



**STINGRAY**  
MUSIC



**THE NEW MUSIC MOBILE APP**  
*Free* with your TV subscription



## RADIO & TELEVISION

December 15, 2014 | 13 hours 49 min ago

# Cartt.ca Interview: Stingray's push to 400 million subs proving not so crazy after all

**GREG O'BRIEN** RADIO & TELEVISION

BACK IN 2007-08 THERE were no shortage of people in the Canadian TV industry who'd whisper, "who's the crazy guy buying up all the music brands?"

The prevailing wisdom then said music was a shrinking, sinking business, utterly upended by the digital revolution and one to be fled by serious businesspeople, not embraced. It was certainly not something upon which to build a brand new global enterprise. Oh, there were plenty of naysayers when Eric Boyko (pictured in his Montreal office), a speed talking ball of frenetic, entrepreneurial energy, entered the Canadian TV scene. *(Pour la version française, s'il vous plaît [cliquez ici](#).)*



Time, plus a lot of hard work and hustle (and some luck) has proven Stingray Music's co-founder Boyko and his backers that betting big on music hit all the right notes. Since its original purchase of the Karaoke Channel, Stingray has done another 22 acquisitions since then, first running Galaxie for the CBC, then later buying it outright. It then paid Corus Entertainment \$16 million **for MaxTrax in 2009**. With its **purchase of Telefónica On The Spot** in October, the company has 110 million subscribers all around the world (the company's stated goal is to reach at least 400 million subscribers).

All those acquisitions, however, meant Stingray had been operating 11 different brands, but all are now being moved aside to fall under one cohesive name. This year, the company began the arduous process of rebranding everything it does as Stingray. It couldn't use Galaxie in Europe because of the chain of Galaxy radio stations there and its European brand, Music Choice (**bought in 2011**), is the name of Stingray's primary competitor in the States. "We were stuck – and it created a lot of confusion, like if Telus were to own a brand called Bell in Europe," said Boyko.

"We've been talking about this as a board for the last three years," said Boyko in a recent interview with Cartt.ca. "This is a project planned for years and... because we have so many different operators, we have 340 different projects/web sites and changes to make around the world. It's a huge task. We've changed it in Canada, but it's going to take six to nine months because we're doing U.S. now, then Latin America in December, Europe in January, and we'll do the rest of the world in March."

Along with the rebranding effort is a technological innovation, too. Stingray's innovative new "watermark" technology is the simplest, easiest, TV Everywhere authentication process we've seen. Customers download the app to their phone or tablet and then let their device "hear" a Stingray channel to activate the app for 90 days. No logins or passwords, just a 20-second process to be able to take Stingray's music mobile. It's dead simple and since its launch in October, the app has been downloaded 120,000 times just in Canada, with 80% of the customers using the watermark – and downloads are increasing by 10% per week.

