

Recommended reading

Consumers are increasingly driven to new music by 'recommendation tools'. Juliana Koranteng assesses their potential for publishers and rights owners.

The book 'High Fidelity' by British author Nick Hornby (later made into a movie) appealed to music fans the way online recommendation tools hope to. The fictional characters' obsession with music trivia and songs associated with seminal moments in their lives captured audiences' imaginations. The characters were like radio DJs raving about tunes they love, recommending them, and exposing listeners to new sounds.

Equally, the technology behind online recommendation engines enables buyers to discover tracks never heard before or dig out those long lost amid a multitude of massive music collections. The internet's interactive structure allows experts and/or software technology to see what people listen to online or on mobile handsets, the frequency of songs played, and for how long. It can read their browsing and purchasing habits, how they rate songs, plus the order of playlists they compile and share among friends.



Deirdre Stone

Various recommendation engines have rapidly cropped up in response to the growing popularity of social networks like MySpace, Facebook and Bebo, which have become music-distribution platforms. Among the most popular recommendation systems are The Filter, iLike, Pandora, iTunes' Genius and MyStrands (see sidebar). They all aim to encourage greater consumption of music, and the still-evolving technology could offer many advantages to rights owners.

"While online services have the potential to provide consumers with the world's music repertoire at the click of a button, it is obviously important that they can find what they are looking for quickly and accurately," states Nigel Elderton, MD of peermusic UK. "It is equally important that they can browse, sample and be guided towards other musical choices which they may not necessarily be aware of."

MediaUnbound co-founder/CEO Michael Papish agrees: "The industry is getting closer to figuring out revenue models from social media,

and these types of recommendation services can become part of it."

The tools break down the DNA of songs into every conceivable description and provide music editors, fans, artificial intelligence, similar technology, or various combinations of the above ways, to analyse the profile of each track. From the results, they suggest similar sounds that might appeal to the listener.

"A recommendation engine brings together music and commerce."

John Kuch, Lala

Streaming audio service Last.fm offers its Audioscrobler engine with its catalogue of about 7 million songs from the major labels (apart from the Warner Music Group) and several independents. "It makes stuff findable," says Martin Stiksel, Last.fm's co-founder. "How do you find something you don't know about when there are millions of songs out there, especially if you don't know the artist's name or the label?"

And the more songs consumers listen to can only benefit publishers and other rights owners, says Elderton. "The business of publishing is about diversity of repertoire; it's not about owning one song that earns £100,000. It's about a 100,000-songs music store, with each song earning £1."

Linking artists and fans

Recommendation systems can be found on most digital-music services, including the internationally distributed iTunes, eMusic, Nokia's Music Store and the US-based iMeem and Pandora. These services are looking for ways to monetise them. Forrester Research predicts that social music, which features songs recommended by 'friends' via social networks, will generate €329m by 2014, up from €50m in 2008.

"A recommendation engine brings together music and commerce, especially if the technology gets smarter the more you use it," says San Francisco-based John Kuch, marketing executive at Lala, the online-music service that enables consumers to listen to purchased music on any device, instead of restricting them to only their PC.

Lala users can stream tracks from their personal music library. Additionally, they can opt to pay a deposit of \$0.10 (€0.07) for a 'virtual' version of a song from Lala's store. That

'virtual' song can be streamed on any internet-connected device till the customer is ready to buy and own a downloadable MP3 version. Kuch says the procedure gives its system time to learn about the buyers' interests and deliver recommendations.

"[Recommendation tools] make stuff findable."

Martin Stiksel, Last.fm

Tim Westergren, co-founder of web radio service Pandora, explains: "You're getting someone who's ready to buy on impulse. And as people don't have much time these days, if you can [use recommendation tools to] make their decision more efficient, it can only be good for the industry."

And "online users have now started to complete their music collection by finding other suggestions," notes David Maher-Roberts, CEO of the UK-based Filter, which is backed by British artist Peter Gabriel.

Smarter technology

Petar Djekic, marketing director of Berlin-based Mufin (for Music Finder), sees recommendation tools becoming sophisticated enough to instigate communication between artists and fans: "It raises awareness for artists and their music, which is the foundation for not only sales but also public performances. On some sites, you can directly see if a recommended artist is on tour and where."

"Usage", instead of download sales, is digital music's future, argues Vincent Castaignet, CEO/co-founder of Paris-based Musicoverly, which has 700,000 unique visitors a month. Music services, therefore, need a mechanism that encourages interactivity, personalisation and consumption. And recommendation systems could be the spur. They could even encourage consumers to look for more music in multi-media content, as



Mufin Player



Tim Westergren

Castaignet notes: "Although the market is still not mature enough, it could become great for the synchronisation market."

Deirdre Stone, US-based head of product development for digital download platform eMusic, says recommendation systems have contributed to the retailer's status as the second biggest online-music store after iTunes. "We don't have content from the major labels," she says. "If our end-users come looking for Bruce Springsteen or U2, we won't have them, but we are able to suggest similar repertoire. It works because at least 30 downloads a month are based on editorial, search and browse."

