

Consumers Not Receptive to Music Subscriptions

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Portable music services will not have a big impact this year, according to Parks Associates' new report *Digital Music: Analysis and Forecasts*. Respondents in the recent Parks Associates survey *Global Digital Living* strongly favored the single-track purchase model over a subscription when presented with both options. Roughly 40% said they were likely to buy songs one at a time, but only 8% were likely to use a subscription service.

"The market has a long way to go in promoting subscription models," said John Barrett, director of research at Parks Associates. "There is hope Microsoft's Janus technology will boost the digital music market by enabling portability and greater integration of hardware and content. However, our data show the industry needs to translate these solutions into something more tangible and desirable to consumers. At present, consumers either do not fully grasp the value of a subscription 'all-you-can-eat' service, or they simply don't want it."

According to *Digital Music: Analysis and Forecasts*, the industry is beginning to promote "buffet" music plans, which allow users unlimited downloads for a flat monthly fee, to compete with a la carte models such as iTunes. Technologies such as Microsoft's Janus promote this paradigm of use, although few MP3 players save for some very expensive models currently support these solutions. The report, citing both limited availability and limited enthusiasm from consumers, predicts sluggish growth for these solutions this year, but it is more bullish on the long-term prospects because hardware could be subsidized under a

subscription model.

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