative listener-created station: My Parents' Record Collection.

This station features all of the genre-spanning music that Slacker Radio's Facebook fans enjoyed with their families, including songs by [The Beatles](#), [Elvis Presley](#), [Marvin Gaye](#), [Willie Nelson](#), [Buddy Holly](#), [Joan Jett](#), [Patsy Cline](#) and even a little Beethoven.

The link to My Parents' Record Collection, which can also be enjoyed in the "Specialty" station category anywhere you can find Slacker Radio (smartphones, the iPad, on the web and more) is [at Slacker.com](#).

What do you like in your parents recording collection?

A week after Songza became the top iPhone music app, and the #2 overall iPhone app ([click here](#) for our 6/12 blog; note: Songza is currently still the top iPhone music app and #16 overall), Spotify announced that it will launch a free, ad-supported radio service on mobile devices later today. While Spotify has had a free radio product on the web, it was not terribly compelling because it was limited to use on computers, with no extension to mobile/tablet devices.

- Using Spotify on a mobile device required a \$10/month subscription, which curtailed its usage and in turn, its prominence in the iOS store. Spotify is currently #63 in the iPhone app store and #90 in the iPad app store.
- We would expect Spotify to rise meaningfully in the iOS store as its radio service rolls out, with songs streamed via radio all flowing into the Facebook ticker/news feed (similar to the core Spotify service, users can disable this feature, if they prefer not to share).

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- **Single Platform:** Spotify is trying to become more than just a music service; it is becoming a music platform / destination. We have seen this on the desktop, where Spotify has opened its API up to app development, has integrated social features, radio and of course the core service where you can actively make and share playlists, and listen to whatever you want. Now with Spotify radio, users on mobile devices including free mobile users, can save any song they are listening to into a playlist (albeit, they will only be able to listen to that song on demand if they pay for Spotify mobile, which should be a great way of upselling subscriptions). Spotify radio will also allow you to create radio stations based on playlists you have already created (no need to enter lots of artists you like to kick-start a new radio station) – feature available to free and paid users. Illustrates how the experience is all woven together.
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RAIN 6/19: Spotify penetrates web radio market with new mobile offering

New personalizable web radio service the "central feature" of Spotify's iPhone, iPad apps

Posted by: [Michael Schmitt](#)

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The **iOS update** will arrive "in the next few days," Spotify told *Engadget*. An Android version may be coming later this year.

"We feel like the radio experience of just hitting play, leaning back and not controlling exactly what plays is core to a great music experience," Charlie Hellman, Spotify VP of product, told *Bloomberg*.

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By RYAN NAKASHIMA, AP Business Writer – 15 hours ago

LOS ANGELES (AP) — Songza, a new online radio service, leapfrogged Pandora as the most popular free music app for Apple devices last week. But it immediately faces a struggle to survive in a business saddled with high royalty rates for artists.

The New York-based startup aims to re-write the songbook on how an online radio service ought to run. One key difference: it has no mood-killing audio ads.

"We have playlists for getting lucky," says CEO and co-founder Elias Roman, 28. "If you're getting lucky and you're hearing a toothbrush ad in it, that's not a lifestyle enhancement. That's embarrassing for everybody."

Audio ad-free Songza, at no charge, compares with a \$36 annual fee to avoid audio ads on Pandora Media Inc., or \$4 a month on Slacker Inc., another online radio service. It also limits Songza Media Inc.'s revenue flow, although the company still runs display ads.

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The company now enters a race to become the biggest, or at least among the biggest, online radio services, before an inevitable shake-out decimates those unable to turn a profit.

Even Pandora, by far the market leader in online radio, tripled its losses in the first quarter through April to \$20.2 million, mainly because listening hours jumped 92 percent from a year ago to 3.1 billion in the quarter. Royalties amount to a fraction of a penny per song play, and rapid growth has outstripped Pandora's ability to sell ads.

