

Plugged And Unplugged

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Plugged

After three days of lines, sore feet and a crushing mass of rage-inducing humanity, my return from the international Consumer Electronics Show (CES) in Las Vegas is invariably greeted with one question: "What's the coolest thing you saw?"

This year, it came from a small, three-person company, exhibiting just behind the stock racing cars pimped out with the massive speakers and fully manned by the prerequisite bikini-crew, in the nether recesses of

North Hall.

It's called Jook, and it has figured out a simple, sensible, and affordable approach to the social music movement brewing for the future. The company has developed a chip that can be cheaply added to any MP3 player accessory -- likely headphones -- that when plugged into the device will broadcast music played on the device to other Jook-enabled users. It's like music blaring from a boombox, except only those with Jook-enabled devices can tune in, and only if they want to. Along with the audio stream is the metadata of each song, which users can then save and mark for later purchase.

And here's the best part: it's totally interoperable. While Zune users can only share tracks with other Zune owners, the same pair of headphones works with all devices, even mobile phones. So a Zune owner using Jook-enabled headphones can hear songs playing on a nearby iPod plugged into another set of Jook headphones, etc.

Same goes for the tagging-and-buying feature. There's no Jook store to access. The Jook interface simply lets users choose which music service they use, and download tracks that way.

Where Zune and some mobile phones are approaching this space with expensive, proprietary devices, Jook is a much cheaper and more open solution that anybody can take advantage of.

And it's not limited to devices. Labels, consider this: add a Jook chip to a special billboard or poster for a new band or new release strategically placed in a high-traffic area. The chip "broadcasts" the music to anyone using the Jook system as a sample (remember it's all just a stream, no downloads) along with the metadata needed to later buy the album.

The Jook folks even have the marketing plan worked out. Once the devices become available this fall, the company will give away 10,000 of them, but only to 5,000 people. That means each recipient gets two... one for them directly and one for a friend. Now THAT's how you spur the social, Microsoft.

Now of course there are plenty of hurdles ahead of this idea, not the least of which is the fact that this is a small company that's a spinoff of a larger-but-still-small gaming accessory firm Razor. But

therein lies an opportunity for the industry to get behind and support a company not looking to own the customer experience or forcing consumers into artificially created revenue bottlenecks. Jook's everybody-can-play attitude does what too few companies in the digital music game are these days -- addresses a market need with a market solution.

They deserve all the support the music industry can provide.

UnPlugged

Yet another fight is brewing between publishers and digital music services, this time over how songwriters should be compensated for on-demand streams of their music.

This to me is a simple case of trying to put a square peg in a round hole. On-demand streams are not the same as permanent downloads, and as such should not require the same kind of license at the same rate, whether it's a mechanical, a digital phonorecord deliver (DPD), or whatever else you want to call it. That's not a slap in the face to songwriters -- that's more of a bonk on the head, as if to say "get a clue."

Should songwriters get paid for a stream? Yes. Should it be the same fee that must be paid for a download? Absolutely not.

Now at the same time, an on-demand stream is not the same as streaming music that plays in random order. Publishers and their representatives have every right to be concerned that on-demand streaming services may replace a download. So, songwriters should get more for on-demand streams online than they do for music streamed under the DMCA, and they should get more than just a performance royalty.

What's needed is a new license term and rate specifically created for this kind of technology and business model, not trying to retrofit old license terms and rates developed for an entirely different use.

The reason publishers and digital music services remain at such odds is that they're arguing over the interpretation of outdated rules. We're entering into a new market, one where music is a service and not a product. There are new technologies developed, new business models being applied, and new distribution methods emerging as a result. Why is it so difficult to develop a new licensing structure as well?

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