

Three main factors that determine the success of services are essay

[Business](#), [Company](#)



INNOVATION AND TECHNOLOGY MANAGEMENT

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Answer 1

Music affects our daily life in a substantial manner and it has been affecting it since time immemorial. The music has been emerged as an industry that involves billions of dollars. There are several beneficiaries to the music industry and it has been witnessing several changes in terms of technology, innovation and benefits. This paper intends to discuss the innovation in the music industry and further discusses several other related aspects of the subject matter (Schilling, 2008).

People love music, but collecting, storing and sharing the music was not always an easy task for them. This love of music used to cost lot of effort, time and money to them. Radio stations as well as record labels used to provide music, but they used to provide what they liked, and not always what people liked. Recording was not an easy task and a revolution in this industry was always required. This revolution was in the process and the audio industry got some very innovative developments that completely revolutionized the music industry.

Conversion of music including songs as well as music albums and make it available into digitally recorded system is considered as one of the most prominent industry conditions that revolutionized the whole mechanism of audio distribution. This new converted format of music was mp3 that allowed music to be played, downloaded and uploaded in a digital form on personal computers. Newly developed software programs helped in converting from CD tracks into newly prepared format (SunEagle, 2010). This whole

mechanism became popular due to several applications like Napster that allowed sharing the music and the audio industry entered into a new era. The music was made accessible to a larger population.

Fraunhofer, in the year 1991, presented a new format of music before the world that is popularly known as mp3. This invention revolutionized the music industry and the way music was enjoyed, shared, and stored by the people. People were happy with this innovation and then in the year 1999, Shawn Fanning developed another revolutionary application, Napster (SunEagle, 2010). This newly launched application allowed people to share music files on the internet in the mp3 format.

It was observed that music industry faces a new threat that is illegal trade of the music and violation of copyright. This concern was entertained by the courts of law and courts passed an order against the Napster and directed it to discontinue its operation. However, internet users developed different other software programs that allowed them to share music files on the internet. They used to conveniently use, play, store, download and upload music files on the internet (Celma, 2010).

Apple, in the year 2003, launched an application, iTunes music store that allowed users to download songs from five record labels. Record industry earns substantial revenue from mp3s. Another advanced development was presented by Creative Commons that permits users to download and share music files without violating any law and rules. Podcasting used to allow free audio broadcast and download over the internet.

Customers were most benefitted as they were not compelled to rely on radio stations only to listen their favorite music. They were having other options

and now they were able to access a wider range of music than traditional source i. e. radio. Musicians were also benefitted as they got more control on their own creation. They were not required to bother about having contract between recording companies and distribution channels. Musicians used to get huge profits in lieu of their work and creations.

Employees working in different music companies were also benefited by the revolution because they were achieving their targets and receiving pay hikes. New recruitments were also made by the companies because of rising demand of products. The revolution of technology in music industry increased number of employment and jobs in the market. Suppliers, Vendors and business partners, were got benefited from the revolution because of increase in demand of their supplies that impacted their sales. Majority of the suppliers and other business partners associated with music industry at different levels of supply chain registered good growth in their profit because of high sales of end products.

Investors who invested their wealth in the industry received good returns on their investment. Stock prices of top performing companies such as Apple and Creative Commons, were increased significantly, and delivered good dividends to their investors. Communities were also benefited by the good growth of industry in the form of CSR activities that performed by the companies. All companies involve different internal and external stakeholders at different level of supply chain. Thereby, performance of company directly impacts its stakeholders. Similarly performance of music industry positively impacted all stakeholders working in the industry in directly or indirectly manner.

On the other hand, least benefitted stakeholders of the audio revolution were retail stores, and competitors. Increased competition directly impacted the margins available on each item and availability of online music decreased the sales of retail operators. Competitors who were operating as substitute were also not got benefited by the audio revolution.

Answer 2

There are certain factors that may increase the success of services such as iTunes & iPod. Cool factor as described by Apple is one of the major factors that are liked by young buyers. Marketing strategy adopted by the company should be capable enough to develop healthy relationship with different music labels as invented by Apple (Celma, 2010). Other factors that impact longevity of success are: widely accepted and enjoyed digital formats, and effective & competitive pricing of music albums and song downloads.

Protecting Innovations - It is not possible for all competitors to copy certain inventions because of complexity level or tacit. Companies can also protect their innovations by obtaining patents, copyright, trade secret, or trademarks. Patent can be used to protect innovation that is not common; patent can protect items, materials, equipments, and processes. Design of specific technology and plant can also be protected by obtaining patent. Trademark can be used to protect any symbol, and designs. Copyright protects the authorship of any permitted work. Copyright protects the copy of any document made available to the public (Schilling, 2008). All these forms of protections can help in determining the success of different services.

Organization's Strategic Direction - It is important for organizations to develop strategy that is focused on developing innovations and product development. Customer's requirements get change over a period of time; hence it is important that company made necessary changes in existing products or services in order to retain customers. Longevity of success can be ensured if company is able to meet changing needs of customers by launching different modified version of services (Breen, 2004). Companies are required to develop a culture that promotes innovative ideas and development of advance technologies. Strategy that encourage and facilitate innovation, succeed in long-run.

Marketing strategy should consider all marketing elements i. e. innovative products, effective pricing, marketing communication tools, and places to market products. All these factors helped company in developing competitive advantages over competitors that not only helps in attracting customers but also determine the success. In competitive business environment consumers look for complete package of offerings; they not only consider the quality of product but also evaluate products on quality of service, price, features and other benefits (Lai, 1995). Thereby, it is important for organization to carefully design its strategy.

Entry Timing - Company gains advantages of moving any innovation or product to the market before its competitors. Such advantages are generally called as ' first mover advantage' (Kotler, 2006). It helps in developing customer base, establishing product identity, and capturing market share before competitors. Timing of entry plays major role in capturing market share and establishing bonding with the customers.

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