

\*MP3 Insider:\* An opinionated take on MP3 and the audio revolution.  
\*Should you Yahoo your tunes?\*

By Eliot Van Buskirk  
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\*Last week, Yahoo joined [Napster and Rhapsody](http://news.com.com/2100-1027_3-5701661.html?tag=txt) in launching a service that lets users download an unlimited number of songs from a million-strong catalog to their PCs and certain MP3 players [.](http://reviews.cnet.com/4520-6450_7-6212853.html?tag=txt) If you've read what I wrote about Napster To Go [and Rhapsody To Go](http://reviews.cnet.com/4520-6450_7-5655812-1.html?tag=txt) [,](http://dw.com.com/redir?oid=4520-6450_7-6224481-1&ontid=6450&siteid=7&edid=3&lop=txt&destcat=mp3&destUrl=http%3A%2F%2Fwww%2Emp3%2Ecom%2FRhapsody%2527s%2520Big%2520Makeover%2Fstories%2F1328%2Ehtml) you already understand 90 percent of what Yahoo Unlimited [does](http://reviews.cnet.com/Yahoo_Music_Unlimited/4505-9240_7-31383691.html?tag=txt), right down to the MP3 players it'll work with, as all three services are compatible with the same players and have more or less the same CD-ripping features. That's why I'm going to use this space to highlight what sets Yahoo's horse apart from the ones Napster and Real have entered in this race.

\*Potentially lengthy setup\*

First of all, when installing the service, I recommend picking the Yahoo Music Engine only; the other option ("...and more") installs the Yahoo toolbar, which is difficult to uninstall and takes up valuable screen real estate. Even then, you'll need to uncheck boxes that would add the Yahoo search bar to your Internet Explorer and make Yahoo.com your home page. You can't blame the company for trying.

Once everything was finally installed and after I restarted, I heard the famous Yahoo yodel, which still sounds as bizarrely enticing as the first time it reached my ears.

But Yahoo's illustrious history isn't always a good thing. When Napster and Rhapsody surfaced, I registered with my credit card number, and boom, they were up and running in no time. But when I tried to install Yahoo Music Engine, I ran into several snags because I already have multiple Yahoo identities, thanks to Yahoo's acquisitions of eGroups (now Yahoo Groups) and Launch.com (now Yahoo Launchcast Radio) and the

fact that some of my friends use Yahoo Messenger, even though I prefer Trillian

<[http://www.download.com/Trillian/3000-2150\\_4-10367846.html?tag=txt](http://www.download.com/Trillian/3000-2150_4-10367846.html?tag=txt)>, which lets me chat on the major networks, including Yahoo. Even worse, I use SBC Yahoo to access the Internet from home, adding another name to my manifold identity in Yahoo's world. Assuming you have only one Yahoo ID and didn't fill out any fields with bogus information back in the day, the way I apparently did, and you still have the same address and credit card as when you first registered for those services, as I certainly don't, then you're all set.

But I suspect that many readers have also used Yahoo services in the past and have existing accounts that may not transfer over seamlessly to this paid service. In that case, I recommend setting up a new account and alerting your Yahoo Messenger friends to your new identity. Once you've done that, go to Yahoo Music Engine's Messenger Music section, and click My Account. Make sure the name you're using in Yahoo Messenger matches the one that's the default option in My Account, which should line things up and enable Music Engine's powerful community features.

**\*Yahoo Messenger: a music engine's best friend\***

This is where it gets good. With Yahoo Music Engine and Yahoo Instant Messenger running, you can invite people to install the Yahoo Music Engine. If they join, you can exchange messages, share playlists, and view what your friends are listening too. If your friends don't mind using Yahoo Messenger, this is all well and good. But power users will probably prefer the way Rhapsody uses standard e-mail to exchange information such as this instead, even if it costs more per month (Rhapsody also has better searching and music information).

**\*Peter is listening to Stereolab**

<[http://dw.com.com/redir?oid=4520-6450\\_7-6224481-1&ontid=6450&siteid=7&edid=3&lop=txt&destcat=mp3&destUrl=http%3A%2F%2Fww%2Emp3%2Ecom%2Fstereolab%2Fartists%2F33086%2Fsummary%2Ehtml](http://dw.com.com/redir?oid=4520-6450_7-6224481-1&ontid=6450&siteid=7&edid=3&lop=txt&destcat=mp3&destUrl=http%3A%2F%2Fww%2Emp3%2Ecom%2Fstereolab%2Fartists%2F33086%2Fsummary%2Ehtml)>; when I click the link, so am I.\*

The community features don't stop there. If you find someone

<[http://dw.com.com/redir?oid=4520-6450\\_7-6224481-1&ontid=6450&siteid=7&edid=3&lop=txt&destcat=mp3&destUrl=http%3A%2F%2Fww%2Emp3%2Ecom%2Fusers%2Feliotvb%2Fsummary%2Ephp](http://dw.com.com/redir?oid=4520-6450_7-6224481-1&ontid=6450&siteid=7&edid=3&lop=txt&destcat=mp3&destUrl=http%3A%2F%2Fww%2Emp3%2Ecom%2Fusers%2Feliotvb%2Fsummary%2Ephp)> with perfect (according to you) musical taste, you can add that person as an Influencer, which appears to affect which songs are recommended to you. You can also view any other user's Influencers and Followers. But my favorite aspect of the Yahoo Messenger integration is that, after you see what anyone on your contact list is listening to inside of Yahoo

music (as long as they're listening to it with Yahoo Music Engine), you can click the link to hear the same song they're playing or browse their library of Yahoo Music Unlimited songs. See something you like? Download or stream it, then and there.

