

## PERSONAL TECHNOLOGY

# Pandora.com aims to broaden horizons, spur online sales

## Super Songs

BY RODNEY HO  
Cox News Service

Sue Baldauff, a 35-year-old computer programmer and mother of two, was in a musical rut. Her iPod collection was feeling stale. She no longer had the time to go to small clubs to check out up-and-coming acts and FM radio seemed repetitive and dull.

But 18 months ago, a friend introduced her to a Web site called Pandora.com that broadened her shrinking musical horizons by creating "radio stations" attuned to her specific tastes. Acts she never would have known about — singer-songwriter Brandi Carlile, folk singer Patti Hitten, country-folkster Mindy Smith — are now on her radar.

"This really has been an excellent tool to expose me to new artists," said Baldauff, who says she now listens to Pandora online at work for at least 15 hours a week.

Since 2005, 6 million people have signed on to Pandora, an Oakland, Calif.-based startup that uses a unique methodology called "The Music Genome Project."

Consumers pick a song or artist on Pandora's Web site, which will immediately start playing a personalized radio station for you, sifting through more than 500,000 songs in the library for the tunes most

similar to the ones you already like.

For instance, type in Beyoncé's recent No. 1 hit "Irreplaceable" and similar-sounding tunes by the Spice Girls, JoJo and Keyshia Cole pop up, along with lesser-known pop songs by Michelle McManus (a U.K. "Pop Idol" winner from 2003) and Holly Valance, an Australian singer.

To achieve this type of specificity, 50 musicians on Pandora's payroll break apart each song's DNA into 400 potential characteristics.

Take "Hotel California" by the Eagles. The Web site breaks the classic song into key components such as "mellow rock instrumentation," "reggae influences," "a subtle use of vocal harmony" and "a political satire lyric."

To help "train" your radio station to your tastes, you can provide a thumbs up or thumbs down designation to each song.

If you like it, you can link to Amazon.com or iTunes and buy it (Pandora gets a commission in the ballpark of 5 percent) or bookmark the song or artist for future reference. There are also bios of many of the acts.

If you give it a "thumbs down," Pandora will skip the song and never play it again.

Denny Caldwell, a 26-year-old Atlanta software developer, likes how Pandora works and now listens to it more



LIBBY VOLGYES / COX NEWS SERVICE

Looking for new music? An innovative Web site tailors song lists to your tastes based on a musical methodology called "The Music Genome Project."

than MP3s or even his XM satellite radio. Thanks to Pandora, he learned about the indie rock group Spoon before he heard them on the radio.

One downside: To adhere to licensing limitations, Pandora users can delete only six songs an hour and can't request a specific song.

"The skip limitation is a big disincentive for me because I like to be in control of my music," said Mike Genovese, a 31-year-old Georgia Tech grad student who has 6,000 songs on his iPod.

Pandora, named after the insatiably curious Greek mythological figure, doesn't care if you hate Barry Manilow or Hootie & the Blowfish. If you happen to like songs by artists with similar attributes, they might just show up — at least at first.

"Pandora is blind," said founder Tim Westergren during a town hall meeting last month at Defoor Centre, a banquet center and arts facility in Atlanta, that drew a diverse group of more than 150

According to a recent internal study done by Pandora, 40 percent of users say they are purchasing more music as a result of the service.

Internet radio listening has grown steadily in the past decade. According to a study by Glendale, Calif., research firm Bridge Ratings, 21 percent of the U.S. population ages 12 and older listened to Internet radio at least once a month in 2006, up from 15 percent in 2005.

Webcasters could be threatened by new royalty rates recently set by the U.S. Copyright Office's Copyright Royalty Board. The rates are so high, they would effectively put Pandora out of business, Westergren said.

Kurt Hanson, who runs the online publication Radio and Internet Newsletter and has his own radio-streaming operation, said he pays \$48,000, or 12 percent, of his 2006 revenue to SoundExchange, a nonprofit group representing artists and labels and commissioned by the U.S.



PANDORA.COM

Type your favorite artist, and the site streams songs from that artist and others in the same vein. You can rate songs and link to Amazon.com or iTunes to buy them.

fans, from computer geeks to hipsters to a 60-year-old gospel singer. "It doesn't get the joke. It thinks Celine Dion is cool."

Pandora isn't alone trying to customize people's musical preferences. Last.fm picks through a person's existing iTunes collection (which it calls "scrobbling") and uses that information to suggest new artists or seek out others with similar tastes. Musicoverly.com offers a grid in which you pick songs from a combination of 18 different genres that fit your mood, from dark to bright, downbeat to upbeat.

Westergren said Pandora sifts through 40,000 to 50,000 submissions a month and adds about 15,000 songs onto the company's playlist.

Ultimately, he hopes exposure on Pandora will help smaller musical acts.

Westergren said he's thrilled to see Pandora fans rediscovering the joy of buying music, which is way down this year. (CD sales are off 20 percent year over year, and legal downloading has not fully closed the gap.)

Copyright office to collect royalties. He estimates the new rates, which are retroactive to 2006, would cause his royalty bill to skyrocket to \$600,000, 50 percent more than his total revenue.

Hanson said he expects trade groups representing Webcasters will appeal to the U.S. Court of Appeals, delaying the rate increases. And perhaps Congress could intervene. Recently, in the face of vehement protests, the royalty board agreed to a new hearing to review the decision.

Willem Dicke, a spokesman for SoundExchange, said the group isn't trying to kill off the likes of Pandora.

"I use Pandora myself," he said. "I think Pandora is great. I wouldn't want to see them go out of business."

If Pandora can get past this hurdle, the company hopes eventually to make its service available on portable music devices and in cars, where plenty of music listening occurs but Webcasters can't easily access. ■

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