"You can't build a business with these per-track rates," says Pandora co-founder Tim Westergren. He says that an eventual slowdown in growth will allow ad sales to catch up. He's pinned hopes for cutting costs on a government royalty-setting process that starts in 2014.

He says Songza might not survive the rigors of the free music business, like Imeem before it. "People were excited about them for a while. They hit the reality of the business ultimately."

The uneven economics of the online radio business were highlighted by a deal announced two weeks ago between traditional radio station giant Clear Channel and Taylor Swift's record label, Big Machine.

The deal gave Swift and other artists an unprecedented slice of royalties based on traditional radio station airplay. In exchange, they agreed to cap their share of revenue made on Internet-delivered radio songs from Clear Channel's iHeart Radio service. The deal "creates a structure that makes sense," Clear Channel CEO Bob Pittman said in a statement. The existing structure clearly didn't.

Slacker Inc., which launched in 2007, uses its free online radio service as a loss-leader to draw in potential customers. It convinces about 10 to 15 percent of them to pay up to \$10 a month to choose songs and artists instead of hearing them more or less at random.

"There's no question it's a difficult business," says Jonathan Sasse, Slacker's senior vice president of marketing. The cost of marketing means the company is losing money, but that won't stop it from advertising to try to get bigger. "We'll continue to do that to invest in the growth of the company."

Songza is hoping that it can make money by learning what people say they're doing at certain moments of the day. Songza's "Music Concierge" service offers up playlists around themes like "unwinding after a long day," "working out," and "eating dinner." Those lifestyle clues could appeal to advertisers.

CEO Roman didn't specify how Songza will use the information to create a business. "It's the type of thing you can do if you package your product as a lifestyle enhancer," he said.

Songza clearly needs to attract more users. According to comScore Inc., Pandora's website alone racked up 1.2 billion listener hours in May, compared to 2 million for Songza.

"Scale solves a lot of problems," says Tim Komada, founder of the Menlo Park, Calif.-based venture capital firm, Deep Fork Capital, which is an early Songza investor. "Our No. 1 priority now is scale — gaining and retaining users."

Spotify broadens its personalized radio service to mobile devices. The digital music pie keeps getting cut into smaller slices, with the addition of Spotify to the growing listing of companies targeting mobile web radio listeners. The company is now offering an ad-supported online radio service to owners of Android smartphones, following a similar embrace of people who own Apple devices announced in June. Previously only subscribers could listen to Spotify on their smartphone. The move is seen as a way to jumpstart Spotify's U.S. user base which has grown slower than many had expected. The company reports it has 15 million active users worldwide and more than four million subscribers. That's an increase of one million subscribers since January. Spotify didn't disclose how many of those are in the U.S. Prior to its launch many felt it would pose a threat to Pandora, but so far there's been little impact on the top-ranked webcaster. The addition of streaming is part of a larger overhaul of Spotify's updated Android app, first rolled out in the spring. One of the new features is the addition of CBS' Last.fm scrobbling capabilities. Scrobbling a song means that when you listen to it, the name of the song is sent to Last.fm and added to a music profile. Similar to other streaming music services, Spotify's web radio product allows users to create personalized stations based on songs or artists. Users can also vote songs up or down using the same Echo Nest technology that Clear Channel's iHeartRadio app uses to develop a profile of a user's musical taste. Spotify allows subscribers who pay \$10 per month to access the web radio service commercial-free.

