

How globalization and technology changes

[Technology](#)



**ASSIGN
BUSTER**

Some may view this as a major problem to the other major record labels that distribute music globally. But some are using the MPH to their advantage. A while ago an artist could not walk out of studio and release a record in ten minutes. Now artists can get the music to their fans in record time and the fans can then download the song a lot faster than a drive to the local record store. Overall sales are down in the music industry, but according to sources " Universal Music Group, the biggest of the world's four major music companies, made the most money percentage and dollar wise from digital sales in 2008 (Lewis, 2009).

Because it's believed that music is a global language, universal Music Group makes money from all across the world. The company has artists and labels from multiple countries that are very successful in generating record sales. There are American artists that were at a point in their careers where their music was not selling as it once was, but now they are touring overseas. Technology and globalization have been a driving force in the music industry and universal Music Group is reaping the benefits of both.

It took the major labels a long time to embrace the digital age of music and they almost missed out on major money. Universal Music Group is thriving in a declining music industry that has gone from analog to digital right before our eyes. Apply the Industrial organization model and the resource-based model to determine how your corporation could earn above-average returns. By using the Industrial Organization model to earn above-average returns, universal Music Group will have to use the four underlying assumptions.

First, the company will have to study the current state of the music industry and the economy as well. A struggling economy will bring record sales down, because people are budgeting their income a lot tighter and music will not be among one of the items they need to purchase. If people do not have enough money to purchase the music, chances are they will find other ways to get the audio through illegal links or burning compact discs. A struggling music industry can be caused by a bad economy, but another key factor is poor music quality.

If the music is not good, then chances are the songs will not get purchased. Sales have been on the decline in recent years due to technology advances and lack of artist development is the main problems to this epidemic. The labels have been putting out manufactured music for the past few years and the consumers are unhappy. The next step is for the label to label company has a fair share of stars that can generate sales, so these releases need to be timed properly. Thirdly, the strategy must be selected for these stars to succeed.

The final step would be for upper management of the record label, to use their highest selling acts to increase profit potential and create new trends. Universal Music Group has to come up with a marketing plan that caters to each act separately and uses the assets of the company to push these artists as high as they can go up the charts. Using the resource-based model for above-average returns " assumes that each organization is a collection of unique resources and capabilities. The uniqueness of its resources and capabilities is the basis of a firm's strategy and its ability to earn above-average returns. Michael A. Hit, 2013)" Universal Music Group's resources <https://assignbuster.com/how-globalization-and-technology-changes/>

are identified as artists, labels, publishing companies, merchandising, and distribution. The strengths and weaknesses of the label's resources will be compared to the competition. The record label will then determine which set of resources should be used to perform the task of generating a profit. A key factor they will test is to make sure that they (Universal Music Group) will do better than the competition. Universal will have to research what areas it excels in oppose to the other major record labels.

Next Universal will locate a demographic that is interested in the products they are delivering to the masses. Once the demographic is determined the label will implement the strategy of promoting the music through all media outlets including, but not limited to, television, radio, print, and live performances. That is how Universal Music Group can earn above-average returns. Assess how the vision statement and mission statement of the corporation influence its overall success. The vision statement of Universal Music Group is to be the world's largest music content company.

This is a key statement to the overall success of the company, because it sets the bar very high not only for the artist but the employees of the company as well. A vision is what the company wants to achieve; and Universal Music Group is the world's largest music content company with market leading positions in recorded music, music publishing, and merchandising according to their website (Overview). The mission statement of Universal Music Group is " the recorded music business discovers and develops recording artist and then markets and promotes their music across a wide array of formats and platforms.

Mug's music publishing company, Universal Music Publishing Group, discovers and develops songwriters, and owns and administers copyrights to musical compositions for use in recordings, public performances, and related uses, such as films and advertisements. (Overview)" The vision and mission statement work hand and hand, and creates a template for Universal Music Group to grow and flourish as a business. Evaluate how each category of stakeholder impact the overall success of this corporation. Capital market stakeholders are the shareholders and major suppliers of capital to a company.

The capital market stakeholders of Universal Music Group will want to see profits rise and risk decrease. They will keep the record label with the mentality that profits must increase or albums may not come out, or boutique labels under the Universal Music Group franchise will fold. The product market shareholders for Universal Music Group are the consumers who buy the music and go to the concerts. The consumers re the ones who actually pay all the bills for the corporation. These customers will hurt the overall sales at Universal Music Group.

The organizational stakeholders are the employees at the labels and the artist signed to the labels. The artist expect for their music to come out and do well with the right marketing and promotion from the label. Each artist wants the label's attention on their product once released and success from the public. An artist's success depends greatly on their music but also the fans. Not every artist will have a successful album or song. But, good sales urinate the employees at that label company that they will have their job and better career opportunities.

<https://assignbuster.com/how-globalization-and-technology-changes/>