

Apple set to turn up music dial

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In the biggest overhaul of iTunes since it was launched in early 2003, the service was set to include an option of subscribing to streaming music

for \$10 monthly.

Analysts and industry insiders say a rebranded "Apple Music" will be introduced on Monday during a keynote presentation kicking off the company's weeklong Worldwide Developers Conference in San Francisco.

Sony Music Entertainment chief executive Doug Morris confirmed during an on-stage interview at Midem in Cannes that Apple was indeed poised to unveil "Apple Music" streaming service.

"Apple Music will be an Apple streaming company," Morris said during an interview focused mostly on his rich career in the industry.

"I think it will make a big splash," he continued. "It will have a halo effect on the entire business... a rising tide lifts all ships."

Apple has ample money for advertising a streaming music service, and some 800 million credit cards already linked to iTunes accounts.

The popularity of iTunes and Apple devices means that a broad audience could be provided an easy way to simply switch on the new music service.

"I absolutely think we will see a streaming music service," Gartner analyst Van Baker told AFP.

"Apple is late to the game on this, but it may not matter."

Morris reasoned that a boom in subscription streaming will pump cash into a music industry that has shrunk to \$15 billion annually from \$30 billion a decade ago.

"What is interesting about all the streaming services controlled by the tech companies is that they don't work without music," Morris told the audience at the trade event.



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"So, we are really in a great position."

While iTunes transformed the way music was distributed and sold, it also put Apple in a position to build extensive relationships with labels and artists.

Apple Music will likely have benefited from talent and technology acquired when Apple bought Beats Electronics and its streaming music service in a \$3 billion deal in May last year.

An Apple streaming music service would grab headlines at an annual gathering at which the California-based company courts creators of fun, hip or functional apps that help drive the popularity of Internet-linked mobile devices.

Time for smartwatch apps

Apple will likely be keen to fuel enthusiasm for making apps to run on its freshly launched line of smartwatches.

"I think we will see a focus on doing new and unusual things on Apple Watch," said independent Silicon Valley analyst Rob Enderle.

Apple is likely to loosen the reins a bit on its smartwatch to let developers create apps that work right on the wrist instead of on iPhones to which they are synched.

Enhancements were also expected to Apple Pay, which allows contactless payments with iPhones or smartwatches. Improvements could include adding the ability to track rewards program information.

"What they announce will help determine if Apple Pay moves from the nice-to-have bucket to the must-have bucket for both merchants and shoppers," said Forrester analyst Sucharita Mulpuru.



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Forrester predicts US mobile payments will top \$142 billion by 2019, up from \$67 billion this year.

Siri smarts

Baker will be watching for Apple to improve Siri virtual assistant to better challenge Google Now and Microsoft's Cortana.

"I am hoping that is the case, because I think Siri is a distant third right now when it comes to virtual assistants," Baker said.

Apple may also show off improved privacy protection features in its

software, in keeping with strong public comments made in recent weeks by chief executive Tim Cook.

And, true to the developer theme of the gathering, Apple will dive deeply into features of coming generation software for its computers and mobile devices.

Apple devices remain premier venues for developers to feature their creations, but Google-backed Android software has gained ground in the battle for devotion of app makers.

About 62 percent of developer teams support Android smartphones or tablets compared to 48 percent tuning applications to iPhones or iPads, according to research firm Forrester.

"Apple needs to maintain its momentum and thought leadership coming out of WWDC," Forrester analyst Frank Gillett said.

"Though Google isn't making that too hard yet—due to Android fragmentation and low rates of adoption to the latest version."

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