Curation meets customization in one of broadcast radio's first personalizable streams. A tastemaker triple A station has partnered with a web pureplay to create one of the first customizable broadcast radio streams. American Public Media's "The Current" KCMP — the Minneapolis non-comm that ranked top 5 in 25-54 for several months last year — is now available as a personalizable web stream on Slacker, including air personalities and features. A hybrid of lean-back curation and lean-forward customization, The Current On Slacker blurs the line between playlist and radio, combining the

broadcast station's hand-picked music and musically knowledgeable personalities with the customized experience of Slacker. "We're marrying their technology to our brand," says PD Jim McGuinn, who programmed commercial alternative stations in Philadelphia and St. Louis before joining KCMP in January 2009. "It kind of feels like a science class experiment but also an extension of our platform." The Current's Slacker stream mirrors the station's playlist but the songs don't play in the same order. And thanks to customization, one listener's Current sounds different from another's. "One of our attributes is that people like the job we do in curating but they also want to customize it," McGuinn says. "There is still some filtering or curation and, within that, people can influence the music." The station's music mix, which combines genres and eras in a cohesive way, isn't something an algorithm could spit out. That brand essence is reinforced by station personalities introducing a track a few times an hour; succinct Current features like "Musicheads Essentials," which spotlights seminal albums; and live performances recorded in the station's studios. KCMP will be able to glean new insights from listener data on what songs listeners "ban" from their customized streams and which songs, acts or types of music they favor. The station's local underwriting announcements are replaced in the Slacker stream by bona fide commercials, sold either by Slacker or the station in a revenue share arrangement

A week after Songza became the top iPhone music app, and the #2 overall iPhone app ([click here](#) for our 6/12 blog; note: Songza is currently still the top iPhone music app and #16 overall), Spotify announced that it will launch a free, ad-supported radio service on mobile devices later today. While Spotify has had a free radio product on the web, it was not terribly compelling because it was limited to use on computers, with no extension to mobile/tablet devices.

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"We feel like the radio experience of just hitting play, leaning back and not controlling exactly what plays is core to a great music experience," Charlie Hellman, Spotify VP of product, told *Bloomberg*. (COMMENT-EXACTLY WHAT WE'VE BEEN SAYING)

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Songza clearly needs to attract more users. According to comScore Inc., Pandora's website alone racked up 1.2 billion listener hours in May, compared to 2 million for Songza.

"Scale solves a lot of problems," says Tim Komada, founder of the Menlo Park, Calif.-based venture capital firm, Deep Fork Capital, which is an early Songza investor. "Our No. 1 priority now is scale — gaining and retaining users."

Extremely Important:

Consumers report higher awareness of audio commercials on broadcast radio than on Pandora. New data released by Bridge Ratings from a survey conducted in the first quarter 2012 finds a low perception of audio commercials among Pandora listeners compared to listeners of broadcast radio. The study also finds that perception of commercial messages on Pandora deteriorates over time — the longer a consumer has used Pandora, the less aware they are of its commercial messaging. The findings are based on a sample of 4,339

heavy Pandora listeners and 4,440 heavy broadcast radio listeners between January 3-March 15. Heavy listeners are defined as those who listen at least an hour a day. Bridge reports nine of ten broadcast radio listeners recalled hearing commercials during a typical listening session and that percentage remained consistent over time, regardless of how long the consumer has been a heavy radio listener. But percentages of Pandora listeners who reported hearing audio commercials during a typical listening session fell from 50% among consumers who had been listening to Pandora for three months or less to 28% for those who had been listening for seven-12 months to 20% among those listening for 19 months-two years. "These low perception scores may be linked to the presentation as well as both the length and hourly quantity of commercial messages that were evident during the time this study was fielded in the first quarter of 2012," Bridge Ratings president Dave Van Dyke says. "Nonetheless, as an environment that positively supports commercial messaging, broadcast radio has high scores for awareness of advertising." The study didn't look at recall of display or video advertising on Pandora or any advertising on broadcast radio streams.

5/12 Customizable radio, like the offerings from Slacker, iHeartRadio, Pandora and others, **is a "combination of art and science,"** members of the "Personalizable Radio" panel at RAIN Summit West explained. The discussion was one of the most popular and thought-provoking of the conference.

The "art and science" metaphor was first put forward by **Owen Grover**, SVP of iHeartRadio. On the one hand, there's the "science": data from companies like The Echo Nest and Rovi about what artists are similar to other artists, what vocalists sound the same, what guitar solos are related and so on.

