

iPod dominance a mirage?

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Though Apple Computer has reported remarkable success with its iPod -- sales rose by 250 percent during the last fiscal year -- there is some competition coming this week for the developer of the world's most famous, legitimate music downloading network, experts tell United Press International's Networking.

The rivalry, moreover, is not approaching from Asian consumer electronics pioneers Sony or Samsung. Rather, it is emerging from Apple's oldest American nemesis, Microsoft Corp., which has teamed with Verizon Wireless, a project of Verizon Communications and the U.K.'s telecom whiz Vodafone.

There are some 40 million iPods on the American market today, which

consumers may link to the iTunes network on the Internet to download popular music and other entertainment for 99 cents a song.

But, experts tell Networking, there are close to 200 million Americans who today already own mobile phones, which can also easily serve as music downloading devices, too.

Microsoft Chief Executive Officer Steve Ballmer, speaking at last week's International Consumer Electronics Show in Las Vegas, summed up Redmond's strategic vision succinctly: "People will over time carry one portable device."

As with the Windows desktop operating system and the Internet Explorer browser, Microsoft has been right, when it counts commercially, many times before. Ballmer and founder Bill Gates might just be correct once again, despite the hype generated by Steve Jobs and his cadres in Cupertino.

Microsoft and Verizon -- which this week is starting to market its V CAST music downloading service to the nearly 150 million consumers in its mobile network coverage area -- are betting that the device that consumers choose for music downloading will be a mobile phone, not an iPod.

Analysts said that the timing is right for mobile-phone companies to make this kind of move -- partnering with outside firms to bring music to consumers over their networks, and move beyond ringtones.

"The short answer is, mobile telcos are finally getting on track," Ronald Fulle, associate professor of telecommunications engineering technology at the Rochester Institute of Technology, told Networking. "The honeymoon period is over, and they now must concentrate on the fundamentals."

At last week's International Consumer Electronics Show in Las Vegas, the mobile company's strategies began to emerge in full. Microsoft and Verizon Wireless last Thursday announced their collaboration on the V CAST music service, which is enabling consumers to access and play full-track digital music downloads on their mobile handsets. What is more, the music can also be played on Microsoft Windows XP-based PCs, which uses Windows Media Player 10.

The project features a catalogue of more than 1 million music tracks and promises to deliver the recordings over wireless broadband networks in the coming weeks, meaning fast downloads.

The music is downloaded simultaneously on the mobile phone and on the user's PC. A new Verizon Wireless V CAST Music online store is integrated into the customer's existing digital library; the music can be burned onto a CD or also used on an array of portable, networked devices, the company said. Tracks will be available, coast-to-coast, starting on Jan. 16, from artists at labels like Warner Music Group, EMI Music, Universal music and Sony BMG.

"The over-the-air delivery capabilities of the Windows Media DRM platform and broad support across multiple devices and scenarios allow us to provide a truly unique and compelling consumer offering," said John Stratton, vice president and chief marketing officer at Verizon, during remarks at the CES.

Microsoft's corporate vice president of Windows Digital Media, Amir Majidimehr, is claiming that music downloading and mobile entertainment are now moving to the "next level" and that by using Windows media software as its platform the connection between the PC and the mobile phone will be "unmatched" in the industry.

But Apple isn't just going to let itself fail like it did over a decade ago

with the ill-fated Newton; the company recently announced on its Web site that it is making first-run TV shows, like the "Tonight Show" and "The Office," available for download, at \$1.99, the day after they air on TV. That's Apple taking downloading of digital content to a new level too. Take that, Bill Gates.

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