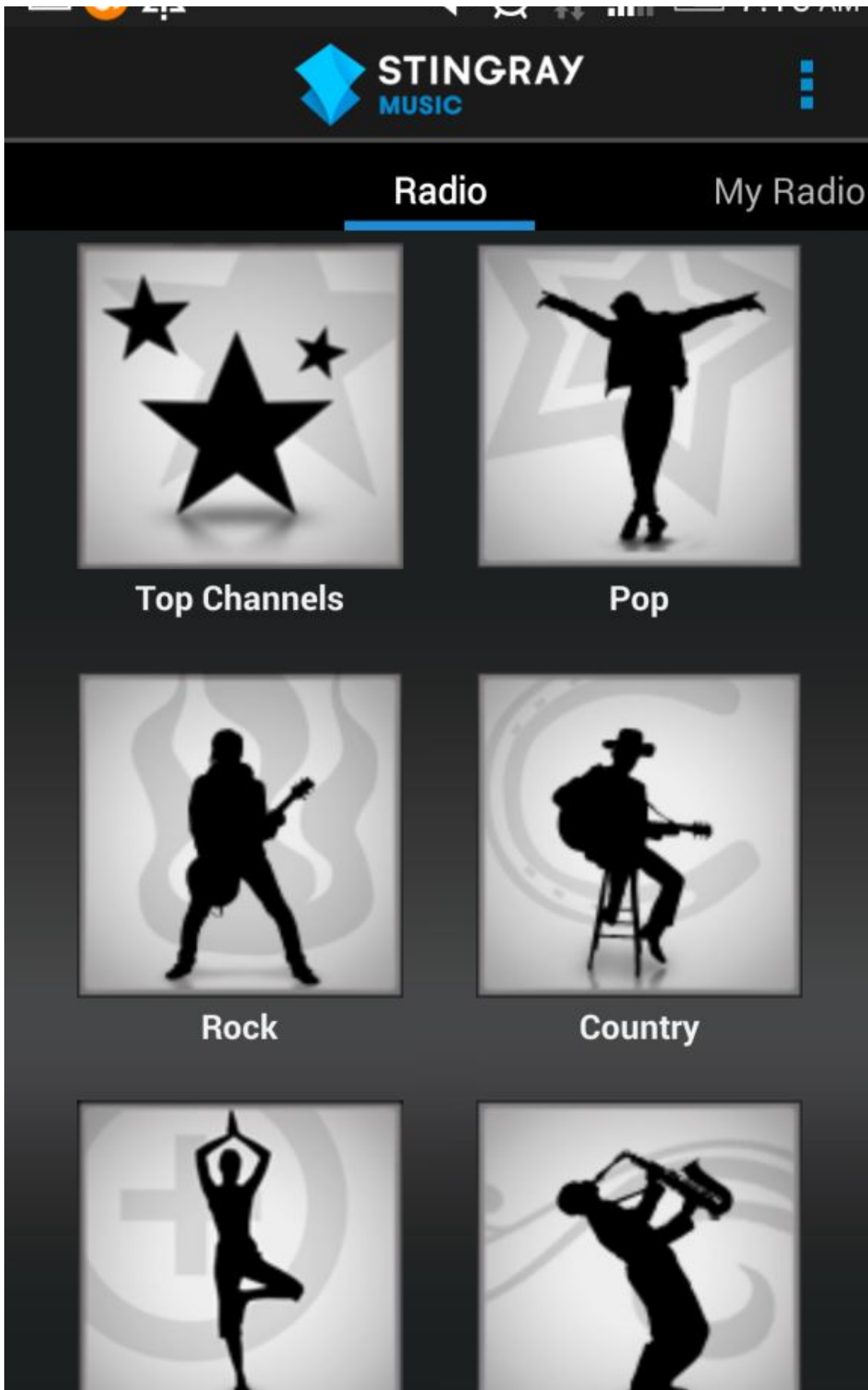


*"It's a great way and a great system for people to put a connection between a music app and their TV subscription." - Eric Boyko, Stingray*

Plus, it neatly removes a roadblock broadcasters have long faced with their BDU partners: Getting a meeting with them to co-ordinate the launch of something new. Prior to this watermark technology, Stingray's mobile app was only available to Shaw customers because other BDUs did not have "enable Stingray's mobile music app" at the top of their priority lists.

Now,







provided by 

Stingray can roll out its mobile app globally, piggybacking on its existing carriage agreements – and seamlessly extending a nifty added benefit to its BDU client customers. Check out the screen cap on the right, for example, where the mobile music is “provided by Cogeco”.

“With the watermark technology, everybody in Canada now has access to Stingray Music,” said Boyko, “It’s a great way and a great system for people to put a connection between a music app and their TV subscription... and when customers do it, they feel it’s like magic... because of the (inaudible) code in the song, it knows you’re a Bell customer or a Vidéotron customer.”

To customize it further, listeners can tell the app what they like and what they don’t – and it learns. So, when they’re in the “Hit List” for example, if they don’t want to hear Justin Timberlake anymore, they can click the thumbs-down icon and their Hit List will stop playing him. Conversely, listeners can also tell the app to play more JT, if they’re a fan, with the thumbs-up icon. “It curates itself to your own style,” says Boyko.

To guard against having too many non subscribers with access, there is a renewal required every 90 days for those with the app – but since nearly every household with a TV subscription in Canada has access to Stingray, piracy is a low concern.

