



## Marketers hop on the download bandwagon

Free music being used to sell everything from credit cards to college

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With iPods outranking beer drinking as the most 'in' thing on college campuses, as [a recent study found](#), is it any wonder that free music downloads are being used to sell everything from Gap blue jeans to 7-Eleven Slurpees? Even Saint Joseph College ("Connecticut's only four-year women's college") recently began offering three free music downloads to high school students who register as prospective applicants.

"Digital assets and digital awards are very attractive to consumers," says Armen Najarian, senior director of marketing at Soft Coin Inc., which helps companies design and implement online promotions. His firm is working on music download promotions for Mr. Coffee, Sunkist and AquaFresh, the last of which nearly refunds the cost of a tube of toothpaste through Sony Connect music downloads.

iTunes "put a stake in the ground" with a Pepsi promotion a few years ago, Najarian said. "Now there are other viable music sources, like Sony Connect, Napster and Yahoo! that companies can also use to provide added value to their consumers," he said.

Music downloads also are taking up permanent residence in customer loyalty program catalogs, where the hope may be to draw younger members as well as those who are merely young at heart. Though downloading music has a hip reputation, users run the age gamut. The majority of iTunes users actually are over age 35, according to the most recent data from Nielsen/NetRatings.

The New York Times, Citibank and American Express are among companies that have recently added music downloads to the roster of awards in their loyalty programs, which allow customer to collect points that can be exchanged for prizes.

At American Express the idea of adding iTunes arose in conversations with members and employees. But what may have cinched the deal is that company executives noticed that more and more cardholders were shopping at iTunes.com, said Ralph Andretta, senior vice president and general manager of American Express Membership Rewards.

"It was obvious iTunes was a natural fit for our members," says Andretta. Program members can redeem as few as 3,000 points for 25 songs, or 11,000 points for 100 tracks.

"It is especially attractive to our **Blue Card** population," he said, referring to American Express's card geared toward younger consumers. "But it is also good for parents."

Andretta himself recently thrilled his preteen daughter with the gift of 100 downloads.

Downloads also are being offered as a reward in frequent-flyer programs, the best known and most popular of all customer-loyalty plans.

The United Airlines Mileage Plus program, for instance, offers a direct conversion—10,000 miles for 100 tracks or 10 albums through Sony Connect, a rival to iTunes.

One reason music downloads are so popular in such programs is that they generally are easy to earn, said Rick Ferguson, editorial director of Colloquy, which does marketing research and consulting for loyalty programs.

"Ideally within an awards program you want to have your members qualify for something within 90 days to give them a taste of the value the program offers them," he says. "Eventually they see the value in letting points or miles build up over time. It gets them in the cycle of using and redeeming." And staying loyal to the program.

Talk with any teen or college-aged iPod or MP3 owner—or visit a blog site—and the reaction is uniform among those who have grown up with an Internet connection. All have some form of music player, generally packed with tunes obtained for free, whether downloaded from a free site, 'gifted' or the result of a product redemption code. (iLounge.com is one leading site for free, legal music downloads.)

This is one reason the download promotions will not be disappearing any time soon. "They are an exciting award option, especially when geared toward an audience that is used to getting its music downloads for free," says Ferguson.

And given the ready supply of free music and the ingrained expectation among teens and young adults that music should be free, it is unlikely to die out. That bodes well for the continued success of anyone offering free music downloads, using them as part of a promotion, or simply seeking to fill up their music player.

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