But then there's the "art" of also taking into account the much more complicated "cultural" factors, explained Rovi Director of Architecture

& Innovation **Michael Papish**. That is, linking artists and songs that don't necessarily relate to one another scientifically, but that are tied together in popular culture. "There's a lot more going on than just saying 'these two songs sound alike, therefore we should play them together.' There's a lot more behind why humans like different types of music," said Papish.

Both Grover and Slacker CEO Jim Cady spoke to the power of having an emotional connection within the stream as well. **"There has to be humans behind it,"** said Cady. Slacker employs 75 programmers to give their streams that human touch. Otherwise, "there's a missing emotional connection." He says most users want that "lean-back," curated experience (as long as they can "lean-forward" when need be to customize the stream). Grover said Clear Channel has seen their Custom Radio service actually push new listeners to the traditional AM/FM streams (which are all curation and virtually no personalization).

Indeed, data about artist similarity can only take you so far, said Grover. **"You don't want to start making too big leaps of faith around data,"** he explained. **"A thumbs down on a Lady Gaga song doesn't necessarily tell you much of anything about that song, that listener, or Lady Gaga."** Perhaps the sequence of songs wasn't quite right, or the time of day had an impact, or the listener may have just heard the song 50 times already. More information is needed.

"We may have hit the wall in terms of what we can do with either thumbs up/down, or ratings," mused Papish. **"We need to figure out new, better ways of actually asking our listeners what they like."** That process is still on-going. "We are just getting started identifying the individual listener," said Lucchese. Papish shared that Rovi, for example, is looking for better ways to have the listener explicitly share preferences with music services. One idea is to use **gamification elements** to make sharing that information more fun and engaging.

Spotify: Spotify claims to have approximately three million subscribers, representing 20 percent of its overall users.

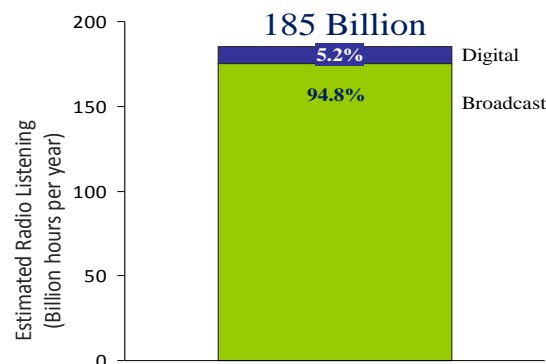
Although the company has proved that some consumers are willing to pay for content, the majority of consumers still want and expect to get free access to their favorite music.

Additionally, by making mobile part of the subscriber-only features, the company could be missing out an opportunity to win more users over, according to some mobile experts. Also has no apps for tablets.

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Digital Is Still Growing, But Broadcast Radio Listening Is By Far Dominant

**Broadcast vs. Digital: Total Listening Hours
(Jan-Dec 2011)**



Digital Is “In Addition To” Not “Instead Of” Broadcast Radio...

*Source: Broadcast uses RADAR 112 March 2012 (January 6, 2011 to December 7, 2011)

**Source: Digital based on Triton Digital Releases Monthly Internet Audio Top 20 Rankers Jan 2011 – Dec 2011

KATZ | RADIO GROUP
[SOLUTIONS]

Music Satisfaction: P1 Station vs. Streaming Service

Rated on a 1-10 scale

	Total	Heavy Radio	Weekly Streamers	Pandora Users
P1 Station	8.28	8.52	8.32	8.13
Streaming Service *	8.34	8.55	8.83	8.54

