

iTunes

a presentation by matt desalvo

The Basics: What

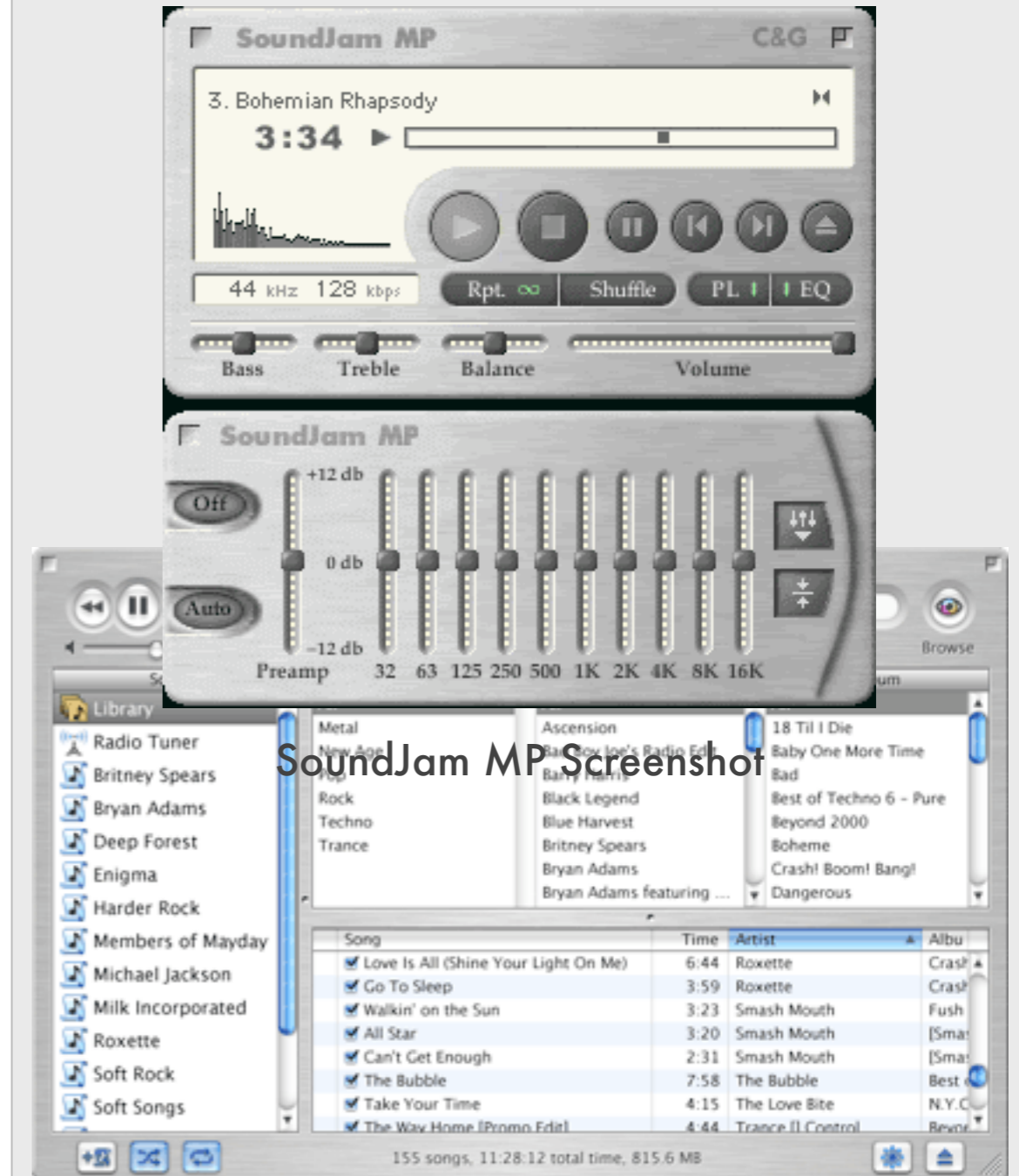
- Digital Media Player
- Used mainly to listen, organize, download, and manage music on your computer
- Recently Video Capabilities added (more on that later)
- Known for its simple controls and ease of use
- The software required for use of the popular iPod media player

The Basics: Who

- Developed by Apple Computer
- Makers of Macintosh Computers and iPod media players
- Target Audience: Any Mac/PC user

History

- Originally developed from SoundJam MP
- SoundJam MP was a MP3 player application developed by Casady & Greene
- iTunes 1.0 was basically SoundJam MP with a new interface & CD Burning capabilities
- Many improvements and features added since then



