

Skype's ringtone offer may not be golden



Ringtones are no longer just for mobile phones. Favorite tunes can be used to alert Internet phone network users of incoming calls from now on, too, following the tie-up between Warner Music Group and Voice over Internet Protocol leader Skype announced Monday.

In the next few months Skype subscribers will be able to download ringtones from the stable of Warner's singers, including Madonna and Green Day, that will play when VoIP users get an incoming call.

The Luxembourg-based Skype, which was recently bought out by online auction house eBay, will have an online retail store for music downloads once the ringtone service is under way, with Madonna headlining the featured-artist section. Fans of the ubiquitous Material Girl will be able to get ringtones from her earlier hits including "Like A Virgin" and "Vogue," in addition to downloading ringtones from her latest album "Confessions on a Dance Floor."

"Warner Music Group is pleased to partner with Skype as they launch the first music personalization products in the Internet voice calling category," Alex Zubillaga, executive vice president of digital strategy and business development at Warner Music Group, said in a news release. "We are excited that more than 70 million Skype users around the world will now have the ability to enjoy content from Warner Music Group artists. Furthermore, this agreement exemplifies our commitment to finding new ways our artists' music can be experienced across emerging platforms and distribution channels."

Skype continues to lead the way in attracting VoIP users and offers its services in 27 languages, but it has come under increasing pressure in recent months from bigger Internet and technology companies including Google, Yahoo! and Microsoft that are looking into getting a firm foothold in the Internet phone business as well.

So far, however, Skype is the sole VoIP provider that is offering ringtones to go hand in hand with its service.

By introducing ringtones, which have become such an integral part of having a mobile phone for many younger users in particular, Skype is aiming to expand its use to a wider audience, while Warner Music will be able to profit more from its musical line-up, especially as a single 30-second clip will cost users \$1.50.

"As Skype continues to grow as a mass market phenomena we are excited to partner with industry leaders in the entertainment industry like Warner Music, to offer great content from artists, such as Madonna, to Skype's fast growing global user base," said Saul Klein, vice president of worldwide marketing at Skype.

Still, some industry analysts question whether the latest alliance between the two companies will actually be successful. After all, Skype users were often attracted to VoIP in the first place to cut costs on making phone calls, as using the network via personal computers will allow people to place calls for free. Meanwhile, a tune download from Warner will cost considerably more than a ringtone download for a mobile phone, which usually costs about a dollar.

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