

Pandora founder isn't worried about competition, even from Apple

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Online music service Pandora isn't sweating over recent media reports that Apple is developing a similar offering tailored to personalized music tastes.

In an interview with [USA Today](#) at the Public Relations Society of America conference here earlier this week, [Pandora](#) founder and Chief Strategy Officer Tim Westergren said Apple would provide "some serious competition ... but we haven't lacked for competition."

Apple declined comment on its plans.

In 2011, Clear Channel, the nation's largest [broadcaster](#), relaunched iHeartRadio as a personalized [music service](#), but Pandora hasn't felt the heat in its user base.

"Our growth wasn't slowed," said Westergren. At the time of Clear Channel's big push, Pandora had 100 million listeners. Now it has more than 160 million.

Westergren created Pandora in 2000, based on the idea that computers could analyze songs to create [radio stations](#) based on listeners' tastes. It has not turned a profit since its [initial public offering](#) in June 2011. Pandora pays royalties to musicians and [record labels](#) and in turn makes money from advertising.

"The fact that large companies are turning toward our space means we're

doing something right," Westergren said. "What we do is incredibly hard. For 12 years we've had trained musicians come in, slip on headphones and manually analyze over 1 million songs. We have 18 billion pieces of 'thumbs' feedback rolled into that. Hopefully we make it look easy for the listener, but the technology behind creating a playlist is incredibly complex."

Pandora listeners fine-tune their music stream by clicking a "thumbs up" button on a song.

The Pandora founder said the best defense against competition is to continually focus on making the product.

"Listeners will gravitate to the service that plays the best songs for them. It's winner-takes-all."

Microsoft is the latest entry in the field with a new [streaming music](#) initiative under the umbrella of Xbox Music. Coinciding with the launch next week of its Windows 8 operating system, the service will be free on Windows 8 PCs and tablets. There is also a subscription service and music store.

Pandora shares have been up and down in the past year in a range from just under \$8 to around \$16. In recent trading, the stock has hovered at around \$9.

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