

Google, MySpace, Facebook make music moves (Update 2)

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This image provided by MySpace shows a Facebook page featuring a video by singer Ashley Tisdale. Social-networking site MySpace is using its joint venture with recording companies to launch a music video service that will pop into millions of profiles at rival Facebook as well. Starting Wednesday Oct. 21, 2009, music videos that MySpace has licensed for its site will run as well on the iLike music recommendation application, which the News Corp. unit acquired for \$20 million. (AP Photo/MySpace)

(AP) -- Internet power players Google, MySpace and Facebook are adopting strategies to better compete in a music industry that is rapidly shifting online.

In separate developments Wednesday, it emerged that Google plans to launch a music search service, MySpace said its music videos will be spread on competing social networks through recent acquisition iLike,

and Facebook said it will now allow friends to send each other song-streaming gifts for as little as 10 cents each.

The developments, all of which came with the blessing of the major recording companies, are examples of attempts to reap online revenue as compact disc sales continue to fall.

According to people familiar with the matter, Google Inc. next week will launch music search pages that will package images of musicians and bands, album artwork, links to news, lyrics, videos and song previews, along with a way to buy songs on one search results page.

The people spoke on condition of anonymity because they weren't authorized to speak publicly about the deal before next Wednesday's announcement.

The package is similar to how companies get individual pages for Google's financial news service.

The effort also marks a new way for Google and the recording companies to promote alternatives to Apple Inc.'s iTunes, the leader in song downloads.

Song previews and sales on Google will be provided by online music retailer Lala and iLike, a music recommendation application bought by [News Corp.](#)'s MySpace this month. Song previews will appear in Lala or iLike online music players, and users won't have to navigate away from the search results page. Videos will appear through iLike's player.

The major recording companies - Vivendi SA's Universal Music Group, Sony Music Entertainment, Warner Music Group Corp. and EMI Group PLC. - pitched the idea to Google a year ago and are cooperating with the project, according to one person.

The music companies will benefit by sharing revenue from song sales with Lala and iLike, while making the discovery, experimentation and buying process simple for Google users.

Google hopes to improve itself as a destination for music discovery. Although Google won't get a share of song sales, it will collect revenue from advertising that will be shown with the search results, according to the people familiar with the plans.

A Google spokesman declined to comment.

Meanwhile, MySpace announced Wednesday it is replacing YouTube videos on its iLike music recommendation service, which it bought for \$20 million earlier this month, with videos it has licensed on its own.

MySpace Music, a joint venture between MySpace and the four recording companies, benefits most from the deal.

The videos also will have a dedicated MySpace Music Videos page and be featured more prominently on artist pages and in search results on both MySpace and on the [Google](#) music search service.

Music videos have always been a part of MySpace but with the new service, MySpace-branded ones will be playable inside iLike applications embedded on competing social networking sites such as Facebook, Bebo, Orkut and hi5.

Advertising embedded in the videos will benefit the MySpace Music venture.

The videos will come with "overlay" ads, which are partly translucent and don't interrupt the video. Buttons on the ads will let viewers easily buy song downloads from Amazon.com Inc. or Apple Inc.'s iTunes

music store. Any transactions will generate a small fee for [MySpace](#).

Finally, Facebook said Wednesday it will now allow friends to send each other 10-cent Web songs to stream online or 90-cent songs in the MP3 format that recipients can download as gifts from online retailer Lala.

The offering will be available by Thursday afternoon, starting with a limited group of Facebook users and spreading gradually.

The development bolsters Facebook's existing gift offerings such as virtual birthday cakes and pints of beer, while putting Palo Alto-based startup Lala in front of millions of potential new customers. The service will only be available in the U.S.

"Instead of just selling an MP3, we're selling an event for someone," Lala co-founder Bill Nguyen told The Associated Press.

Purchases will use Facebook's payment system, in which customers buy credits worth 10 cents each with a credit card.

Nine-credit song downloads will be of higher quality than one-credit streaming song gifts.

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