

Clear Channel to delay inserting ads into iHeart

28 March 2012, By RYAN NAKASHIMA , AP Business Writer

(AP) -- Clear Channel CEO Bob Pittman says that the radio company will keep part of its iHeart Radio online service ad-free for at least a few more months, explaining that a consumer backlash against ads on Pandora Media Inc.'s competing service serves as a "cautionary tale."

Pittman told The Associated Press that negative listener reaction to Pandora's in-stream ads has convinced Clear Channel that they are disruptive and annoying.

"There are a lot of [negative comments](#) about in-stream ads," Pittman said in an interview.

"When you're in your music collection, you want to escape from the world. It's a completely different experience" from [traditional radio](#), he said.

In November, Clear Channel said iHeart Radio would be free of ads through April 1, but Pittman said this week that the company would push back the introduction of ads in the custom section of its music [streaming service](#) until it figures out a way to make them more "compatible" with the user experience.

[Twitter](#) is abuzz with comments from people who detest the ads on Pandora. Some tweeters described the ads as mood-killers that made them want to stop listening.

Pandora declined to comment.

Since its debut as a public company in June, Pandora has been under pressure to boost the revenue it gets from ads. The company's ad revenue doubled in the year through January and pared its losses, but its stock was trading just above \$10 on Wednesday, nearly 38 percent below its \$16 IPO price.

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