

OVER 500 STAFF FACE AN IMPENDING LAYOFF AT MYSPACE



MySpace, a California-based social networking website turned social entertainment hub, is about to slash over 50% of its workforce due to the company's continuous sales decline said industry observers. Various sources revealed that the social networking company is now exploring strategic solutions that may result in the elimination of over 500 staff from its 1,100 workers worldwide. The massive layoff is attributed to the current losses affecting the company as its rival competing social networking site, Facebook, continues to dominate the social networking market. However, MySpace did not comment as to an exact number of workers to be laid off and when..

About six weeks ago, the News Corp. owned website redesigned its site and geared its business towards media and entertainment category to boost its revenue and to avoid competing with Facebook in the social networking space. In addition, MySpace also made user account integration with Facebook, innovated its mobile offerings and signed a new search advertising deal with Google- all to increase the company's stagnant growth.

COO Chase Carey noted during the News Corp.'s earnings call in November, that MySpace has fallen to an unacceptable level of sales revenue that's why they needed to troubleshoot the situation. "The current losses are not acceptable or sustainable. We judge in quarters, not in years."

Sources also revealed there has been an industry rumor that Facebook will soon acquire MySpace following the latter's deterioration. However, MySpace remained mum over the acquisition speculation. In 2005, News Corp. purchased MySpace for \$580 million.

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