The way people now choose to listen to music has changed quite a bit since 2007, when many were still assuming we’d all be downloading hundreds of tracks and managing our own playlists. Actually, it’s not so much a new desire now as it is a return to former listening habits – where we relied upon others to curate playlists and find new music. It’s radio, albeit in a much more fragmented, personalized version. For example, Stingray has over 350 playlists, each with 800 to 1000 songs in it.

Rdio, Pandora, Spotify, Songza and many others are attempting to cash in on streaming music to listeners – building programming teams and attempting to go global. None appear to be making a profit yet.

“Music is in flux and a lot of people were worried about the space,” added Boyko, “that’s why we were able to buy a lot of the assets at a good price. But if you look at it today, 85% of people want to listen to music that others program for them. Even with all these technologies, you only get the hard-core who loves to do their playlists and iTunes and all that – and those people are great with on demand. But if you ask the average person if they know 20 jazz songs, they don’t.

“Our Spa channel is always in the top three, worldwide, but who knows ‘spa’ songs?”

Stingray has been streaming music to listeners for a long time and has programmers of all stripes from all around the

world  
who  
provide



## Authentication

First, tune in to Stingray Music on your TV. Then, keep your mobile device's microphone close to the TV speakers. When ready, tap Start Listening and give it time to recognize the channel.



Start Listening



## Start Listening

playlists for its international channels in languages like Tagalog and Punjabi, as well as for its Rock and Jazz channels. "We have almost 60-70 people that are curating the music worldwide," adds Boyko. "Our curation of music is one of the best in the world. We don't do it by computers, we do it with individuals. We have people in Kenya and we have people in Columbia, Venezuela, in the Caribbean – all creating our music for every region.

Plus, because Stingray is considered only partially interactive, or non-interactive, its content rights fees are more like those paid by radio stations – and fall far below the likes of the audio businesses mentioned above, from whom labels are demanding 50-70% of revenues. "That's why Pandora, you can look at the numbers, even if it is doing \$3 billion in sales, Pandora is still losing money on an operational basis."

Stingray isn't just audio, however. Its Karaoke Channel has a strong, niche following and its Concert TV, which shows taped live concerts, is also gaining a following. Then this year it launched an ambient channel – basically, a beautiful HD slide show backed by gentle music tracks, which so far available to Videotron and Eastlink customers. AT&T U-verse also **recently launched** Stingray's suite of services and apps last month.

The company is also doing a limited bit of production, too, called Pause and Play, which are essentially interviews with the artists, "like MTV used to do in the old days," explains Boyko, with perhaps some of their concert sound checks cut in as well – all made available on demand to its TV distributors.

*"We're now a one-stop shop for all the music content for a TV operator." - Boyko*

"At the end of the day, what we're doing is offering music for TV operators," he adds. "So, if you want your music video channel, you want Concert TV, you want the video clips of the music videos on VOD, we do the application. You want to do Karaoke? We're now a one-stop shop for all the music content for a TV operator."

A lesser-known aspect of Stingray is its growing business division, where it supplies music and digital signage to retailers, primarily, but other businesses as well. There are 72,000 retail locations in Canada alone which have Stingray provide their in-store music. The music you hear at Aldo Shoe stores is Stingray and it is heavily curated by region by the retailer. It knows that the shopper in Burlington, Ontario will likely have different music tastes (not to mention footwear tastes) than the one on Queen St. W. in Toronto.

"It's curated now in terms of playlists, but it also has to be curated for the language," says Boyko. "A Wal-Mart can not have a song that even the language describes something that's not appropriate. So, the songs are curated for that and also for the meaning which has to be very proper. And, the music changes per hour... So, it's very focused and is done per retailer."

With all this music know-how, will Stingray ever take another step and be its own label? No way, says Boyko. "We're doing a bit of original production... because more and more artists wanted to be with Stingray and a lot of people are coming to our Miami office. So, we'll be doing about four to eight hours of original productions, which will be interviews with artists, private shows with artists – more exclusive content. But, we're not going to be a label."

"The strength of Stingray is distribution, and we've been very good at that."



**Canada** We acknowledge the financial support of the Government of Canada through the Canada Periodical Fund of the Department of Canadian Heritage.