

Online music distribution in a post- napster world



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1) What trends in networking in the 1990's and early 2000's drove the popularity of Napster? What other technologies contributed to Napster's success? Before the 1990's, if people want to listen to music, they just visit a music store and pick up a CD and then put it into a stereo equipment. However, the development of MP3 file format gradually changed the way people listen to music.

This format lets everyone download music easily and it can be converted to CD as well. But, there is still a problem: searching MP3 files on the internet is maddening and people seldom can find the music they want. Therefore, the birth of Napster solved this problem, creating a virtual music community in which music fans could use the Web as a "swap meet" for music files. More importantly, Napster is easy to use and it's free, which expands the range of audience in age. Bandwidth also contributed to Napster's success.

The greater the bandwidth, the faster the file can be transferred. So, Napster really changed the way people listen to music, discover music and interact with music. 2) What were the effects of Napster on the recording industry? In this case, there are three main effects of Napster on the recording industry. The first one is that it caused a large decline in record sales in a short time.

According to this case, the spending on recorded music in U. S dropped 4.1% in 2001 and the industry's top 10 albums also sold much less compared to the year before. The second effect is that it caused the sales of CD burners, blank CDs and digital audio players increase and nowadays, most new computers come with CD-RW drives installed, which means people can easily

store downloaded music, share music with friends and take it with them anytime as well.

The third effect is that it increased the cost of recorded music. Once people can download free music through peer-to-peer software services, they have less incentive to buy original editions, which will make recording industry spend more to fight against copyrights and invest more in new artists and new music. Overall, these three effects make the recording industry go through a hard time. 3)An “analyst” was quoted in the case (in 2002) as saying that “people will pay for music on the Internet, eventually.

” This person was skeptical of the willingness of consumers to pay for online music. Why do you think he (or she) was skeptical? With this in mind, how do you account for the success of iTunes by 2003? There are several reasons that explain people’s unwillingness to pay for music on the Internet. Firstly, the downloaded music from online subscription services is mostly streamed music, which means it cannot be stored on individual’s computers and let people make copies. In that way, it becomes difficult to send songs to friends, replay the songs using different software and transfer them onto CD or portable music players. Secondly, quality is also a problem with streaming.

Listeners usually face delays when listening to streaming music. No one is willing to pay something with poor quality at the end. Thirdly, Users cannot own all of the music they want to listen. They will encounter expiration problems once they stop paying the subscription fee.

Fourthly, the specific software from the appropriate company restricts listeners from transferring songs to a car or other portable players. In addition, current online subscription services don't offer comprehensive music catalogs, which lets consumers have to pay separately to get the music they want. Finally, there are more second generation file-swapping services coming out. And, these services are similar to or better than Napster; they are also free and easy to use. More importantly, these new second-generation services made big progresses that create a pure peer-to-peer network in which people still can possess downloading when encountering shutdown of the service. Because of these reasons, it is reasonable to say that people won't pay subscription online services eventually.

However, there is an exception: iTunes. What makes iTunes so successfully? Even though most free file-swapping services offer a variety of music, there is always a dispute on the legality of downloaded music. However, iTunes solved this problem and let customers acquire their music legally at reasonable prices. The shutdown of Napster could happen again to any other free peer-to-peer software services, which causes a possibility that people might prepare to learn any other new software services anytime. Therefore, it is convenient for customers to learn once and use it forever.

Also, iTunes provides original edition music, which can guarantee the quality and have comprehensive music catalogs as well. So, iTunes definitely successfully change the way people buy music. 4) Several "key" questions for the recording industry are presented at the end of the case. In your opinion, is it possible to construct a long-term, successful business model for <https://assignbuster.com/online-music-distribution-in-a-post-napster-world/>

the online distribution of digital media over the Internet? In my opinion, it is definitely possible to construct a long-term, successful business model for the online distribution of digital media over the Internet. Since nowadays, the technology is getting advanced and people connect to each other and share music, movies and videos more than ever before, the need to acquire any information including entertainment quickly and conveniently increases by time.

People now are hungry for instant, first-hand music and any other information. So, only with the principle of user pay can companies provide high-quality and various products. It is important for companies to investigate consumers' preference for the way to pay, the combination of music and any other appealing online music service. For example, record companies can forge alliances with movie companies, game companies, bookstores and so on to offer a variety of products online without restriction on only music and make a payment system that consumers pay membership fee only but enjoy all the resources. In that way, consumers can easily and legally get what they want.