** Respondent's most-used non-radio music streaming service*

Further fragmentation predicted for online radio. Web radio executives predict a lot more competition is coming. “There’s a huge flood of music services coming to the web,” SoundCloud VP David Haynes predicts. “It’s now technically possible to build Pandora in 24-hours,” Haynes says. “And the kid who 20 years ago used to spend time in his bedroom listening to records isn’t going to spend that time in a record shop, he’s building the next Pandora, and it doesn’t cost anything.” As internet radio splinters, Slacker national advertising director Elgin Kim thinks listeners will look for something that broadcast radio has long provided: **curation (Slacker’s CEO Kady has often said the same thing)**. While paid Slacker subscribers are able to use a music download option, the webcaster has found that 85% of its paid customers already listen to some curated streaming radio. **“They want the lean-back experience and just be entertained,” Kim says.**

The importance of ease, simplicity and curation:

Many who utilize addressable music services stop evolving their playlists.

Becomes too much of a hassle. Many, quite simply, realize they don't have time nor inclination to program their own daily soundtrack.

Not everyone wants be their own program director. Many people, including young people, simply choose to listen to what is **filtered** by others and made available to them.

Many people are busy and aren't THAT much into music

We must also keep in mind having access to a technology doesn't mean that everyone will use it. There are a lot of bells and whistles on devices that we currently own that we rarely or never use.

Pittman: listeners less tolerant of commercials on custom web radio: Pittman provided a defense for why broadcast radio remains relevant. Web radio listening is a “solitary experience” he said, contrasting it to the social experiences of broadcast radio programming chock full of gossip, time and temperature and air personality chatter. “They’re two radically different experiences,” Pittman said. It's why he believes consumers won't be as tolerant of attempts by web audio services to increase their commercial loads. “When I'm in my own world I have got that cone of silence over me, the last thing I expect to hear is a commercial,” he explains. “On radio, a commercial is part of checking in with the outside world — which is why consumers tolerate commercials, and in many cases value them as important information

David Field: Pandora has a fundamental business issue to deal with. They need to either figure out a way to dramatically increase their commercial load – and guess what? People don't listen to Pandora to hear commercials, because it's not radio and they're not used to it. It's a music playlist service and they don't want commercial on their

iPods, they don't want commercials on their CD players and they're not going to want commercials on Pandora and Slacker and so forth."

"So our view is that if they increase the commercial load to make themselves more commercially viable they then will have the problem with their listener appeal.

A 2011 study from Orpheus Media Research found that 54% use music recommendation tools, with 40% utilizing them on a daily or at least weekly basis. However, the accuracy of such tools was criticized. 40% said such services were accurate 50% of the time or less, and many complained about the amount of time one had to invest to make use of them. (Note how many times you end up thumbing up or down on Pandora in spite of their Genome methodology.)

However, the search for information about music discovery showed Radio to be king. Here are two findings from the Orpheus study:

- 57% of the respondents indicated that they most often relied on radio or word of mouth to learn about new music; 14% indicated that they relied on mainstream media

- and 82% identified radio as the greatest single influence of their music listening!

The following is an interesting perspective from Slacker's CEO, Jim Cady re curation:

"We would agree that Pandora is primarily a playlist generator, where you put in a song or artist and their algorithms produce a playlist that matches that criteria. Our programming approach, radio practices, content offering and general philosophy is built very closely to that of broadcast radio (Spotify's CEO Daniel Ek said the same thing above) and we believe that is a considerable benefit over the playlists that Pandora and others lean on for discovery. **It is very difficult to beat a well programmed radio station.**

Questioning a Pure Play ad supported business model

Adam Klein/Columbia University Journalism School

"Ad-supported is unsustainable. That I say very assertively. I'm an adjunct professor up at Columbia Journalism School and I teach about the business models of media. No one can show me an ad-only supported business model in the digital space that's sustainable by itself.

If you think about the digital environment, there is an infinite amount of advertising inventory available. Economics 101. In a world of infinite inventory, prices will come down. And that's what has happened. Unless you have other sources of revenue, that's not sustainable." He might not be wrong. Pandora's and other pureplay music rights will continue to rise thru 2015.

