

Digital music service Spotify launches in US

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Digital music service Spotify arrived in the United States on Thursday, aiming its addictive, free song service at American listeners in the hope that they will then pay for more features, just as nearly 2 million have done in Europe.

Spotify gives people access to more than 15 million songs on computers for free as long as they listen to a few 15-second ads. It then tries to persuade them to pay \$5 a month for a computer-only version that strips out the ads, or \$10 a month for one that can be used on mobile devices including iPhones and Android-powered devices.

"The key is to get them invested in the experience," Ken Parks, chief content officer and managing director of Spotify North America, said in an interview. "You spend 1,000 hours in an experience like Spotify building playlists, it sort of becomes part of your life."

"Suddenly the question about whether you pay the equivalent of two or three fancy coffees a month to take that collection on your mobile device becomes a much easier question to answer," he said.

The Swedish company has more than 10 million registered users and 1.6 million paying customers in the United Kingdom, Sweden, Finland, Norway, France, the Netherlands and Spain. It added the United States as its eighth market on Thursday as it launched for invited users in a test period.

Spotify is the latest in an array of companies to offer a subscription music plan with the cooperation of the major music labels. The competing plans include Rhapsody, MOG and Rdio. All offer a \$10-a-month plan that allows for unlimited listening to millions of songs and the ability to save songs on phones for playback when outside of cellphone range.

So far, such plans have not been popular enough to reverse a decade-long slide in music sales, which has been mainly caused by piracy.

Last year, revenue from paid subscription plans fell 5 percent from a year earlier to \$201 million, even though the number of subscribers grew about 25 percent to 1.5 million, according to the Recording Industry Association of America. Including CD sales, downloads and other forms of music, the value of U.S. music shipments fell 11 percent to \$6.85 billion, the RIAA said.

The most popular of the subscription services, Rhapsody, has more than 800,000 paying subscribers.

But none of the existing plans have what Spotify offers: an enticing free service that offers a huge chunk of listening and gets consumers to bond with its interface.

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Others have trial services that last from a few days to a week.

Pandora, a popular Internet radio service, allows for unlimited free listening to songs with audio ads, but it doesn't allow users to pick specific tracks and its library of songs is far smaller.

On Spotify, European users are allowed to listen for free for 20 hours a month for the first six months, after which their free listening is capped at 10 hours a month with a limit of five plays per song.

Spotify said it will study how U.S. users adopt the service before it decides on free usage caps here.

Parks boasted that the application offered "instantaneous" access to songs with no data buffering. In a brief test of the computer-only application, song plays were extremely snappy.

The program also quickly dug through a user's existing iTunes program to find playlists and identify purchased music and favorites. The interface resembled Apple Inc.'s iTunes program but with less clutter.

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AP Technology Writer Joelle Tessler in Washington contributed to this report.

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