SoundJam MP Screenshot

iTunes 1.0 Screenshot

Formats Supported

- **Music**

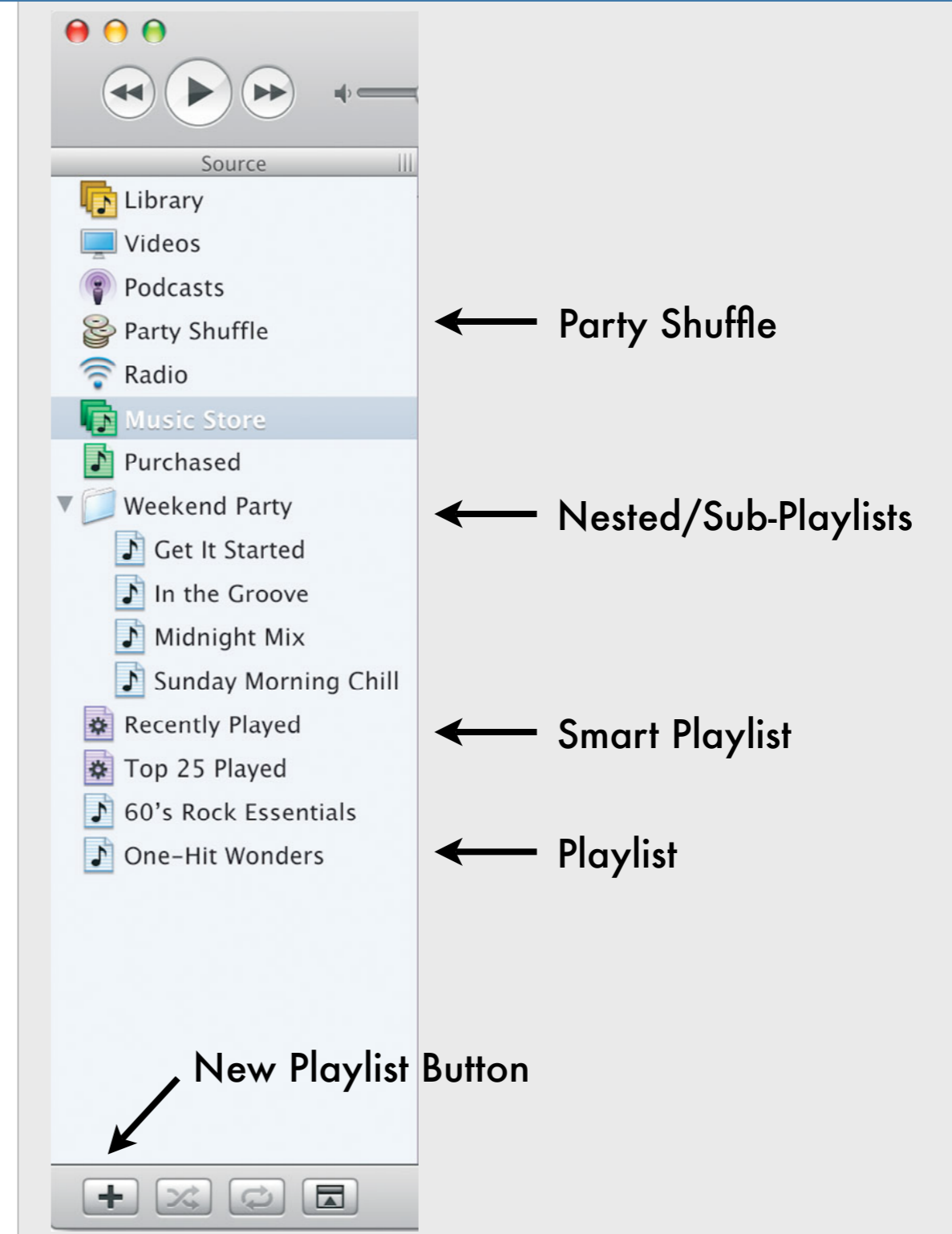
- MP3, AIFF, WAV, MPEG-4, MIDI, AAC, Apple Lossless
- Protected AAC Files from iTunes Music Store
- Audible.com audio books

- **Video**

- MPEG-4, H.264, Quicktime files

Features

- **Organize**
 - Playlists
 - Genres
 - Party Shuffle
 - Shuffle



Features

- **See & Hear**
 - Music Library
 - Visualizations
 - Internet Radio
 - Podcasts
 - Video Files
 - iTunes Music Store preview clips for music & video



So what does this have to do
with e-commerce?

iTunes Music Store

- **What:**
 - Online music service run by Apple through iTunes
 - Preview, Purchase, and Download from a catalogue of over 2 million music files and videos
 - One of the pioneers in legal digital music downloads



iTMS: How

- Protected AAC files (.m4p extension)
- Digital Rights Management (DRM)
 - Downloaded files are connected to your account login ID
 - LAN Streaming Share limited to 5 computers
 - Burn a playlist only 7 times
 - Can burn songs unlimited times
 - Can use with unlimited iPods

iTMS: More on DRM

- Apple uses its own DRM dubbed FairPlay
- Tight-control of FairPlay
- Files encoded with FairPlay DRM will only work with iTunes and iPods
- *Flipside:* iTunes/iPods can not play Windows Media DRM files

iTMS: Background

- Grand Opening: April 28, 2003
- Radical for its ability for you to actually download and own the music
- Mac-only until version 4.0
- Apple cut deals with the four major record labels and later independent artists

iTMS: Stats

- Sold over 1,000,000 tracks in first 5 days of operation
- **March 15, 2004:** 50 million tracks purchased
- Sold over 70,000 tracks by first anniversary and started making slight profit
- 1 million videos sold in less than a month after the feature was added to iTMS (October 2005)
- **February 26, 2006:** 1 billion songs and 15 million videos sold

iTMS: The Store

Live Demo

The Competition

- Napster
- MSN Music
- AOL Music Now
- F.Y.E
- Musicmatch
- PassAlong
- Wal-Mart



iTMS: Where Next?

- Expansion of available TV Shows
- More packaged downloads
- How-To Instructional Videos
- Integration into the living room and other areas of the home

References

- <http://en.wikipedia.org/wiki/Itunes>
- http://en.wikipedia.org/wiki/Itunes_music_store
- <http://www.apple.com>
- <http://playsforsure.com>
- http://macteens.com/index.php/features/fullstory/whats_next_for_itunes/

Thanks for your participation!

Go to www.itunes.com for the free download of the application we discussed today!