

# AT&T Could Muve Subscriber Base for Beats

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While Beats appears to have done a good job with its new streaming music service (see below for hands-on impressions), it's the company's tie-up with AT&T that could make it a contender out of the gate. That's saying something considering wireless operators' poor track record when it comes to content. Whether Beats plans on migrating MOG users, which is still up and running, over to the new service is unclear, but I'm guessing that's in the cards at some point. That too could help drive subscriber numbers.

But in the end, it's this sweet spot that Beats has found: Take an otherwise undifferentiated content service, from an industry that hasn't figured out how to stem churn, and offer said service at a reduced price to a wireless carrier's entire customer base. Add water, and boom, you've got a thriving music streaming service.

The key here is that AT&T is offering its customers, who may already be subscribing

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to other streaming music providers, a serious price break. A family account with Beats, offered exclusively through AT&T, for up to five people on 10 devices will run \$15 a month, with the first three trial months for free. A family account through Rdio for 5 unlimited accounts will run \$32.99. Aside from perhaps some personally curated playlists and maybe a rather weak social connection with other users, what exactly is keeping Rdio subscribers that are currently with AT&T from jumping to Beats?

Add to the above, the fact that AT&T is in the process of acquiring Leap Wireless, which has scraped up 2 million subscribers to its Muve music product offered through the Cricket brand. The FCC has actually been wondering just exactly what AT&T will do with subscribers to that service. While redacted from this [filing](#) [1], I'm guessing they just might be offered a really good deal on Beats.

In a word: nothing.

No, it won't be that easy and certainly Beats' already-established brand will be a big plus as the company looks to build its base. This is classic cross-marketing, and it's a good thing for AT&T as well. While Verizon has arguably been more active in the content space—Redbox, NFL RedZone—the operators overall have struggled to get in the middle of the content ecosystem in any truly meaningful way.

### Well implemented but business as usual

To be sure, the music streaming market has become a crowded, highly competitive market, making noticeable differentiation a necessity. Rhapsody, Rdio, Spotify, to name a few, all have solid customer bases that have already established playlists and social connections through their chosen service. This will not be an easy ride for Beats, and that's putting it lightly.

That said, the new service will launch next week with a catalog of over 20 million songs—pretty standard these days. After getting a few days to play around with a Beta of the new Beats app for iOS, I have to say that I'm impressed. The company has done a commendable job with the app, as well as the service itself.

Jimmy Iovine, the company's CEO, has repeatedly stressed that the Beats service will set itself apart by using actual human beings (shocker!) to curate playlists and enable music discovery. The idea is that the algorithms used by other services have no heart. They make assumptions that may or may not be on target.

The intended result is more accuracy and relevancy in picking songs that will appeal to users. To this end, Beats offers other interesting features. One in particular called 'Right Now' allows users to fill in the blanks of exactly where they are, who they're with, what they're doing, and how they're doing. For instance, you might say, "I'm in the car, with my grandpa, and feeling lethargic." From that data, Beats will come up with a playlist that it hopes fits just such an occasion.

Aside from better methods for curating content, Beats also hopes to distinguish itself through what I found to be a really beautiful user interface. The homescreen

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and menus are full of splashy graphics, artist photos and other music-related iconography. A feel for the style of the service can be found on the service's homepage (<https://beatsmusic.com/>). The iOS app's controls are easily accessible and in keeping with the generally accepted format used by other streaming services.

Only time and subscriber numbers will reveal whether Beats has something truly unique in the streaming space. But it's set itself up for success by partnering with a wireless carrier.

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**Links:**

[1] <http://apps.fcc.gov/ecfs/document/view?id=7521064550>