



## Imeem Taking Off - Before MySpace Music Has Even Launched

Written by [Richard MacManus](#) / August 11, 2008 2:27 AM / [5 Comments](#)



Music-based social networking site **Imeem** is getting a lot of the right kind of press currently, based on strong traffic growth and key deals with record labels. We last wrote about Imeem in March, when they launched [a developer platform](#) that enabled read/write access to user information and more. As we explained then, Imeem is a site where users can listen to licensed streaming music, as well as upload music and blog about it - all for free.

As [SfGate.com](#) reported tonight, Imeem is the third-largest social network in the United States after MySpace and Facebook; and it's now the No. 1 streaming music site in the US.

That puts it above one of our favorites, CBS-owned [last.fm](#). It also is making MySpace sit up and take notice, as MySpace plans to launch an ad-supported music service itself - perhaps as soon as September.

### King of the Online Music Deal

There's a lot to like about Imeem. Starting with the music. [As we noted in March](#) Imeem has licensing deals with all four major labels and "80% of the indy music market", which means that you can find almost anything you want on the site and listen to it for free.

The user experience is also great - it's also another of an increasing number of sites powered by Adobe's Flex and Flash technologies. And check out Fanbase, an Adobe AIR app that Atlantic Records (a subsidiary of Warner Music Group) created in collaboration with Imeem. [We reviewed Fanbase recently](#) and said it is "no ordinary desktop music player". We explained that instead of simply streaming tunes, Fanbase lets you connect with other users through an integrated chat feature while also viewing a continuous feed of both the official and the unofficial news, photos, and videos. You can also customize the app by choosing which artists you want it to display from the dropdown menu or the "Manage" screen.



### Imeem Lording it Over MySpace Already

Imeem is leading the charge in the free, ad-supported online music market. It has deals with all four of the major record labels: EMI, Universal, Sony and Warner Music. In contrast, MySpace only has three of them - EMI hasn't signed with MySpace. What's more, according to SFGate Imeem also has a deal with Viacom's MTV Networks to show videos from Comedy Central, MTV and VH1.

Together with the launch of its platform in March, Imeem also has an extensive widget program in place. This means that Imeem music can be listened to on a wide range of websites - giving it another advantage over MySpace.

Imeem has a second-to-none pedigree in Internet music, having been started by people from companies like Napster and Tivo, and acquiring Napster founder Sean Fanning's Snocap late last year. To be fair, MySpace has a pretty decent background in music too - it

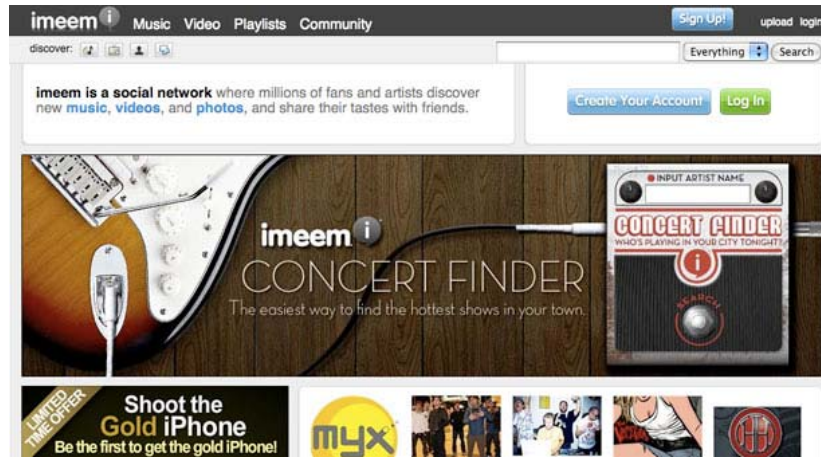
was said to be the driving force behind MySpace becoming popular in the first place.

In terms of users, Imeem had more than 27 million unique visitors in June according to comScore and it has 65,000 new users register each day. The company also says it gets more than 85 million total unique visitors of its widgets. These are impressive stats, although MySpace is still much bigger - with an estimated 120 million users.

### But Can it Earn Money?

It's not necessarily all rosy. According to [a recent CNN article](#), Imeem may struggle to earn a decent revenue. It estimates that Imeem is getting an average CPM of \$4 per page, which CNN thinks is insufficient to pay the record labels. CNN states that the major labels control 86% of all album sales in the United States and that they "generally want to be paid about a penny each time someone listens to one of their songs at a website like Imeem." However Imeem counters that they have "ad revenue-sharing" arrangements with the record companies, rather than the standard penny-a-song contracts. Also Warners has invested in Imeem. The same CNN article estimates MySpace Music revenue will be around \$3 CPM, so even here Imeem seems to have the upper hand.

Both Imeem and MySpace will continue implementing alternative revenue models. For example Imeem had a deal with movie star turned musician Scarlett Johansson, who released her album "Anywhere I Lay My Head" exclusively on Imeem in May.



### Conclusion

There's no doubt that Imeem has serious momentum, and backing (Sequoia Capital and Morgenthaler Ventures are investors). With all 4 record labels behind it and an especially cozy relationship with Warners, together with traffic that is rocketing upwards, Imeem appears poised to tip big time into the mainstream. You cannot of course count out MySpace Music, it is a joint venture after all with 3 of the 4 big record labels. But Imeem's growth rate and buzz is reminiscent of that of YouTube just before it got huge.

Watch this space, or should we say *listen* to it.

Watch Company Get Widget

<http://www.imeem.com/>

imeem is an online community where artists, fans & friends can promote their content, share their tastes, and discover new blogs, photos, music and video.

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<b>Location:</b>	San Francisco, CA, United States
<b>Latest Funding:</b>	Series C (04/2008)
<b>Investors:</b>	Sequoia Capital, Warner Music
<b>Competitors:</b>	Pandora, blippr, BuzzNet, Maestro Music, Inc., Oosah, Mixwit, Listal, Qloud, MeeMix
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1. Whoa. My head is spinning. Imeem is really doing great and it shows just how well a site can do when the right amount and kind of effort is put into it.

Posted by: [Nicki B.](#) | August 11, 2008 4:14 AM

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2. \$3 or \$4 CPM seems to be quite high. I thought the figure for facebook and other social networks was much lesser. Isn't that true?

Regards

Prateek Dayal

Co-Founder [Muziboo.com](http://Muziboo.com)

Posted by: [Prateek Dayal](#) | [August 11, 2008 7:00 AM](#)

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3. Prateek, I think they may mean just for music part of MySpace, because you're right I had understood average CPMs across whole of MySpace were more like \$1.

Posted by: [Richard](#) | [August 11, 2008 12:22 PM](#)

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4. check this <http://restofthemovie.com>

Posted by: [RestOfTheMovie](#) | [August 12, 2008 3:02 AM](#)

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5. Just joined iMeem. Looks awesome! Thanks for this review.

Posted by: [Jason Peck](#) | [August 12, 2008 9:15 AM](#)