

Music service Rhapsody hits 1.7M paid subscribers

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Music subscription service Rhapsody International says its paying subscribers have grown 63 percent to 1.7 million over the past year.

The gains came primarily from partnerships with mobile phone carriers abroad, according to Chief Financial Officer Ethan Rudin.

Rhapsody got a boost from an October deal with the Spanish telecoms giant Telefonica that transferred hundreds of thousands of Latin American subscribers from another service. In exchange for Rhapsody running the service under its Napster brand, Telefonica took an undisclosed stake in Rhapsody that could grow if performance targets are met.

Such partnerships are the preferred way for Rhapsody to enter new markets, said Rudin. Typically, such partnerships last for two to three years and can be renewed with Rhapsody getting a better share of revenue on subsequent deals, he said. The company now operates in 32 countries.

Rhapsody remains far behind Spotify, the world leader with more than 6 million paying [subscribers](#).

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