



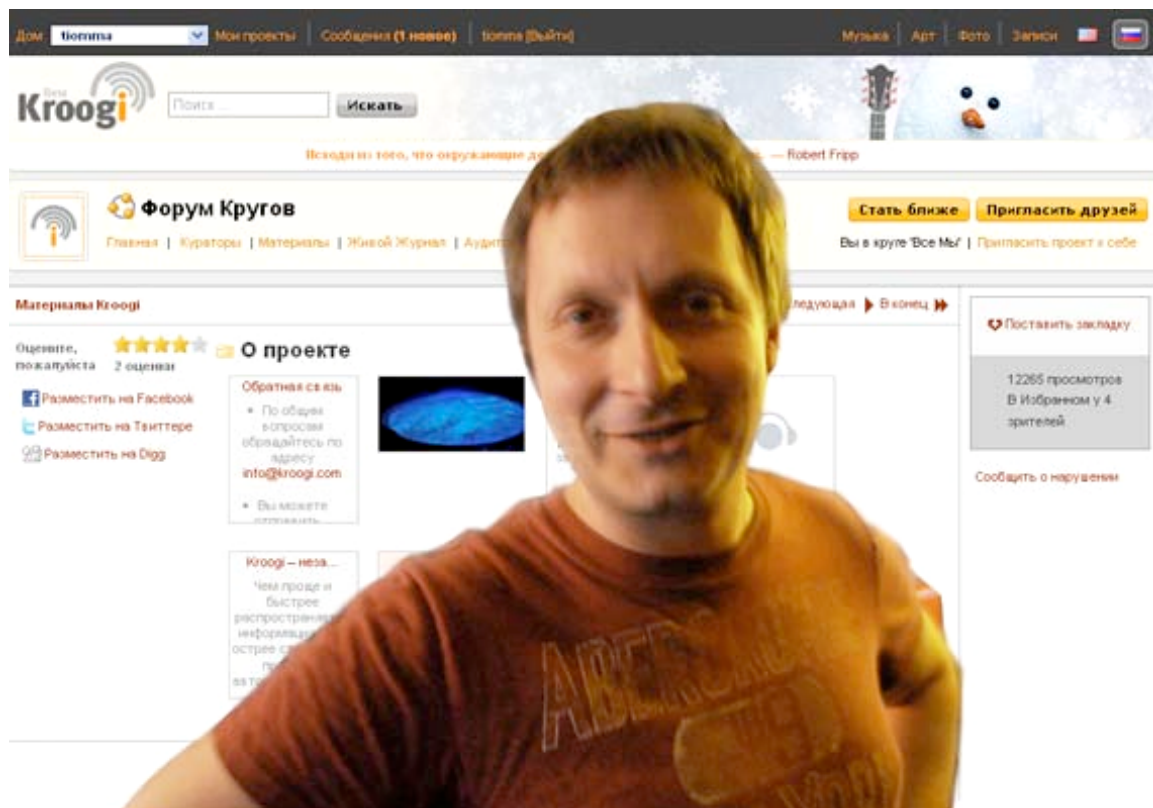
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INTERVIEW WITH MIRO SARBAEV, [Kroogi.com](http://Kroogi.com) CEO

## [Kroogi.com](http://Kroogi.com):

### **A daisy on the grave of the music business.**



Website [Kroogi.com](http://Kroogi.com) gained recognition about a year ago. It sparked a wave of rave web reviews about a "place where you can download music legally and absolutely free!" However, it's not totally free. To download content, you can choose to pay a certain amount of money to the artists, or not to contribute anything. The creators of Kroogi first built their business model, and succeeded, with musicians such as Lyapis Trubeckoy, Chajf, Moscow Grooves Institute, Aquarium, Eugene Grishkovets, Hummingbird, Zahar May, "Masha and the Bears", Nastia Poleva, Komba Bakhit, and Karl Hlamkin. These first musicians trusted Kroogi with their music, leading to more and more content. It seems that founder Miroslav Sarbaev managed to find a reasonable compromise between the networks of music lovers who do not wish to pay for downloads, and the interests of artists who, quite rightly, want payment for their labor. The fact that the premiere of rock band Aquarium's last two albums was done through Kroogi raises some questions. And, they will be answered. We managed to arrange, in snowy Moscow, the interrogation of Sarbaev, just arriving from San Francisco.

**- Miroslav, your website's focus is primarily on music. But is Kroogi about more than just music?**

MS: Of course, Kroogi is for any creative person interested in distributing the fruits of their labor through the Net. We focus mainly on music because the "circle" is smaller, and we can learn how to do well, and build on this product. The music we feature is very eclectic, and we are open to almost anything. We also have writers, photographers, and filmmakers, Ivan Maximov in particular.