"Although the market is still not mature enough, it could become great for the synchronisation market."

Vincent Castaignet, Musicoverly

eMusic's recommendation service is powered by Massachusetts-based MediaUnbound, which operates a system similar to Gracenote Discover – both develop bespoke facilities for digital-content services. MediaUnbound's other clients include Napster, Orange, and Terra Sonora in Latin America.

"We make sure that our users' recommendations are tied to our clients' business needs, which is to keep people interested in subscribing," says MediaUnbound's senior director of operations Erich Ludwig, who adds that the goal is to engage consumers' attention in a piece of music and possibly encourage a move to listen more often or buy. "As our system learns their purchase history, it can open up the music catalogue further down into the long tail." □



Michael Papish

Impact's who's who of recommendation tools

By Juliana Koranteng

Gracenote Discover (California)

Launch date: January 2007

Founder: Gracenote

The service: A white-label service designed to be incorporated into and customised for any online music store, Gracenote Discover is based on a database of music-related content accessed by the more than 200 million people worldwide using the digital music services powered by Gracenote. Songs recommended by the system are based on how users rank the music they like and the number of times a track is played and purchased. Each song's attributes are picked from more than 1,700 micro-genres. Sony Corp of America bought Gracenote for a reported \$260m (€196m) in June 2008.

iLike (Seattle)

Launch date: October 2006

Founders: Entrepreneur Ali Partovi with his brother Hadi, following their success in saving pioneering unsigned acts' website GarageBand.com.

The service: Described as a "social-music discovery service", iLike has been incorporated in leading social networks such as Facebook, MySpace, Bebo, Orkut and Hi5, making it accessible to more than 30 million registered users. It enables users to recommend music to other users and informs them of upcoming concerts by artists, whose music they are listening to on iTunes. Ticketmaster paid \$13.3m (€10m) for a 25% stake in 2006.

iTunes Genius (California)

Launch date: September 2008

Founder: Apple Inc.

The service: Genius allows iTunes Store customers to create playlists based on the songs' similarity to a chosen track from their collection. Additionally, its 'Sidebar' uses technology that automatically recommends other tracks from the iTunes store itself. The more users employ the system for their own playlists, the more the technology is able to recognise which songs might appeal to them.

Last.fm (London)

Launch date: January 2002

Founders: Martin Stiksel; Felix Miller; Saulyus Chyamolonskas; Michael Breidenbruecker; Thomas Willomitzer

The service: The recommendation engine centres on Last.fm's downloadable 'Audioscrobler' technology. For Last.fm users listening to its streamed music radio stations on the PC and/or mobile handsets, the system collates a list of the songs played. It transfers that list to a dedicated database, and from there, the system builds a profile of the listeners' taste. It then suggests what the user might like to hear based on that list. US media giant CBS Corp acquired Last.fm for \$280m (€211m) in 2007.

Musicoverly (Paris)

Launch date: November 2006

Founders: Vincent Castaignet; Frederic Vavrille

The service: The recommendation engine allows consumers to find and listen to music according to the mood they are in or want to be in. The 'mood' attributes, and there are about 40 of them, are defined by music experts. The different 'mood' attributes, symbolised by brightly coloured icons, can be seen on a device's display screen and are then linked up to create charts representing each of the user's favourite songs. The system helps users discover and try out new songs, depending on where the recommended tracks' 'mood' icons appear on the screen.

MyStrands (Barcelona/Oregon)

Launch date: October 2003

Founder: Francisco J Martin

The service: Operated by a company called Strands, MyStrands is a pioneer recommendation tool that helps fans discover new music in real time via any internet-connected device. The company explains that it is among the first to apply algorithmic technology to determine how online visitors use songs online. The system relies on the sequences in which fans listen to music, the playlists they build, and the purchases they make. Key investors include leading Spanish finance group BBVA.

Pandora (California)

Launch date: January 2000

Founder: Tim Westergren

The service: The internet radio service offers a recommendation tool called the Music Genome Project. It relies on 50 music experts who have garnered nearly 400 attributes that might apply to songs after analysing every track available on its radio stations. Those attributes are determined by genre, rhythm, melody, harmony, vocals and lyrics, among other characteristics. When users play a song, the Genome Project suggests tracks they might like. The users, in turn, will state whether they agree or disagree, and the technology takes that vote into account next time the recommendations are made. Pandora is available in the US only following a dispute about copyright licensing.

The Filter (Bath, UK)

Launch date: October 2006

Founders: Martin Hopkins; Rhett Ryder

The service: "Tell The Filter your music and movie tastes; we connect you to stuff you like; you discover great movies and music; and share it with your friends." Conceived with British artist, technology entrepreneur and investor Peter Gabriel, The Filter is based on an artificial intelligence system called Bayesian Maths, which examines the user's browsing, purchasing and listening behaviour. Third parties using the technology include Nokia's Comes With Music and Music Store; Sony Music artists' websites; Ministry of Sound; and MSN Music. In June 2008, the system was extended to recommend films to movie fans.