



TiVo adding music to lineup First step toward broader service

By David Lieberman
USA TODAY

NEW YORK - TiVo will unveil today a deal with RealNetworks to offer its Rhapsody subscription music service on TiVo DVRs.

It's the first step in a TiVo campaign to broaden its audio service and further differentiate itself from in-house DVR offerings by cable and satellite providers.

"I like to think of (a TiVo box) now as a digital video receiver," says TiVo CEO Tom Rogers. "The idea we're building toward is, anything that's out there, from any source, you need TiVo to get it, organize it and make it fast and easy to be able to find it."

Rhapsody, RealNetworks' joint venture with MTV Networks, gives subscribers access to about 4 million songs that can be played on their PCs any time. Under the new deal, they also will be able to listen via their TiVo to music selected with their remote and played through their TV or theater system.

Rhapsody's basic service costs about \$13 a month, \$15 to also hear songs on certain portable music players. Users don't own the songs: If they cancel service, the music stops and copies stored on portable devices self-destruct.

The Rhapsody service will be available to TiVo users who subscribe directly and have their machine connected to a broadband network. That applies to about 850,000 of TiVo's 4.2 million existing subscriptions.

But Rogers is counting on Rhapsody to appeal to new customers. Most new subscribers these days buy service directly from TiVo, and up to 70% have home networks.

"This is kid-in-a-candy-store stuff," Rogers says. "As a cable subscriber you sit there and get 40 (music) channels and you may find a genre that you want. But that's it. You've got no control, no ability to personalize, no ability to come back to something you really care about."

The alliance also puts Rhapsody "in front of this audience with something we know they love and enjoy," says Rhapsody America General Manager Michael Bloom. It's "the tip of the spear into their daily lives," he adds. Rhapsody also is working with Verizon Wireless to send music to its phones.

TiVo has a lot riding on convincing consumers that it's a home entertainment service not just a tool to record TV shows. With cable and satellite firms heavily marketing their own DVRs, this is the first year TiVo has lost subscriptions including among its best customers, who bought directly from TiVo.

To reverse that trend, it has forged alliances with Internet video providers and Amazon's Unbox movie and TV download service so users aren't limited to what cable operators offer. TiVo's holiday ads will drive that point home.

Other deals are in the works.

"Music videos of vast quantity will be added to TiVo, and we will be able to get you all kinds of other branded television beyond what we have already made available," Rogers says. And his TiVo goal is to help make subscribers' entertainment choices manageable. "If you can do that with 4 million songs, you can do that with anything."