Music industry 'greedy'
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APPLE boss Steve Jobs, the man behind the popular iPod digital music player, called the music industry greedy for considering hiking digital download prices, warning such a move would drive users back to piracy.

Record companies have begun rethinking how to price songs sold over Apple's online iTunes store - US99c each in the United States and 79p in Britain - before new contract negotiations come up with the company.

"If they want to raise the prices, it means that they are getting greedy," said Mr Jobs at a news conference in Paris. "If the price goes up, they (consumers) will go back to piracy and everybody loses," he said.

Hit hard over the past five years by the rapid spread of illegal song copying over the internet, music companies are struggling to revamp their business models as sales shift to more legal digital downloads from the CD format.

Vivendi's Universal Music, Sony BMG Music Entertainment, EMI Group and Warner Music are responsible for three out of every four albums sold around the world.

They are divided about the next phase for digital download pricing, with some contemplating a tiered model that could charge more in the first days a popular album is available and for songs recorded exclusively for iTunes. Others prefer to wait before tinkering with the existing system.

Jimmy Iovine, chairman of Universal Music's biggest unit, Interscope Records, said last month that not enough consumers are buying music online to warrant raising prices.

"I don't think it's time yet," Mr Iovine told the New York Times. "We need to convert a lot more people to the habit of buying music online. I don't think a way to convert more people is to raise prices."

On the other hand, Sony BMG CEO Andrew Lack said earlier this year that Apple is benefiting from two revenue streams, sales of both the iPod devices and song downloads, while the music industry has only one.

"I'm not making any money on this," he said. "I've got one revenue stream that a proctologist would have a hard time analysing. It's not pretty."

Mr Jobs, whose company makes more by selling iPods than the music played on them, also cast a sceptical eye on the market for downloading songs directly onto mobile phone handsets. Some analysts believe wireless transmission will emerge as the next step in the evolution of music sales.

Apple two weeks ago unveiled a phone developed with Motorola that downloads up to 100 songs from a computer.

"It is not clear that buying songs over the air makes economic sense," Mr Jobs said. "I am sceptical because of the cost ... but we will see."

Mobile phone operators, however, expect music downloads to be a significant driver of revenue growth after having invested heavily in technology and infrastructure to support the service.

Mr Jobs declined to say whether Apple was planning to launch an all Apple-made iPod phone.

"We do not say anything about future products," Mr Jobs said. "We work on them in secret, then we announce them."

Mr Jobs said Apple was on track to ship computers fitted with Intel chips by June.

Apple had publicly expressed frustration with IBM prior to severing its relationship with the company this year to adopt Intel chips.

Apple is now aiming to have all its computers fitted with Intel chips by the end of 2007.

Mr Jobs said the company had a 4.5 per cent share of the PC market in the United States and a 3 per cent share globally.

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