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Web Data: The New Tool

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BY SCOTT BANERJEE

SAN FRANCISCO—With their vast audiences, Internet radio giants Yahoo Launch and AOL Music have begun to generate data on song and artist popularity that is helping labels anticipate demand for their releases.

The user data includes rankings of streamed music and video, artist searches and song skips, as well as real-time ratings of individual songs.

At the labels, the information—which, for now, is provided free by the sites—is

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finding its place among an existing array of research tools that includes radio call-out results and sales and air-play reports from Nielsen SoundScan and Nielsen Broadcast Data Systems.

Jeremy Welt, VP of new media at Warner Bros. Records, says that using Internet radio data to get early reads on releases has become a regular part of his label's business.

"We build a story based on real-time

user data," Welt says. "Even if we're not getting huge spins [at radio], we might be getting high rankings and we'll say, 'Hey, it's working—let's bump it up.'"

GETTING THE JUMP ON JOJO

David Ellner, CFO of Universal Music Group, witnessed the value of Internet data in June. Activity reported by Yahoo and AOL foretold great demand for Universal pop/R&B artist JoJo, whose self-titled debut album entered The Billboard 200 at No. 4, selling 95,000 copies in its first week.

Six weeks earlier, Yahoo Launch sent Ellner a "Music Buzz" report predicting JoJo stood a "great shot" of debut-

ing in the top 3.

At Launch, the signs were clear. JoJo shot into the site's top 10 streams list in May and eventually held at No. 1 for three months. Her volume of artist searches far outpaced other acts at a similar stage in their careers, and community message boards were buzzing with fan chatter.

Similarly, on AOL, JoJo searches increased by 117% from May to June, and she had the No. 1 video on AOL's streaming list by late May. JoJo's installment of AOL's "Full CD Listening Party" in June was streamed more than 300,000 times in three days, according to the channel, and remains one of its

most successful listening events to date.

"JoJo had huge radio and video play on AOL and Yahoo, but normal indicators such as call-out research weren't really telling us how big the record was," Ellner says.

After JoJo's No. 4 chart debut, retail reorderers were "substantially" higher than anticipated, forcing UMG to nearly double its shipments.

"Now, when we see a record in the top 10 at AOL and Yahoo, you can be sure we won't undership," Ellner says.

Yahoo, AOL and MusicMatch, the top legitimate music destinations on the Web, have 12.9 million, 10.4 mil-

lion and 9.8 million visitors per month, respectively, according to Nielsen NetRatings.

LARGE SAMPLE SNAPSHOTS

In addition to streaming and search rankings, Yahoo and Launch provide labels with song ratings from their vast pools of users.

"The kind of numbers you get on any snapshot is so much bigger than

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average panel or call-out research," says Ted Mico, VP of new media at Capitol Records. "And it's surely more accurate because of the sample size."

At Launch, tracks in the "lightest of light rotation" are gathering 1,500-2,000 user ratings a week, according to Jay Frank, head of label relations at Launch.

In contrast, call-out research generally requires a sample size of only 100 to be deemed valid. However, the panels used for call-out have the advantage of being prescreened by

professional researchers.

Still, Frank says Launch data can predict if "a song is going to be a hit, a dud, a turntable hit or something that hits a key demographic."

"We know the age group and where they live and if they're in a demographic more likely to purchase the record," Frank says. "We might be finding that there's a song that has extraordinary ratings, but it's all pre-teens who don't have enough money to buy a record."

As far as the other big streaming sites are concerned, neither MusicMatch—which was recently acquired by Yahoo—nor Real Networks share their user data with labels.

But another site, live365.com, is communicating information to labels about spins, user ratings and retail purchases at linked sites, according to director of business development David Porter.

Of course, the Web data—which is

culled from anonymous users—is not without its flaws.

Sean Ross, VP of music and programming for Edison Media Research, says there are noticeable differences between the company's Internet and phone call-out results.

"The people who participate in online research tend to be new-music oriented and bigger fans of certain types of genres like alternative and punk," Ross says.

Bob Olweiler, senior VP of business development for MusicMatch, acknowledges that Internet listeners tend to rate only the music in which they are interested. MusicMatch uses ratings data internally to help with programming decisions.

Despite such shortcomings, Internet radio has the advantage of being able to generate real-time feedback.

AOL Music GM Evan Harrison cites the recent "First Listen" of Good Charlotte's single "Predictable": with-

in 24 hours, he says, 8,000 people rated the track, and 83% of those responses were positive.

"We gave feedback in real time to [Epic], which was able to take it to their constituencies and talk to retail and increase their orders," Harrison says.

"Internet radio can be a good way to get advance notice if an artist will be bubbling up," Real Networks executive music editor Tim Quirk says.

Capitol's Mico says he can get a read on the effectiveness of a marketing campaign or media appearance by looking at the rate of increase in searches and streams.

Charts and ratings are not the only data labels are considering; some sites allow listeners varying abilities to skip tracks, and information on this behavior can also be captured.

"Skipping info is a little more drilled down," Mico says. "You start to see usage patterns, although just because somebody skips doesn't mean they

didn't like the track."

Ellner admits these are still "early days" for fully harnessing Internet radio research.

"The jury is still out on whether these ratings translate to the physical world," Mico says. "It certainly helps in the digital world. However, no one specific metric has been so mind-blowing that we can use it again and again."

Harrison says his communication with labels is largely geared toward predicting and driving sales offline. For this reason, he correlates his data with Nielsen SoundScan results.

"Our audience is discovering on AOL and then primarily going out and buying the CD through traditional retail outlets," Harrison says.

"As we maximize these relationships," Ellner says, "we're going to see it's a positive way to determine what kind of records we have because we're hearing or speaking directly to the consumer."