

Apple Unveils Music Streaming Service

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NEW YORK (AP) — Apple unveiled an Internet radio service called iTunes Radio on Monday and said the service will personalize listeners' music based on what they've listened to and what they've purchased on iTunes.

Apple said iTunes Radio will be available this fall in the U.S. It will be free with advertisements included, although subscribers of Apple's iTunes Match music-storage service will get a commercial-free version of iTunes Radio. That service costs \$25 a year.

In unveiling the long-expected service Monday at its Worldwide Developers Conference in San Francisco, Apple enters a crowded field. Google Inc. started an on-demand subscription music service called All Access last month. Other leading services include Spotify, Rhapsody and Pandora.

Apple was a pioneer of online music sales and is still a leader there, but streaming services such as Pandora and Spotify have emerged as popular alternatives to buying. Pandora relies on its users being connected to the Internet at all times and plays songs at random within certain genres for free.

As with Pandora, iTunes Radio will let people create stations based on specific songs, artists or genres. So users can put in a particular song, and the station will play songs like it. Apple did not provide details on how the other songs will be determined. Pandora uses a formula to analyze songs based on musical and other characteristics.

Users won't be able to type in the name of a specific song and have it play right away. Pandora doesn't allow that, either. That's something available through other services that charge monthly fees, including Spotify and Google's All Access.

Analysts were lukewarm.

"This is a nice free feature that lots of people will probably try out, but existing Pandora users won't have much reason to switch," Jan Dawson, chief telecoms analyst at Ovum, said in an emailed comment.

Dawson said a service that lets people call up specific songs on demand would have made a bigger splash, "but that would likely have disrupted Apple's existing iTunes business, and the music industry as a whole, too much."

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Pandora charges \$36 a year for ad-free listening, more than Apple at \$25. Pandora also has a free, ad-supported version like iTunes Radio. In February, Pandora capped free listening on mobile devices to 40 hours per month. Apple said Monday that its service would have no limits.

iTunes Radio will also offer featured stations, which play songs that are the most-talked about on Twitter, for example.

The service integrates Apple's Siri virtual assistant so that users can get information by speaking questions such as "Who plays that song?" Users can also tell Siri to skip songs, stop or pause playing. And they can ask to play more songs like the one currently playing, or buy them on iTunes with a click, Apple said. Pandora also lets listeners purchase songs, through either iTunes or Amazon.

Apple said iTunes Radio will be built into iOS 7, the new software for iPhones, iPads and iPod Touches. That's coming this fall. It will also work with Apple's iTunes software on Mac and Windows computers.

Pandora investors did not seem concerned about the potential Apple competition. The company's stock rose 37 cents, or 2.5 percent, to close at \$15.49 following the afternoon announcement. It added another 12 cents in extended trading.

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