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### MTV to Sell Online but Shuns the iPod

■ The Viacom unit allies itself with Microsoft, not Apple, to market songs and videos on the Net.

By Charles Duhigg and Chris Gaither, Times Staff Writers

Shunning leader Apple Computer Inc. in the crowded online music market, MTV Networks Inc. instead chose a partner that knows a thing or two about playing catch-up: Microsoft Corp.

The cable music channel said Tuesday that it planned to launch its long-anticipated Internet service — called URGE — next year with the help of the world's biggest software maker.

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Although it is a platinum brand among teens and young adults, MTV is a relative latecomer to Internet sales. More than 70% of online music is sold by Apple Computer through its iTunes Music Store. And subscription services such as Rhapsody and Napster have built loyal followings over the last year.

But MTV is betting that its global reach through more than 100 channels will vault URGE over competitors. MTV plans to offer music videos, television shows and 2 million song tracks through individual sales or a monthly subscription service. Specifics such as pricing and which songs and videos would be offered weren't disclosed.

MTV Networks Music Group President Van Toffler said the company, a unit of Viacom International Inc., allied itself with Microsoft because it wanted to exploit the flexibility and ubiquity of Microsoft's Media Player software, which comes preinstalled in the Windows operating system.

"[Apple Chief Executive] Steve Jobs has a point of view," Toffler said. "iTunes is about a digital storefront for a la carte downloads. Our goal is to create a utopian music community that keeps subscribers coming back."

Apple declined to comment.

Notably, Media Player does not work with Apple's iPod, by far the most popular portable music player.

URGE will be integrated into a new version of Media Player that Microsoft plans to unveil at next month's International Consumer Electronics Show in Las Vegas. Media Player currently includes links to Rhapsody, part of RealNetworks Inc., and Microsoft's MSN Music.

Toffler said Microsoft had promised a unique promotion for URGE, but Microsoft declined to elaborate.

For Microsoft, the alliance with MTV could bolster its efforts to provide the infrastructure for an array of online music services. The company has a long — and thoroughly litigated — history of establishing itself in new markets. Its Internet Explorer browser overwhelmed Netscape's Navigator and the software giant spent billions to secure a credible spot for its Xbox video game console.

Some analysts said MTV could run into problems if URGE is overly commercial or doesn't work as seamlessly as iTunes.

"MTV has done an incredible job of building trust with young music consumers," said Michael Goodman, an analyst at Yankee Group. "But there's a line between entertainment and infomercials, and there's a real risk they will damage their brand if they are seen as just another retailer trying to sell something."

Gartner Media Industries analyst Mike McGuire said another risk lay in whether portable music-player manufacturers "will put bells and whistles on their devices that may interfere with MTV's and Microsoft's service. If a listener gets endless error messages when they are putting MTV's songs on their device, they'll blame MTV."

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