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Lala.com stops free music streaming service

So it was too good to be true

by Amy-Mae Elliott published on 6 July 2007

Lala.com has stopped its Beta version of the free music streaming service we reported on last month.

The new iPod-compatible music store and streaming site promised to offer users the options to stream music for free in an advert-free environment.

Sceptics were doubtful of the ultimate financial success of the scheme - Lala.com had committed to pay a cent to the record companies per song played.

Licensing fees were projected to reach over \$150 million in the next 2 years.

Lala.com claims the service is being withdrawn because its servers couldn't handle the number of users.

Speculation suggests that it may also be because the company didn't get enough support from music labels, despite getting backing from the Warner Music Group.

Lala.com has said the service will be resumed at some point in the future, but no dates have been confirmed.

