

Myspace becomes part of a bigger network

the global media conglomerate News Corporation.



News Corporation started in Australia in the newspaper business, acquiring the *Times* newspaper group in the United Kingdom and the *Wall Street Journal* in the United States. It also diversified into television (for example Fox News and BSKyB) and film, including 20th Century Fox, responsible for the hit film *Avatar*. Its chairman is Rupert Murdoch, whose family owns a controlling interest. Rupert Murdoch's son James is expected to succeed him

Some adjustments had to be made. Tom Anderson told *Fortune* magazine: 'Before, I could do whatever I wanted. Now it takes more time to get people to agree on things. All the budget reviews and processes. That can be a pain. But it's not stopping us.' News Corporation was able to fund a more robust technology platform to cope with the thousands of new users Myspace was getting each day. In 2006, Myspace signed a three-year advertising contract

1 How valuable is MySpace's distinctive

- 2 How should News Corporation have position in the social networking market?

MySpace increasingly less attractive for users. During 2009, MySpace's share of the social networking market fell to 30 per cent, from a peak of 66 per cent. The company missed the online traffic targets set by the Google contract. Losses were expected to be around \$100m. In March, Chris DeWolfe was removed as Chief Executive of MySpace. The new Chief Executive was Alan Van Natta, from Facebook. Van Natta told the *Financial Times* that MySpace was no longer competing with Facebook. 'We're very focused on a different space... MySpace can foster discovery [of music, films and TV] in a way that others can't'.

with Google worth \$900m, which paid for the original acquisition with money left over. Executives summed up Myspace's distinctive positioning by saying: 'Your mom uses Facebook'.

But business then got tougher. Facebook overtook Myspace in terms of unique visitors in 2008. News Corporation executives complained about the excessive new initiatives at Myspace and the failure to prioritise: DeWolfe and Anderson were even considering launching their own film studio. Then Rupert Murdoch announced a target of \$1bn in advertising revenues for 2008, without consulting DeWolfe. Myspace missed the target by about 10 per cent. The push from News Corporation to increase advertising on Myspace, and a reluctance to remove pages with advertising from the site, began to make