

Jukebox With Hit Potential

Free Online Service Fine-Tunes Music to Listener's Tastes

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Some of my favorite radio stations don't have DJs. But they do include some other features not found on FM: a button to pause playback, another to skip to the next song and, most important, a playlist I can customize.

Free, interactive music sites like Pandora and Last.fm are a hybrid of radio station and jukebox. They provide a selection of streaming music to match your tastes, but they don't let you. At their best, these sites give both the comfort of familiarity and the thrill of discovery.

Perhaps as a result, the music industry can't figure out what to do with them. Should they be treated as a substitute for a record collection or as a promotional tool that helps expand those libraries?

So far, the business has leaned toward the first idea. It has secured a dramatic increase in the royalties Web sites pay to musicians and record labels, effective as of July 15.

But that increase is a mistake, a rush to judgment that first needs an answer to a larger question: Is music something people consume or something they keep?

Listening to these sites day to day doesn't necessarily provide a simple answer to that query. You start at each by creating a profile, then telling the site which artists or genres you like.

At Pandora (<http://pandora.com>), for example, you customize a radio station by naming an artist you like. The [Oakland, Calif.](#) site then serves up music with similar traits, which you can approve or reject by clicking thumbs-up and thumbs-down buttons. You can also skip to the next song up to six times an hour.

Last.fm (<http://last.fm>), a [CBS](#) subsidiary with headquarters in [London](#), uses a different tactic to figure out what you like. The site asks you to download a small program that hooks into [iTunes](#) and other music software, analyzing your collection and figuring out which artists would fit. As at Pandora, you can approve or ban a track from your station.

Both sites incorporate some social networking: You can listen to friends' stations, not just your own.

Put in enough time at these places, and you probably will find yourself discovering new artists.

But these sites tend to deepen tastes without broadening them. They excel at filling in blanks in a music library -- you like Yo La Tengo, so you should enjoy the Dismemberment Plan -- but often don't steer you to new genres.

Ideally, an interactive-music site would get a little closer to an older method of music discovery: A friend hands you a strange CD and says "you should check this out."

A newer site, Musiccovery (<http://musiccovery.com>) of [Paris](#), tries to offer more of that serendipity by inviting users to pick music by such criteria as genre, tempo, date and mood instead of naming specific artists, which can result in it segueing from a West Coast R&B band to a folk-rock group from [Algeria](#).

You might expect such a wealth of new music to come at a price, but these sites are free. They rely on advertising and affiliated links to online music stores. Some also offer subscription services with additional customization options or better sound quality.

But if the royalty rates recently set in the United States remain intact, rates that hit \$500 per listener per year by some estimates, some of these sites say they can't carry on.

"We are paying the new rates," Pandora founder [Tim Westergren](#) said Monday. "But we are only continuing because we do have some hope that this is going to get resolved in a rational way."

Pandora, like other Web music services, doesn't object to paying labels and artists for the use of their work, even though AM and FM stations are exempt from that requirement. They instead complain about the level of these fees, which exceed what some non-Web-based digital-music services pay.

Last.fm, however, says it can live with higher rates because of the online-community aspects of its business that don't incur royalty payments. "If one part of the platform takes a hit, we'll look to absorb it and adapt as necessary, as we grow the social network as a whole," spokesman Christian Ward said in an e-mail Wednesday.

These steeper fees make little sense, however, if these sites can't ever replace a music library.

Today, most people have no easy, cheap way to listen to these sites away from a desk. But imagine if fast, reliable, cheap Internet bandwidth were available everywhere. (Set aside, for a moment, the steep odds against that happening.) Would a site like this become the functional equivalent of an [iPod](#) loaded with all your music and set on shuffle?

That's the contention of John Simpson, president of SoundExchange, a nonprofit organization that collects the royalties. "I think we are in a fundamental sea change in the music industry, where the need to own is diminishing, provided that you have access to the kind of music you want to hear," he said Tuesday.

Could that be so? Look at your own music player to find out. When's the last time you set it to play a specific artist, instead of letting it pick music randomly? How often do you listen to an album from start to finish? How soon will you need to hear a favorite song *now*?