

## Free, Ad-Supported Music ... With a Twist

By Eliot Van Buskirk February 19, 2010 | 4:53 pm | Categories: Advertising, Media

Following a beta in its native Australia, Guvera aims to offer a new twist on the pure, ad-supported music service in the United States: a velvet rope policy it hopes will prevent it from failing due to licensing costs, as other ad-supported efforts have in the past.

Music fans in the United States don't have many options for free on-demand music, although YouTube, Vevo, Vimeo and other video sites offer a great selection — so long as you don't mind a little video with your music.

For starters, a maximum of 100,000 American users will be allowed to join the free audio streaming and downloading site Guvera when it launches on March 30. If there's no advertiser to pay for your streams and downloads, you can't register. Advertisers during the Australian beta included Dominos Pizza and Johnson & Johnson, although advertisers for the U.S. launch have yet to be announced.

Here's how it works: Advertisers tell Guvera the key attributes of the music they want associated with their brands, and Guvera's Pandora-like algorithm filters those songs into those channels. The end user will have access to millions of songs through a typical search box, but will end up playing or downloading within one of those channels.

Instead of interrupting the music experience with pre-roll ads or any other delays, you can proceed directly to the stream or download, Guvera CEO Claes Loberg told Wired.com.

By way of analogy, imagine music as a sporting event. Would you rather that on-field commercials interrupt the game before each play, or that the stadium be named after a brand while play continues as usual? Guvera takes the latter approach, setting up these branded areas but otherwise not tampering with the action on the field, so to speak.



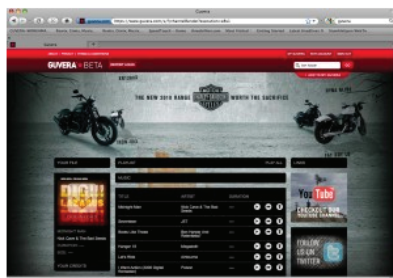
Guvera CEO Claes Loberg, COO Finbar O'Hanlon and head of content Dan Thompson plan to bring their Australian ad-supported music service to the states on March 30. Photo courtesy Guvera.

"What we've done is reverse the advertising concept," said Loberg. "Instead of advertisers trying to figure out which channels their [targeted] people are listening to and watching, and how to get onto those, and how to measure how many people actually saw it within the target demographic that we have, the Guvera concept is that the brand actually becomes the channel ... [which removes] the need for content-disruptive-based advertising. We don't have to disrupt the flow."

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The user pays nothing, and gets to stream music for free or download it as plain-old MP3s with no branding attached. And because the Guvera website never creates a one-to-one relationship between a band and a brand, it hopes to avoid implications that bands have "sold out" by endorsing particular products. In the event that an artist's song is available in multiple branded channels, users can choose which one they'd like to enter.

Unlike iTunes or YouTube, Guvera does not have deals with every label, so you won't be able to find every song you can think of. But its catalog is large and growing, thanks to deals for the U.S. launch with EMI, Universal Music Group, IODA and INGrooves, as well as major performing rights organization and the Harry Fox Agency, which represents 46,000 publishers. Guvera will pay the labels a percentage of revenue, from which labels pay publishers.



Of course, you'll need an invite, and Guvera will only give out as many as it thinks it can support. If the company has a hard time selling ads at a high enough rate to cover its download and streaming costs, invitations could be scarce. After this music service launches, Loberg said, Guvera plans to offer a web-based television service utilizing a similar business model.

Guvera wouldn't give us access to the beta version of the service from the states, and we tired of looking for Australian web proxies, but the below screenshots depict a slick-looking service that appears to live up to Loberg's claim that it stays out of the way. And if Guvera's Thursday night New York launch party — featuring Alice Cooper, The Bravery, The Donnas and a 45-foot ice sculpture of the word "Revolution" — was any indication, it means business. Guvera reportedly received \$20 million in financing from a group of private Australian investors, after attracting \$10 million in 2009.