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## Stern move helps turn up volume for Internet radio

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With all the hoopla last week over Howard Stern's announcement that he will take his shock-jock act to satellite radio, you'd think satellite is the biggest thing in radio since the transistor.

Lost in all the "What does this mean for traditional radio?" analysis is the fact that the satellite network competitors Sirius and XM are dwarfed by the quiet phenomenon of Internet radio.

Over the past few years, the two companies have spent millions to launch and maintain the satellites that beam their signals, and they have swayed automakers to install satellite radio receivers in cars. For their efforts, Sirius and XM combined reach about 3 million listeners a month.

That's about the same number of listeners who go online to tune in Live365.com alone. Add in radio services from Internet giants AOL, Yahoo! and MSN, and you quickly realize that Internet radio is a force.

It started with the migration of people from dial-up modems to broadband connections for their home computers. Broadband permits audio and video streaming that modems can't handle. With home broadband connections becoming increasingly common, more than 40 million people a month now stream in everything from Hawaiian music to Wagner on their computers. That's something like 25 percent of the online population, yet you don't hear much about Internet radio.

"Satellite radio has done a great job of raising a lot of money and having a lot of sizzle to their story," says Raghav Gupta, chief operating officer of Live365. He says that's OK by him. "Satellite radio is educating people to pay for content. That helps everybody [selling the concept of alternative radio]. It brings new people into the segment. We're happy to let them spend their marketing dollars to educate the public."

The words "Internet radio" probably conjure up images of geeks huddled over their computer keyboards

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straining to hear monotonous dance music over tinny speakers. The truth is, office workers and home computer users are going online to hear the same hit songs terrestrial and satellite radio play, and they're dialing up music and programming from the other side of the world, because the Internet knows no geographic boundaries, so long as a connection is available.

Listening to Internet radio is as easy as going to a search engine such as radio-locator.com and typing in the kind of music you're in the mood for. Up pops links to radio stations, and a click of the mouse takes you to a new Web site such as Aloha Joe's or Beethoven.com. There, you can click on a "Listen Now" button, and in a few moments you'll be hearing music -- or, if your computer isn't quite ready, you'll be prompted to download the latest free version of a popular media player, usually Apple Quicktime, Windows Media Player or Real Player, so you can listen.

The media player will pause a few moments before it plays, as the radio station feeds it only a few seconds of music at a time. While you're listening to that snippet of music, the player is gathering the next section and the cycle continues, but to your ear, it's a constant stream of music. Unlike downloaded music, streamed music doesn't stay on your hard drive, to be played whenever you want. It's like radio in that you hear it and then it's gone.

But Internet radio has a hard time getting advertisers and investors to pay attention, even though streaming means a tracking service like Arbitron can get a good audience count, something that's impossible with terrestrial radio. Also, some Webcasters offer online forums, bulletin boards and other enhancements to foster the sense of community among people with similar interests -- seemingly a ready-made demographic.

Meanwhile, to help pay the way, many Webcasters display and broadcast ads, but most also offer a premium service allowing listeners to pay a monthly subscription -- a la satellite radio -- for ad-free music that also sounds a bit clearer, closer to CD quality.

Being able to subscribe to ad-free programming is popular, but Internet radio's biggest selling point for listeners is, of course, choice. Satellite radio has 240 channels of music and other programming divided between Sirius and XM; Internet radio has more than 10,000 broadcasters playing all types of music and other content. The broadcasts range from "shows" put together by amateurs who want to share their favorite tunes to sophisticated programming from independent networks. The range makes Internet radio a modern version of the old underground radio/indie station phenomenon of decades ago.

Also, unlike terrestrial and satellite radio stations, Webcasters can use video. For instance, Beethoven.com has a Web camera trained on the disk jockey, and every 10 seconds you get a new snapshot of the person picking the music; Yahoo!'s Launch shows videos.

One of the biggest obstacles to Internet radio's growth so far is its portability -- that is, its lack of portability. Hauling around a wi-fi-enabled laptop so you can tune in is not as convenient as carrying an XM or Sirius boombox, and even the most devoted technophile is going to have trouble getting Internet radio in a car.

But count on it, these are temporary technical difficulties. As wi-fi hotspots spread, manufacturers are planning to build handheld devices that can surf the Net at broadband-like speed without cables. That will do for Webcasters what the transistor radio did for terrestrial radio.

Cell phone makers already are getting ready to make streaming music more readily available on their handsets. Carmakers are now adding satellite radio receivers to new automobiles, and one day they will build in devices capable of receiving Internet data.

There will be plenty of clamor about satellite radio thanks to Stern's announcement, but Internet radio Webcasters believe their own enormous audience will continue, quietly, to grow.

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Check it out

If you want to check out Internet radio, you'll find plenty of stations listed on [www.radio-locator.com](http://www.radio-locator.com) or [www.radiotower.com](http://www.radiotower.com). Here are a few to start with:

[Live365.com](http://Live365.com)

[Radio.MSN.com](http://Radio.MSN.com)

[Launch.Yahoo.com](http://Launch.Yahoo.com)

[Alohajoe.com](http://Alohajoe.com)

[Beethoven.com](http://Beethoven.com)

[Bassdrive.com](http://Bassdrive.com)

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