Substitute "FM" for "SiriusXM" below for the other 280 million people who don't subscribe to satellite radio. Mark Ramsey wrote:

Okay, so I have weird tastes. I'm the guy whose favorite dishes in restaurants are discontinued for lack of interest. And my music tastes are just as irregular.

But thanks to the Internet you can find anything nowadays, and thanks to personalized radio services you can create what you want out of nothing if you so desire.

It so happens that there's a channel on SiriusXM that gets close enough to one thread of my weird tastes. Also, I created my own version on one of the personalized radio services. And here's what I discovered:

The SiriusXM version is better. The one that is programmed, "curated," if you will. The one that offers you no choices and no skips.

On my personalized service I'm plugging away, adding all the artists which form the core of the SiriusXM channel into my own custom-created channel, and the mix doesn't even come close. And it's a lot of work, tweaking your own channel. I like this, I don't like that. What makes you think I'd like that just because I like this? On and on the tweaking goes, and what I'm left with is still a psychotic version of my SiriusXM channel that seems to be continuously off its meds.

Granted, at least I can skip songs I don't want on the personalized radio services. How I wish I could do that on SiriusXM (especially the streaming version, for which such magic is only a license fee and a user surcharge away; C'mon, SiriusXM).

But here's the thing: Personalization is very valuable but it comes at a cost. Because personalization is fundamentally an exercise in hacking.

Hacking is familiar to anyone who grew up with video games or anyone who writes code (or works with a code-writer). The widget is released into the wild "vaguely right" with tons of "bugs" that need to be swatted away. In personalized radio those "bugs" are every song that's off-center or otherwise not to your liking. And a "skip" or a "thumb down" is our way of swatting away the bugs. This takes time and effort, something you may not be looking for when, say, you just want to hear some good music.

So it seems impossible for me to create a better version of the SiriusXM channel I like unless I embrace the challenge with all the fervor of a second job.

Of course, as I have said before, personalization on these services is an *option*, not a *requirement*. You can do as much or as little as you want.

And the less you do, the more the channel resembles the thing that booms out from every home, work, and car...

...the radio.

Radio vs. Online Pureplays

- Radio is on in every car
 - *Broadcast Radio connects with listeners as they drive from point A to point B – key to retail advertisers*
- Radio's multi-platforms provide variety
 - *Blogs, podcasts, streams, texting, video, social networking, voting, etc*
- Radio has personality and engagement
 - *Personalities and teams matter to listeners*
- Radio offers dynamic targeting
 - *Ads aren't just based on zip codes but audience communities, music taste and cults*
- Pureplays are not in cars
 - *It will take the Pureplays years, if ever, to reach penetration levels in cars similar to broadcast Radio*
- Pureplays are
 - *An internet service only*
 - *Automated based on preferences*
 - *Has no DJs to engage with listeners and*
 - *Currently has no local staff*

Spotify: An interesting business model:

Those users are at least theoretically monetized through advertising, but with the ad rates Spotify can get online, there's no way it can succeed in building a healthy enough ad business to support all that free content with the hefty royalties it pays. **That means Spotify is looking at 75 percent of its customer base as loss leaders. And its executives** say that's the plan. Welcome to Internet economics.

Spotify's model depends entirely upon converting free users to paid ones. It loses money on the ad-supported side of its business," said independent digital media analyst Mark Mulligan. "It's a marketing tool. The bottom line is everything they're doing on the ad side is about widening the funnel for new paid subscribers." Right now, that's one expensive proposition. Prior to its launch in the U.S. market, Spotify lost some \$42 million in 2010. While it's clearly attracting droves of users, plenty of people doubt that it can turn the corner, at least with the hefty fees it must pay to labels.

Still, Spotify seems to want to at least try to attract advertisers. After all, it recruited former Google and AOL sales chief Jeff Levick to helm its ad efforts. Levick wouldn't make any promises about ad sales even breaking even for Spotify. In fact, he thinks it's OK if Spotify loses money on many of its customers