**\*Pet peeves\***

We've had trouble with both Napster and Rhapsody recognizing devices, players not showing up as connected, tracks that transfer and won't play, tracks that won't transfer at all, and so on. Some of our supposedly compatible players worked, while others refused. Another grievance specific to Yahoo Music Engine is that if you delete a purchased song (79 cents for Unlimited members, 99 cents for guests), you'll need to pay to download it again. The competition stores your licenses, so this repurchasing is not necessary. It's not a big deal if you don't purchase many permanent downloads, as opposed to downloading or streaming subscription tracks, but if you've spent lots of money on tracks, then fry your hard drive, buying everything again is likely to be less than a pleasant experience.

**\*TalkBack <#talkback>\***

Are music subscriptions worth it? Or would you rather pay to own?

**\*Post your comment here <#talkback>\***

If you want to try Yahoo Music Unlimited for free, you'll have to enter your credit card and other information--just remember to unsubscribe within seven days if you don't want the service, or your account will be charged. This is especially important if you selected the \$4.99-per-month option, since \$59.88 will be charged to your credit card on the eighth day, for a full-year subscription. In other words, mark your calendar when you sign up.

**\*Bang for the buck\***

Yahoo's music prices, like Crazy Eddie's  
<[http://dw.com.com/redir?oid=4520-6450\\_7-6224481-1&ontid=6450&sited=7&edid=3&lop=txt&destcat=pocketcalculatorshow&destUrl=http%3A%2F%2Fpocketcalculatorshow%2Ecom%2Fcrazyeddie%2F](http://dw.com.com/redir?oid=4520-6450_7-6224481-1&ontid=6450&sited=7&edid=3&lop=txt&destcat=pocketcalculatorshow&destUrl=http%3A%2F%2Fpocketcalculatorshow%2Ecom%2Fcrazyeddie%2F)>,  
are insane: \$6.99 per month or \$60 per year for the subscription service and/or 79 cents for each permanent download. Apple's iTunes Music Store barely ekes out a profit on 99 cents per download--about 25 percent more than what Yahoo charges its subscribers. Meanwhile, Napster and Rhapsody charge about double Yahoo's price for their equivalent subscription services and reputedly don't enjoy much of a margin either, considering what they pay the labels.

This begs the question: Is Yahoo taking a loss on this to draw users to its other myriad properties and perhaps even (somehow) SBC Yahoo, the

company's ISP? According to Dave Goldberg, whom the /Wall Street Journal/ interviewed, Yahoo's service will be profitable with its current pricing structure. In my opinion, that statement takes into account money that Yahoo execs think they'll make from users flocking to Yahoo's other services after trying the music service, in the same way iTunes and iPods have supposedly had a positive effect on Apple's computer sales.

\*After installation, I ended up with more than half of my screen littered with two Yahoo windows that pop up whenever I restart. Yes, you can turn them off.\*

\*Your bargain is Yahoo's gain?\*

Considering the way Yahoo's search bar, messenger program, and Yahoo Insider window (the last two can be seen in the above image) now cover my desktop with offers from other Yahoo properties, I assume my theory is correct--that Yahoo is using music as a loss leader to give a shot in the arm to its other services, in the same way Best Buy discounts CDs to get you to buy blank CD-Rs and headphones.

Fine, you can uninstall Yahoo Messenger and still use Yahoo Music Unlimited, and it's the cheapest music subscription out there by a long shot, with approximately the same depth of catalog as the others. Or you could start (or continue) using Yahoo Messenger in conjunction with Yahoo Music Unlimited to access a new level of community functions. Like music itself, subscription services are a matter of personal preference. For bargain hunters, Yahoo Music Unlimited is the clear choice at the moment.

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## Analysis

This article examines Yahoo's entry into the online music store market. Yahoo Music offers a service similar to other existing services Napster and Rhapsody- all of whom are competing again Apple's successful iTunes store. Though, unlike iTunes, Yahoo Music is subscription based with unlimited streaming, but also allows for purchasing individual music tracks.

Yahoo realized that it could gain by leveraging its vast user base. What sets Yahoo Music apart from its competitors is its integration with other complementary Yahoo services, thereby increasing its value. Specifically, the music service works very well with Yahoo Messenger promoting the sharing of information, such as playlists, among friends to leverage network effects. Additionally, the Yahoo music service is compatible with non-iPod music players, increasing compatibility to more music players.

Another key component is Yahoo's pricing structure. It charges a fixed monthly rate for streaming (though the contract locks you in for a full year!). Tracks can be purchased for 79 cents by subscribers and 99 cents by non-subscribers. The monthly rate is lower than Rhapsody's and Napster's, indicating Yahoo's desire to use penetration pricing in order to win over customers. This penetration pricing is bound to hurt Yahoo's revenue. However, the company hopes to make that up through advertising revenue from increased usage of its complementary services.