

## Cricket's Muve Music attracts 200,000 subscribers

September 8 2011, By RYAN NAKASHIMA, AP Business Writer

(AP) -- Muve Music, the unlimited music plan offered by prepaid cellphone company Cricket, has doubled the number of subscribers it has to 200,000 in the past two months.

The milestone announced Thursday makes Muve the clear No. 2 in the subscription <u>music</u> category behind only <u>Rhapsody</u>, which has about 800,000 subscribers.

Cricket, a division of the nation's seventh-largest carrier, <u>Leap Wireless International</u> Inc., also announced that it would begin offering the service along with unlimited voice, data and texting for \$65 a month on Android-powered smartphones by the end of September. Up until now, the service has only been offered on a traditional cellphone with stripped-down capabilities for \$55 a month, a deal that also offered unlimited voice, data and texting.

Cricket's <u>music service</u> has grown rapidly since launching in January, partly because it bundles the music service with customers' regular cellphone bills and eliminates incremental charges for downloading new songs. Users on average download more than 400 songs per month and listen to music two to three hours per day.

Songs acquired through Muve and other subscription plans cannot be transferred off the phone and expire if the monthly subscription is cancelled, but can be listened to outside of cellphone range.



Rhapsody has been around since 2001 and costs \$10 a month on its own. Starting last month, Rhapsody leapt into competition with Muve by offering a bundled \$60 monthly plan that also covers voice, data and texting on Android phones in partnership with <a href="MetroPCS">MetroPCS</a>
Communications Inc., the nation's fifth-largest wireless carrier. Rhapsody has been offered as an add-on service through <a href="Verizon">Verizon</a>
Wireless for several years.

Despite having a smaller following, Muve said it accounted for 70 percent of plays of the top 10,000 songs played on mobile devices in July in the so-called "tethered streaming" category that it shares with Rhapsody, MOG, Spotify and Rdio, citing Nielsen Co. statistics. The category does not include songs purchased through Apple Inc.'s popular iTunes service, which charges a one-time price for songs that can be transferred and kept forever.

Jeff Toig, general manager of Muve Music, said the usage data is "staggering."

"They're putting down their MP3 players, their iPods, and they're making the phone the centerpiece of their music experience," Toig said.

Recording companies like Universal Music Group and Warner Music Group Corp. are enthusiastic about licensing music to subscription services because one-time download sales through online stores such as iTunes and Amazon.com haven't made up for a decade-long drop in CD sales.

<u>Wireless carriers</u> see music plans as a way to attract new customers and keep them longer while boosting monthly revenue. More than half of Muve Music's customers are new to Cricket, the company said.

Muve's Android interface is the same as the one it launched on the older



Brew platform for feature phones, but its response time is somewhat quicker. Toig said the company is preparing upgrades that take advantage of Android's notification bar and improve Muve's search function.

It is also contemplating song files that contain more data than now because the Android platform will be compatible with Wi-Fi wireless networks. Larger file sizes would not tax the company's cellphone network if downloaded over Wi-Fi.

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