**- Tell me a little about yourself.**

MS: I graduated from MEI specializing in plasma physics, but I was more interested in music journalism. Then, in 1990, while working in the youth agency IMA-Press, I went to America, and was offered a job there. For about five years I worked exclusively IT because the people who hired me worked on my US residency. Soon after I got my Green Card, I started a consulting business. We had a smaaaaall client named Napster (the first peer-to-peer Internet network, a pioneer of free music downloads). No one knew who they were or what they did. But, I noticed the number of users began growing by a million a day. So, we asked what they were, and they told us. We liked it. A month later Fanning came to us and asked us to join them.

**- The same legendary Fanning?**

MS: What a curious character! When he was born, his father was 19 years old, and his mother... 15 or something. Shawn's father was from a good family, he went to college, was the president of a company - but his mother was a different story. Shawn had three half-sisters and two half-brothers. The sisters graduated from Ivy League schools. Brothers are trouble. Shawn himself was a combination of both his parents' qualities. That is to say on the one hand, he's a company president, on the other - perceived by some people as hardened network pirate...who became the personal enemy of Metallica and Tom Waits. After that, you can do nothing and just give interviews for the rest of your life.

Working at Napster was interesting. You walk into the hallway, and there's Peter Gabriel, who has a very positive attitude towards Fanning, unlike Waits. Well, after Napster, I spent some time in the company SNOCAP - it now owns MySpace. And then I went to Kroogi and I stayed.

**- Explain to me why a respectable Briton like Gabriel was friendly towards Napster, while the Russian underground's beloved Tom Waits filed a lawsuit against the company?**

MS: There is a person who produces the creative product. The product they produce, on the one hand, is totally independent of what they're like when they sell their product. A person can be a scumbag or drug addict, but when they sell their album to a label, turn into a traditional, very hard businessman. Or take Thom Yorke or BG - decent people, not punks or rogues - but they're the pioneers of alternative distribution in Britain and Russia. On the contrary, Simon Posford of Shpongle, renowned in psytrance circles around the world, is very traditional. He lives on an inheritance, and does not depend on the sales of his work. He's a very intelligent, refined Englishman. Well, when the last Shpongle album was stolen and put online a month before its release, Simon was outraged and wrote messages in the style of "If I find you, I'll strangle you like a dog..." and so on.

**- But let's see it from their point of view. You're in the studio, tormented, composing a song, and someone steals it. In general, here we're confronted not so much with the monetary, as the ethical side of the question, right?**

MS: Yes. And in fact some of it went on Kroogi.

**- I know all about you. You are Utopian. You want to convince the lion to sit down with the lamb, and somehow persuaded a decent number of people to get into this scheme. Do you seriously think the model of compromise between the interests of artists and fans will work?**

MS: I seriously think that our model can be a nice change. We're like a beautiful daisy that blooms on the grave of old methods of music distribution. It's an outlet for those who want to say "thank you" to their favorite musicians, especially those who download gigabytes of their content. For fee. And another thing - people are always talking about "alternative models" for music distribution... but it's the only alternative that existed in the 20th century. Prior to the 20th century music physical music distribution - LPs, CDs, cassettes - did not exist. But suddenly it did! And then the music industry began to work on schemes similar to Kroogi.

**- Do users need to register to download the content?**

MS: Now you have to.

**- Do you have some sort of unique statistics tool, to measure the growth of users and what they're doing?**

MS: Yes - it's already running. We can calculate the number of people who download for free, and who pay. For "Aquarium," say, one third paid, while for "Stigmata" (Young Russia's thrash-metal band), 1 out of 15 paid. For other artists, it depends. On average, it's around 1 in 5.

**- Kroogi has been around two years. Are you content with the growth of new users?**

MS: The first year we were building the site, Kroogi was closed to the public. A little over a year later, the system was open. Over the past three months, each of them beat the previous record of growth. In January, the number of users was 3 times more than 3 months ago.

**- Tell me, how well is Kroogi known where it is actually based?**

MS: Introducing the West to Kroogi is the main focus of the company today, not only to attract more of the non-Russian speaking market, but also because of our ideological commitment to build bridges and open borders. If it happens, it'll fulfill many dreams. So, we must create the maximum number of positive links in the music business so people can give away their music to the world.

Inna Zhelannaya made their entire discography available on Kroogi.

**- And yet what is Kroogi? A hobby, charity event, a futuristic project? Or a business?**

MS: It was conceived as a business, not a charity. We have a business model that leads to profit, in order to attract more people - both musicians and others. For two years I have been doing nothing - investors have invested in us, from Russia, Europe, and America. Among them are founders of the famous Silicon Valley network projects. Entrepreneurs have different motivations when they start a business - everyone believes they have found the most effective way to achieve wealth and prosperity. But when I invented Kroogi, I was looking at an easier, more faithful way to earn money. I just had to do it.

**Good luck, Kroogi! When the modern music industry collapses, we'll certainly remember the names who helped topple it. Something tells me Kroogi will be among the first of those names.**