

News Corp. exploring options for Myspace

January 13 2011



A woman looks at the MySpace website. News Corp. said Thursday it is exploring "strategic options" for Myspace amid reports it is considering a sale, merger or spinoff of the ailing social network.

News Corp. said Thursday it is exploring "strategic options" for Myspace amid reports it is considering a sale, merger or spinoff of the ailing social network.

The reports that [News Corp.](#) is looking to sell Myspace, which it bought for 580 million dollars in 2005, only to see it be eclipsed by Facebook, surfaced a day after the social network cut 500 employees, nearly 50 percent of its staff.

Asked about the reports, a News Corp. spokeswoman told AFP: "We're exploring all our strategic options for the business."

The News Corp.-owned [Wall Street Journal](#) reported on Thursday that Myspace chief executive Mike Jones told employees in a companywide meeting on Wednesday that News Corp. is exploring a sale, merger or spinoff of Myspace.

Citing a "person familiar with the matter," the newspaper said News Corp. is in the early stages of the process and plans to conduct meetings with potential partners in the near future.

Wedbush Securities social media analyst Lou Kerner told AFP following the [layoffs](#) that the move was potentially setting the stage for a sale of Myspace, whose numbers have dwindled as Facebook has grown to over 500 million members.

"I think this is likely a first step to selling the asset," Kerner said.

"It certainly makes sense for News Corp. to take a hatchet to the company as preparation for a sale so when somebody acquires it that's not the first thing that they have to do." he said.

In November, News Corp. president and [chief operating officer](#) Chase Carey said the losses at the social network were "unsustainable."

With tens of millions of users, Carey said [Myspace](#) still "has the potential to be an exciting business for us" but "we need to make real headway in the coming quarters to get this business to a sustainable level."

(c) 2011 AFP

Citation: News Corp. exploring options for Myspace (2011, January 13) retrieved 3 May 2024 from <https://phys.org/news/2011-01-news-corp-exploring-options-myspace.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.