

Cars the next frontier for Pandora

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PANDORA

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Pandora founder Tim Westergren, in an interview with AFP at the [Consumer Electronics Show](#) here, said over 200 devices now feature Pandora including mobile phones, tablets like Apple's [iPad](#), Amazon's Kindle e-reader and even Blu-ray players.

Cars -- and Internet radio listeners outside the United States -- are the next frontier for the Oakland, California-based company which creates personalized [radio stations](#) for users based on their favorite artists or songs.

US automaker Ford began integrating Pandora into selected models last year and other [car makers](#) have followed suit.

"There's Ford but there's also GM, BMW, Mercedes Benz," Westergren said. "About 50 percent of the time people spend listening to radio is in their car so we've got to be there."

Westergren said he first listened to Pandora while driving a year ago.

"I was in my car and I attached my [iPhone](#) with Pandora to the dashboard," he said. "I was listening and I'd forgotten it was Pandora and after about 15 or 20 minutes on the road I said to myself 'Wow, the radio knows me!'"

"It's amazing to be in a car and to have a personalized experience," he said. "It made me understand that in the car we're used to something that doesn't know us, that's not personalized."

That personalization is the secret to Pandora's success, said Westergren, who now serves as chief strategy officer for the Oakland, California-based company.

"I think a lot of people don't find traditional radio satisfying because there's a single [playlist](#) that you can't control," he said. "They want a bigger selection."

"And people love music," he added. "We launched Pandora five years ago and it took off like a rocket without any advertising, just word of mouth."

Westergren said Pandora now has more than 75 million users but only a "very small" number are subscribers who pay for unlimited music listening beyond the 40 hours a month that users get for free.

"We think the future is free," he said. "Subscription is always going to be a niche. Advertising has historically supported radio."

Westergren declined to discuss whether Pandora was profitable or not and said "that's not the most important thing for us right now."

"The important thing is growth," he said. "We're concentrating on that."

As to when [Pandora](#) will achieve its goal of offering the service "everywhere," Westergren is reluctant to set a timetable.

"Eventually," he said. "We don't know when."

"It depends on the music labels," he said. "In the United States, there's a central license which gives us permission to play anything without having to negotiate with each individual artist."

"This license doesn't exist elsewhere," he said. "There's something like it in England but it's too expensive."

Westergren said Pandora's biggest competition in the United States is traditional AM-FM radio, which accounts for 90 percent of radio listening hours, and not paid music services.

"They're not really radio but music on demand," he said of services such as Apple's iTunes, Rhapsody and Napster.

"For the average American, 80 percent of their music listening hours are radio and only 20 percent is music that they buy or get with a subscription," he said. "They're very different spaces."

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