

Informational communication technology assignment



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Business Problem-solving Case: Soundness's Music Strategy for Asia Pacific

Assignment Length: 2500 words minimum Submission Deadline: Learning

Outcome: Demonstrate knowledge and understanding of the main concepts,

tools and techniques of competitive planning * Evaluate critically and

comment on control process techniques, tools and methods required for the

development of CIT for competitive advantage * Demonstrate a critical

awareness of the sources and characteristics of data necessary to support

management information systems * undertake research into the area of CIT

and its usage in Business and e-business strategy * Review critically,

consolidate and understand a systematic and coherent body of knowledge *

use the WWW and other electronic sources of Information I Assignment Brief:

Read the case study before answering the questions.

Case Study Business Problem-solving Case: Soundness's Music Strategy for

Salsa Pacific SoundBits is Sais's largest online and mobile music company,

providing downloaded music and videos, digit rights clearances, and

acquisition of licenses from music publishers and recording companies. It

operates in 13 markets under its own brand and in partnership with digital

music player manufacturers, broadband providers, and telecommunications

carriers. Its online music stores are distributed via SoundBits. Com, Creative

Technology (bundled with Creatively MPH players) and Windows Media

player 10. With its headquarters in Singapore, SoundBits has more than 750,

000 tracks and 500, 000 mobile music derivatives in its database, sourced

from 60 local and independent record labels.

These include all major labels SONY, BMW, Warner Music, MME and

universal- as well as independents from the U. S. , Europe, Australia, and

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Asia. SoundBits content is secured using digital rights management technologies and delivered from its back-end infrastructure in a group of four professionals spanning the music, Internet and finance industries founded SoundBits in November 1999. Commenting on the launch of the portal, Sabina Menial, co-founder and Director said, " SoundBits. Com will not only augment record company sales and promotion methods, but also provide a new platform for unsigned artists to showcase and sell their music..... " At that time, the SoundBits. Com site featured an artist-upload interface site that allowed musicians and music producers to add their music and information about themselves to the SoundBits. Com music archives. Soon after the launch, in February 2000, SoundBits signed a digital music deal with an Internet portal Locos Asia to distribute its digital music on Locos Sais's network of localized portals in Singapore, Malaysia, China, Hong Kong, Taiwan and India. By March 2000, SoundBits had signed licensing agreements with 13 record labels across Asia including synchronized, the Phips and Psychic Scream from Malaysia, Viva records from the Philippines, and Music Studios etc from Indonesia.

These deals allowed their artists' music to be offered for downloading and sale on SoundBits. Com in encrypted MPH format. In October 2000, SoundBits signed the first major record label agreement with MME Music Asia, a division of MME Recorded Music. Commenting on the partnership, Shadbush Cornwall, co-founder and CEO said, " This is a landmark moment for the Asian music industry as SoundBits becomes the only digital music retailer in Asia to partner with a global record label for the sale of secured,

downloaded content for digital distribution..... ” Soon after, SoundBits signed a digital music distribution agreement with BMW Asia-Pacific.

These deals made SoundBits the first and only digital music retailer in the Asia-Pacific region to sign digital distribution deals with two global major record labels. Licensing agreements with Sony, Warner Music and Universal followed shortly. In late 2000, the crash of the technology bubble and the increasing use of peer-to-peer networks took a toll on the music industry, as well as SoundBits. Sales of CDs, in retail music stores started declining, while MP3 songs, shared freely through sites encouraged Napster and the like, started escalating. Though the traffic to SoundBits was in the millions of unique users, the customers were not buying the fee-based content.

Despite all the efforts by SoundBits, it was faced with becoming irrelevant due to its flawed business model. In 2001, the SoundBits management decided to abandon the BBC model and instead focus back on a BIB model that was based on the deal they had closed with Locos almost a year earlier. Aligned with the change in business model, a new BIB revenue model was also established. This model saw SoundBits aggregating record labels' music content and providing a technical, digital and content management service to other portals. In November 2001, SoundBits provided an end-to-end digital music solution for Hewlett-Packard's (HP) digital music service that included developing a customized on-line music store, applications to its products.

By August 2005, SoundBits had formed partnership with Creative technology and Realtek, manufacturer of MP3 players, to deliver SoundBits music store through their digital music players. Alliances with Sips were also forged to

provide consumers with another option for making micro- payments. In Singapore, SoundBits formed partnerships with Signet and Pacific Net as part of its retail strategy. With such partnerships, SoundBits was able to make use of their billing systems. The subscribers of these Sips were able to download digital music from the SoundBits Web site and had the exclusive facility to charge their purchasers to their monthly ISP billing statements. In late 2005, SoundBits ventured into the U. S.

In the same year, the company launched a new product segment-music video. Music video stores were launched in Singapore and Hong Kong in November 2005 and January 2006 respectively. On laundry 6, 2008 Motorola signed an agreement to acquire SoundBits, with the aim to expand its MITOSIS service beyond China, into India, SouthEast Asia, Australia and New Zealand. Commenting on the Acquisition, Shadbush Cornwall, CEO of SoundBits said, “ Motorola’s dedication to enhancing the digital music experience in Asia complements our own objectives and makes it the ideal partner” Case Study Questions 1. | Analysis of SoundBits and its business strategy using the competitive forces model.