

EU probes Apple plan to buy music app Shazam

April 23 2018



The investigation of Apple's Shazam buyout becomes yet another source of contention between Brussels and Silicon Valley

The EU on Monday launched an in-depth probe of tech giant Apple's plan to buy leading song-recognition app Shazam because of fears the

deal may reduce choice for consumers.

Apple announced the deal with London-based Shazam, worth a reported \$400 million, in December last year in a fresh bid to secure an edge in the intensifying battle of streaming services in which Sweden-based Spotify dominates.

The investigation of Apple's Shazam buyout becomes yet another source of contention between Brussels and Silicon Valley as the European Union adopts tougher regulation of the likes of Facebook, Google and Amazon.

The European Commission said in February it would consider an inquiry into Shazam at the request of EU states Austria, France, Italy, Spain and Sweden, and non-EU Norway and Iceland, which form part of the affiliated European Economic Area.

"The Commission is concerned that the merger could reduce choice for users of music streaming services," it said in a statement.

On its own, the deal was too small for the European Commission—the EU's executive arm and anti-trust enforcer—to launch a probe by itself.

Instead it had to wait for Austria to lodge an initial request, which was followed by the other states.

The commission said it was concerned that the takeover would allow Apple to gain access to commercially sensitive data about customers of its rivals.

Apple could then use this data to better target customers of other streaming services and help develop its own offer, which has struggled to gain traction since launching to great fanfare in 2015.

In addition, the EU will also investigate whether Apple Music's competitors would be harmed if Apple were to discontinue links from the Shazam app to rivals.

Shazam, which was founded in 1999 in the early age of online music, has offered a solution to a longtime agony of listeners—putting a name to elusive songs. With a click, the app identifies tracks playing on the radio, at parties or as background music.

But Shazam has struggled to find a way to make money off its technology, even as it said that it had reached one billion downloads on smartphones last year.

Shazam only recently announced it had become profitable, thanks to advertising and steering traffic to other sites such as Spotify and Apple Music.

The technology is also no longer quite as novel, with Shazam facing rivals such as SoundHound and with smartphones capable of ever more advanced recognition functions.

© 2018 AFP

Citation: EU probes Apple plan to buy music app Shazam (2018, April 23) retrieved 27 July 2024 from <https://phys.org/news/2018-04-eu-probe-apple-takeover-digital.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.