

Deezer aims for profitability in two years

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Music streaming firm Deezer says it has six million paying subscribers and boasts a catalogue of 40 million songs

Music streaming firm Deezer said Friday it aimed to become profitable in two years, and was already making money in its home market of France.

In an interview on BFM Business radio, the company's managing director Alexis de Gemini said "two years" in response to a question on when the service would become profitable.

Gemini said Deezer would again raise money from investors in two years and hoped the company would be valued at one billion euros (\$1.1 billion).

Deezer last year abruptly abandoned a public floatation, instead raising funds from its investors including an owner of Warner Music Group, one of the three major music label groups.

Earlier this week Deezer launched independently in the rapidly growing US market that is dominated by Sweden-based Spotify, with competition from upstarts Apple Music and Tidal as well as veteran streaming service Rhapsody.

"We have to compete against Spotify, Apple across the world" but "in France we are making money" where Deezer has nearly 50 percent of the market, said Gemini.

While music streaming services have been eroding the already falling sales of music on CDs, with their huge outlays to expand services and the payment of royalties, they have yet to demonstrate whether they can operate profitably.

Like Spotify, Deezer offers an advertisement-supported free tier as well as a subscription service.

Deezer says it has six million paying subscribers. Spotify, the largest streaming service, says it has 28 million paying subscribers out of a total of 89 million active monthly users.

Deezer boasts a catalogue of 40 million songs in what it describes as the largest in the streaming industry.

Deezer has focused on its international reach and is available in more

than 180 countries but had made the calculation to stay out of the world's top two [music](#) markets, the United States and Japan.

"We couldn't not be there given our size," said Gemini about Deezer's direct entry in the United States.

Deezer had made initial inroads in the United States through a tie-up with telecom operator Cricket Wireless. Deezer has also offered high-end [streaming](#) in the United States through collaborations with speaker makers Sonos and Bose and in 2014 bought US podcast operator Stitcher.

According to the latest results it has disclosed publicly, Deezer suffered a loss of 27 million euros in 2014 on sales of 142 million euros.

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