

Report: Apple Readies Mobile Ad Business for New Music Service

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Apple is gearing up for the unveiling of a new streaming music service next week by shifting some of its iAd personnel over to the new service. The move is part of an effort to change the way Apple sells mobile advertising to cater to customers that might be looking to engage an listening audience, according to a [report \[1\]](#) from Bloomberg.

The shift in strategy, involves engineers and sales staff in the company's iAd division, which are being asked to support the new radio service, which many believe is set to be unveiled at the company's annual developer conference next week. Citing unnamed sources, Bloomberg reports that the music service won't be publicly available until later this year, when Apple's iOS 7 mobile-operating system is released.

Bloomberg reiterated reports from earlier in the week that Apple has reached licensing agreements with Universal Music Group and Warner Music Group.

Apple is behind the curve on the launch of a streaming music service. The company will be competing with the likes of Pandora, Rdio, Rhapsody, and Spotify, as well as Google and Nokia, both of which offer some form of subscription-based music service.

Shares of Pandora dropped nearly 11 percent yesterday after reports of the new service surfaced at multiple outlets.

While Apple's iOS still maintains over 40 percent of the smartphone market in the United States, the company has been criticized for a lack of innovation since the death of founder and CEO, Steve Jobs. Software and services in particular have been a sticking point for reviewers and consumers alike, deficiencies that were brought to the surface when Apple brought a [flawed \[2\]](#) maps product to market in iOS 6.

A lack of hardware choices has also been scrutinized by media and analysts, who say that consumers are increasingly drawn to the many screen sizes and extra features that Android OEMs have brought to market.

Apple's strategy with the iPhone has been to drop the price of previous models as

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newer models are launched. Apple has seen a lot of criticism recently in light of larger and cheaper Android phones. Cook said those kinds of features come at a cost

During a recent interview at the Wall Street Journal's D11 conference, Cook discussed Apple's reluctance to bring a low-cost iPhone, or one with a larger screen, to market.

"A large screen today comes with a lot of trade-offs. People clearly are looking at the size. But they also look at things like do the photos show the right color," Cook said, noting that larger screens have an effect on things like battery life and longevity of the device itself. "What our customers want is for us to weigh those and come out with a decision.

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