

Radio wave

The Internet has more mainstream stations these days, and more listeners

By Jonathan Sidener
UNION-TRIBUNE STAFF WRITER

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For years, fans of Gregorian chant, techno-trance and Latin punk have gotten their esoteric fixes from Internet radio.

With a worldwide audience to draw from, Internet radio became known for a diverse array of niche broadcasts of little-known music and talk-show topics such as the paranormal, UFOs and conspiracy-theory politics.

While broadcast Web sites still offer streaming audio from fringe genres, the face of Internet radio is changing as listeners with more popular tastes log on.



"Internet radio is coming into its own," said Raghav Gupta, chief operating officer of Live365, one of the top five largest streaming-audio sites.

"It's no longer just early adopters. It's a fairly wide swath of the Internet population. When we launched in 1999, the most popular genres were electronic and trance. Now it's Top 40, rock, pop."

Internet broadcasters offer a variety of programming. Some provide free content, supported by advertising. Some require subscriptions in exchange for ad-free content.

Others sell audio software and offer listeners a chance to buy the music they are listening to. Because of the large size of digital audio files, Internet radio works best with a high-speed Internet connection.

Internet radio broadcasters range in size, in terms of the numbers of stations they run, and type, making it hard to count how many are online.

Some assemble stations into a single site, such as Live365, which says it has thousands of stations around the world. Others are small, independent Webcasters offering a single station or a single show.

San Diego-based World Talk Radio, for example, offers 12 to 15 hours of talk show programming a day, seven days a week.

Like many ideas from the dot-com era, Internet radio did not immediately live up to the hype of early forecasts.

But after years of modest growth, the field is poised to make the transition from novelty to mass medium, according to media research firm Arbitron Inc., which has tracked Internet radio for six years.

Online radio and video broadcasting has had a growth spurt in recent months, Arbitron says. Streaming Internet audio and video is emerging today in the same way FM radio did in the 1970s and cable television did in the 1980s, according to a recent Arbitron study.

The firm found that 30 million Americans tuned into Internet broadcasts each week in January, the latest period studied. Overall, 108 million Americans ages 12 and older have tuned into an Internet broadcast at least once.

While Internet radio is a popular workplace pastime, it is increasingly becoming an activity linked to online shopping. Arbitron found that 42 percent of Internet radio listeners, or "streamies," have listened while shopping or researching purchases online.

The growing popularity of online radio is tied to two other trends: the continued increase in high-speed, or "broadband," Internet connections at home and work, and consumers' increasing familiarity with digital music.

"In the past couple of years, people have heard a lot about MP3s and then iPods," said Live365's Gupta.

"Consumers are used to digital music technology. By extension, they're familiar with Internet radio."

At San Diego-based Musicmatch, another of the top five Internet radio broadcasters, the number of listeners has doubled over the past year. The company says it now has 1.7 million listeners tune in at least once a month.

The shift to digital entertainment both helps and hinders Internet radio, said Chris Allen, Musicmatch vice president. As consumers have become more comfortable and familiar with digital music, Internet radio is no longer a foreign concept.

"Consumers have stored their MP3s on their computers," Allen said. Many now think of computers as digital music devices.

"Internet radio lets them have all their music in one place," he said.

At the same time, Allen said, computers, video games and DVDs compete with Internet radio.

Competition also is coming from satellite radio companies such as XM and Sirius, which now allow subscribers to listen in their homes as well as in their cars. Cable and satellite TV services also provide dozens of digital music channels.

Like Live365, Musicmatch is seeing some shift toward mainstream music, but that doesn't mean Internet radio will become an online clone of the FM airwaves, Allen said.

"There will always be more and more eclectic offerings available," he said. "Mainstream listeners will be able to customize their radio in ways traditional radio can't offer. Someone who likes Van Halen can set up their radio so it streams only Van Halen."

While the number of Internet listeners is growing, the success of the medium will be determined by whether it's profitable, said Jupiter Research analyst David Card.

It remains to be seen whether national-brand companies will embrace the medium with their advertising dollars, Card said.

"From the beginning, Internet radio has seemed to have a lot of potential," he said. "The core audience is people listening at work. Think of the potential of being able to deliver ads to people at work."

Radio Shack, for example, has begun a campaign with the top four or five broadcasters. But it is too early to say that advertisers are backing online broadcasts, the analyst said.

"Internet radio has never really blossomed," Card said. "It's increased a little, but it's never turned into a real medium.

"It still has some interesting potential."

■ Jonathan Sidener: (619) 293-1239; jonathan.sidener@uniontrib.com

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