

People in the music industry are feeling more optimistic than they have done for years, at the moment. They started to get hopeful when they managed to close down Napster in 2002, but then other file-sharing systems just took over. The pleasant surprise they've had recently is the success of Apple's iTunes Music Store, a pay online service which outperformed all expectations. It sold a million downloads in the first month of operating and after six months it had sold about 14m – totally unexpected. Add to that Napster 2, another pay for music service which has even more songs than iTunes, and it's doing very well also. But that doesn't mean the industry's problems are over. Even if digital sales of downloads grow twenty-fold, they will still only account for six per cent of the global market. Some forecasts predict that illegal file-sharing will deprive the industry of \$4.7bn of revenues in 2008. They need to do something and filing lawsuits against file-sharers isn't going to solve their problems. The illegal file-sharing networks can guard the identity of users nowadays, and anyway, every lawsuit makes their customers unhappy. Hey, this is a business like any other business – they have to think about their client base – it's time they made fundamental policy changes. If I asked our readers why they downloaded music, you can be sure the answer would be "because CDs are too expensive". Obviously they have to come down in price. That's what the industry's customers are telling them by downloading free music. I suspect another reason they are doing badly is because they aren't producing music people think is worth buying! They spend a fortune marketing music and people who have a short shelf life. What other business does that and expects long-term sales? They should drop reality TV stars for a start! They mean high investment for low returns. On the other hand, Eminem sold ten million copies of his album 'The Eminem Show' even though it can be easily downloaded on the net. Musicians with long-term sales expectations are the only ones to back, in my opinion.