Spotify offers free Internet radio in US

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The option to create free music channels based on artists or genres will be added in coming days as an update to the Spotify program in Apple's online App Store.

"Our focus has always been on creating an amazing user experience," Spotify vice president of product Charlie Hellman said in a release.

"The radio feature we've added to our iPhone and iPad apps gives users the ability to discover, listen and save what they like on the go -- all

within one app -- for free."

Internet music darling Spotify has been trying to win fans away from Pandora, a popular service based in the California city of Oakland across the bay from San Francisco.

Pandora reports having about 150 million users compared to the 10 million or so people who have signed up at Spotify. Both companies offer ad-free subscription services but approximately two-thirds of listeners opt not to pay.

Spotify's list of advertisers included Chevrolet, Heineken, Warner Brothers, McDonalds, Macy's, and Jim Beam.

Spotify, a privately held firm which was launched in Sweden in 2008, boasts a library of more than 16 million songs.

The music streaming service is available in a dozen countries in Europe and launched in the United States in July of last year.

Spotify offers a $9.99 a month plan allowing subscribers to download as many songs as they want to a mobile phone.

The Spotify move served as an endorsement of the Pandora model and the lifestyle shift to enjoying music on Internet-linked smartphones or tablets, the 12-year-old Oakland-based company said in response to an AFP inquiry.

"Competition moving into the Internet radio continues to validate that this is a meaningful listener experience," said Pandora chief financial officer Steve Cakebread.

"Competition is not new to Pandora, it simply steps up the game."

Apple, Amazon and Google have launched services that let people listen to music streamed from the Internet "cloud" to devices of choice. Competing services in the space include last.fm and relaunched iHeart Radio.

"It's great for Internet broadcast," Cakebread said. "The (traditional) broadcast folks have challenges in terms of how they are going to keep their listening audiences."

Pandora in May reported that its loss widened in the past quarter but investors welcomed news of a jump in revenue.

Total revenues rose 58 percent year-over-year to $80.8 million, and the number of active users increased 53 percent to 51.9 million in the quarter ended April 30.

Chief executive Joe Kennedy said in an earnings call that consumers "continue to embrace Pandora's unparalleled personalized radio experience at an extraordinary rate, propelling Pandora's market leadership to an all-time record share of 5.95 percent of total US radio listening."

Pandora went public last year. The company's stock dropped 1.6 percent to $11.29 after the Spotify announcement.

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