

Analysis: The Evolution of Ad-Supported Models

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Is your attention worth a few dollars to the advertisers of a music download site? That depends on how much attention they actually get. The business models of two new ad-supported music sites, FreeAllMusic and Guvera, depend on the creation of that value.

Both FreeAllMusic and Guvera have been mentioned at Billboard numerous times and details of the two services are laid out in a recent [AP article](#) about the latest generation of web site that offer free, ad-supported music. As I noted in my product review, FreeAllMusic is easy to use and offers a fairly painless way to legally acquire high-quality MP3s. Both are commanding high rates from advertisers. Guvera is getting about \$4 per visitor, according to AP, while FreeAllMusic gets about \$2 per song.

But the two go about advertising differently. FreeAllMusic has chosen interruption marketing (a traditional way of getting users' attention in the television and radio businesses). Guvera has opted for continuous marketing, which does not interrupt the user experience. (newspapers and magazines work in this fashion).

Interruption marketing is a term coined by digital marketing guru Seth Godin. "The interruption model is extremely effective when there's not an overflow of interruptions," [he told Fast Company back in 1998](#). "But there's too much going on in our lives for us to enjoy being interrupted anymore." (Godin is best known for his other term, [permission marketing](#). When a consumer signs up for a band's email list, for example, he has given permission to be contacted in the future about products and promotions. The continuous marketing of Guvera is similar to permission-based marketing in that the consumers' attention is not interrupted.)

Because FreeAllMusic's value to advertisers relies on both interruption marketing and the honor system, the company may be at a disadvantage. The problem is that people may not watch the advertisements. When I go to Free All Music -- currently in private beta -- and select a song to download, I often hit my laptop's mute button and spent around a minute doing something else while the video advertisement plays in the background. By the time I go back to the site, the advertisement is over and I am free to download the track. I estimate I have skipped the advertisements for at least half the songs I have downloaded from Free All Music. And even though I have to select which advertisement runs before my track can be downloaded, I tend to choose one at random before clicking away to my email inbox or a Word document for a few moments.

"It's a fair trade of attention for music," Richard Nailling, CEO of FreeAllMusic.com, told the AP. While I admit a free MP3 for 30 to 60 seconds of my time is a fair deal, some users will take advantage of whatever loophole allows them avoid being interrupted.

Guvera's approach was to choose continuous marketing over interruption marketing. Rather than divert users' attention to advertisements at set times, Guvera builds the brand into the overall product experience. Jon Healy of the Los Angeles Times [explains](#):

Clicking on a link takes you to a page created by the advertiser, featuring a playlist of songs designed to do two things: appeal to the people the company wants to buy its products or services, and give visitors a specific image of the brand.

For example, Loberg said, McDonald's designed its page on Guvera's Australian site to appeal to 18 to 25 year olds. In addition to promoting the fact that the chain's restaurants are now open 24 hours a day, the page provides links to store locations and to nightspots that are open around the clock. So there's a specific message -- McDonald's is now open all night -- and an implicit one -- McDonald's appeals to the kind of music-loving people who keep those hours.