

Bmg entertainment and music industry swot analysis.

[Art & Culture](#), [Music](#)



Through sites like Coded and Amazon. Com customers had the option of having Cad's or cassettes mailed to them. Consumers may not want to "deal" with downloading music from the net. They may just stick with what they have. Many sites had illegal downloads, so the conventional consumer may not want to bother with this new type of technology. Although BUM was the first company to create branded websites for specific music unrest, they only focused on promotional aspects here, rather than focusing on selling music and in turn making money. Opportunities: * The innovativeness and newness of the digital era could spark a surge of consumer interest in the music industry. For instance, the CD had a big impact on industry revenue; owners of tapes simply replaced their collections with Cad's. ; BUM is arguably the leader in the music industry, and consequently has the influence to take its existing customers with them into the digital MPH era. * BUM had close relationships with all the players involved in setting tech standards ND an advantage for market entry. * If BUM begins to sell music on the internet, they can reduce their costs greatly by doing away with distribution and manufacturing expenses. Threats: * -In 1929 the new technology of radio posed a serious threat to the music industry.

Could a similar event take place with Digital music, where BUM loses a lot of money due to a decrease in CD and cassette sales? * -Time Warner had one of the most advanced cable systems in the US. They were experimenting with services such as video on demand and HAD TV so the possibility of chital music was definitely there for TWO, and they had the internet resources to distribute it too. * -Would conventional music buyers want to go through the "hassle" of joining a website, installing a media player, and then

buying additional software to play the music at their convenience? -With a ASK modem (one that many still used 7 years ago), a song took roughly 7 minutes to download. Ten songs can take 70 minutes, and that is not appealing or convincing enough for conventional consumers to switch over to amp's usage. * -Sonny's Kiosks in retail music stores posed a threat for BUM. These kiosks allowed customers to choose from a variety of over 4, 000 songs, and create their own CD within 15 minutes. Attacking Piracy at the Source- the Cad's In order to attack piracy, record labels must start at the source.

Nearly all of the music traded on the Internet originally comes from CDC, which can be easily copied, or " ripped," onto any computer as MPH digital audio files. Most analysts point to CDC as the biggest hole in the music industry's strategy for aiding online piracy. The recording industry wants to make it harder for consumers to directly copy CDC, but it faces enormous hurdles. First, any barriers to copying must be " backwards compatible"-- meaning the new technologies would have to work on old CD players that don't screen for pirated material, and vice versa.

Eventually, the group " SADISM" was formed, consisting of all the major players involved in setting the technological standards for downloading music. (AT, Microsoft, Liquid Audio, MM, etc) Sedum's efforts have focused on installing digital " watermarks" on CD tracks that would enable copyright holders to trace illegal copies and to create devices that would refuse to play copied tracks. In its first phase, SADISM selected a Future record releases for

BUM- Copy Management. It is the Record label's responsibility to protect the work of their artists.

Copy management technology is one of several responses to illegal file sharing and mass copying, which has had a detrimental effect on the music industry (unit shipments have fallen 26% from 1.16 billion units in 1999 to 860 million units last year). There are a few features that are new to this type of technology: Device playability- These discs play just like an enhanced CD. Certain products recently tested had playability issues with DVD players, car stereos and game consoles, yet these discs play on nearly all DVD players, car stereos, etc. Anywhere an enhanced CD will play, these discs will play.

Mac playability - The discs can now be played on a Mac like any other CD.

Voluntary Collective Licensing- Music Industry and the Internet Many Record Labels have spent countless amounts of time evaluating alternatives that would pay artists while making file sharing legal. One solution that has emerged as the favorite is voluntary collective licensing. The concept is simple: the music industry forms a collecting society which then offers file-sharing music fans the opportunity to "get legit" in exchange for a reasonable regular payment, for example \$5 per month.

So long as they pay, the fans are free to keep doing what they are going to do anyway--share the music they love using whatever software they like on whatever computer platform they prefer--without fear of lawsuits. The money collected gets divided among rights-holders based on the popularity of their music. In exchange, file-sharing music fans would be free to

download whatever they like using whatever software works best for them.
The more people share, the more money goes to rights-holders.