

Title:

Digitalization of Entertainment

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Summary:

Consumers have moved rapidly to adopting digital formats for consuming entertainment-related content. The most obvious example of this is music and video downloads, with Apple's iTunes and YouTube as leading examples. Apple has sold more than one billion songs via its iTunes music store and it continues to demonstrate a spectacular rate of growth. Over 30,000,000 individuals have purchased an iPod portable music device, and tens of millions of other consumers use one of dozens of other portable

Keywords:

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Article Body:

Consumers have moved rapidly to adopting digital formats for consuming entertainment-related content. The most obvious example of this is music and video downloads, with Apple's iTunes and YouTube as leading examples. Apple has sold more than one billion songs via its iTunes music store and it continues to demonstrate a spectacular rate of growth. Over 30,000,000 individuals have purchased an iPod portable music device, and tens of millions of other consumers use one of dozens of other portable devices to listen to music. Other platforms for listening to music are equally successful, and in the case of Microsoft's Windows Media Player even more dominant with over 90,000,000 systems running the software globally. Real Networks Rhapsody, and Yahoo! Music represent other major entrants in this space. In addition to those companies selling licensed music downloads for a fee, peer-to-peer networks such as Limewire and Morpheus claim to have tens of millions of users sharing music and other files on a continual basis.

As consumers have become comfortable purchasing (and stealing) music online, they are now beginning to download other digital forms of entertainment, including music videos, short-subject films, television shows, and even full-length Hollywood pictures. Traditional media companies have recognized the opportunity to establish new revenue streams and leverage old assets by enabling consumers to download television programming for a fee, and the adoption rate appears to match the early days of music downloading. The increasing penetration

of broadband connections (over 50 million homes in the US), advances in software that enables high-quality downloads, and content companies recognizing an enormous opportunity to distribute directly and inexpensively to consumers has created a tidal shift in the number of digital media assets available for download to computers, handheld devices, and even cell phones.

Companies such as YouTube are at the forefront of the intersection of video entertainment and the fragmentation of media due to the empowerment of the consumer. Hundreds of millions of videos are downloaded weekly from YouTube (as well as dozens of competitors), and a significant portion of those videos are not "professionally" produced. More importantly, new talent in various entertainment fields are being discovered through these distribution platforms and forever changing how entertainment is conceived, produced, distributed, and valued.