

Identifying innovations

Business, Marketing



Identifying Innovations

The most primary innovation in this industry is the method by which music is disseminated to audiences. Where in the past physical production of CDs and tapes marked the revenue building capability for the music industry, a radical innovation of using the Internet for downloading music has altered marketing distribution for music producers and production companies. This change was not incremental, but allowed music sellers to reach audiences in a radically different way, allowing for cost-cutting in distribution and inventorying while also essentially making a new market, a characteristic of radical innovation (Kim & Mauborgne, 2005). With the Internet as a radical change in music provision, marketers can now reach a whole different consumer segment that was likely not available to music sellers historically. An incremental innovation in the case study is the method of MP3 compression that simplified the process of consumer music downloading on the Web. The ability for music sellers to use the Internet remains the same, only with new compression technologies it now becomes more convenient for existing markets of consumers. This builds a better reputation for music sellers using this technology without necessarily capturing new market attention.

Finally, the ability of music recording artists to use the Internet as a means of producing their own work and distributing it via the Web is another incremental innovation in the case study. The advent of chat rooms and home recording technologies now give artists a new type of liberation as it relates to production and distribution. Technological changes with the Internet as the appropriate medium for marketing was incremental, small yet

fundamental changes to how music artists promote themselves and disseminate their music. This has cost-cutting capabilities consistent with incremental innovation (Leifer, McDermott, O'Connor, Peters, Rice & Veryzer, 2000).

References

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