The Impact of Digitization on Sony and Its Music Development

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Abstract. This paper discusses the influence of digitization on the development of Sony and its music. The digital revolution has changed the music industry, providing more access, distribution and consumption for music. For Sony, this is both an opportunity and a challenge. On the one hand, digitization has expanded Sony's global reach, made music spread more efficiently, and established connections with a wider audience. It also promotes the development of new music technologies and formats. However, it has also led to increased competition and the need to adapt to changing consumer behavior and market dynamics. Sony faces problems such as piracy, licensing and revenue models in the digital sector. However, digitization also opens up new avenues for innovation and growth. Sony can use the digital platform to interact with fans, explore new business models and discover emerging trends in music. By embracing digitization, Sony can continue to thrive and shape the future of music. Success factors, challenges and dilemmas in the development stage of the history of rise and fall. Innovation and competitive market share the prospect of future brand image.

Keywords: Digitization; challenges and opportunities; digital music strategy.

1. Introduction

In the digital age, Sony, as a global leader in technology and entertainment, has been profoundly influenced by digitization. This impact extends to all aspects of the company, especially in the music industry [1, 2].

An important impact of digitization on Sony is the shift in music distribution. With the rise of digital music platforms and streaming services, Sony has to adjust its business model and continue to innovate to meet changing consumer needs and future strategic shifts in order to better capture market share and compete with its peers. Digitization makes music more acceptable to more audiences, enabling them to stream and download songs in real time. This shift not only changes the way people consume music, but also provides Sony with new opportunities to reach and interact with music lovers around the world [3].

In addition, digitization has also improved the creative process of music production. Advanced digital tools and software enable musicians and producers to explore new sounds, try different technologies, and bring their creative visions into life. Sony embraced these technological advances and used them to promote innovation in its music products. This has led to the development of higher quality audio formats and immersive music experiences.

Digitization also brings better music marketing and promotion. Online platforms, social media and digital analytics provide Sony with valuable insights into consumer preferences and behavior. This knowledge enables companies to reach the right audience more effectively against their marketing efforts through personalized messaging and brand promotion [3]. In addition, the innovation of digital platform provides artists with greater discovery ability, enabling them to gain greater exposure and build a global fan base.

In addition, digitization has opened up new sources of revenue for Sony. The growth of digital music sales, licensing agreements and partnerships with technology companies provide opportunities for financial growth. Sony can use these channels to monetize its vast music catalogue and support the development of new artists.

To sum up, this strategic shift makes digitization have a far-reaching impact on Sony and its music development. It has completely changed the way music is distributed, produced, sold and consumed. Through these innovative changes, and taking advantage of the success of digital innovation, Sony

will continue to thrive in the dynamic music industry in the future, providing a superior music experience for fans around the world and creating a better brand image.

2. Sony's History and Tradition

Sony is one of the world's leading electronics and entertainment companies, specializing in the development, manufacture and marketing of audio, video, television, information and communications products, as well as semiconductors and electronic components. Founded in 1946, Sony has a rich history and tradition of innovation and quality. Ability to challenge difficult situations [4].

In the 1950s, Sony launched the world's first transistor radio, the tr-55, which was revolutionary in size and portability. This was followed by the development of PV-101, the first transistor tape recorder in the 1960s, which replaced the phonograph. In 1964, Sony also developed the world's first all-transistor electronic desktop calculator [4].

In the 1970s, Sony continued to innovate, introducing the Walkman in 1979, revolutionizing the music industry and allowing people to listen to music on the road. Sony's brand image has become more popular, followed by the first CD player in 1982 and the first DVD player in 1994, which have a larger market share [4].

Throughout its history, Sony has been committed to quality and innovation and has won numerous awards and accolades for its products and technology. It also established the position of the Sony brand in the world. Today, Sony remains the global leader in electronics and entertainment and continues to push the boundaries of technology and entertainment. This paper believes that in the future, Sony brand will have more innovation to participate in the market competition.

3. Challenges and Opportunities in the Digital Age

3.1. The Transformation of Music Distribution

In the digital age, the release of Sony Music has changed a lot. Here are some of the main aspects of this shift:

Changes in music formats: with the rise of digital music, Sony Music began to release digital music formats, such as MP3 and AAC, to meet consumer demand for digital music [5].

Changes in music distribution channels: Sony Music began to use the Internet and digital music platforms such as Spotify and Apple Music to distribute and promote music.

Change in music marketing strategy: Sony Music began to use digital marketing strategies, such as social media marketing and online advertising, to promote music and artists.

Changes in music rights management: with the rise of digital music, Sony Music began to strengthen the management of music copyright in order to protect the intellectual property rights of its music works [6].

These changes enable Sony Music to better adapt to the music market in the digital age and maintain its leading position in the music industry.

3.2. Piracy

The piracy problem has had a major impact on Sony's music market. Sony Music has also been hit hard. Piracy refers to the unauthorized reproduction and distribution of copyrighted music, which may have some negative effects [7]. First of all, it may cause significant economic losses to musicians, record companies and other stakeholders in the music industry. When music is pirated, the income from legal music sales will be affected, making it difficult for artists to make a living and invest in their careers. Such difficulties will also prevent new talents from entering the industry. Second, piracy undermines musicians' motivation to create new music because they are not paid. This may adversely affect the quality and diversity of music. In addition, if consumers can obtain music for free through piracy, they are less likely to buy music legally, which hinders the growth of the music market. In

order to combat piracy, the music industry has been taking various measures, such as strengthening copyright enforcement, providing legal music streaming services, and educating consumers on the negative consequences of piracy. Sony should challenge to solve this problem in order to support the creative efforts of musicians and ensure the sustainable growth of the music market [7].

3.3. New Market Opportunities

Sony will bring new market opportunities through the development of digital music. With the growing popularity of streaming platforms, musicians and record companies have expanded their coverage and revenue potential. These platforms provide personalized music recommendations to help listeners discover new artists and genres. In addition, the rise of social media and music sharing platforms provides artists with more opportunities to promote themselves and build a fan base. This direct contact with fans helps to increase user engagement and profitability. Another area of opportunity for Sony is to develop immersive music experiences, such as virtual reality concerts and interactive music apps. These technologies can enhance the audience experience and create new sources of revenue for the music industry. In addition, the integration of music with other forms of entertainment, such as video games and movies, opens up opportunities for cross-platform cooperation and licensing. With the continuous development of technology, the potential of innovative business models and sources of income in the digital music market is huge. It depends on whether Sony can seize the opportunity to successfully transform and dominate the market [8].

4. Sony's Coping Strategy

4.1. Technological Innovation

In 1974, Sony released its first PCM digital tape recorder, X-12DTC, which uses a two-inch-wide tape and a 56-band fixed head. Although it was not released, it marked the beginning of Sony's history of digital recording. Its clear sound quality has also been recognized by experts and has become a revolutionary product in the field of digital audio.

In the development of CD digital field, Sony and Philips successfully cooperated to create the first CD system. Sony has strong digital coding and error correction technology, which is critical to CD audio quality. Their joint efforts broke the deadlock in CD standardization and led to the formal release of the world's first CD system on August 31, 1982 [9].

4.2. Copyright Protection and Cooperation

On May 10, 2016, Sony / ATV and Huayun Music held a strategic cooperation signing ceremony at the China copyright Protection Center. The two sides will establish a basic information base of music copyright on Huayun music platform and carry out comprehensive application cooperation in the field of ISRC and DCI registration. At the signing ceremony, Yang Chao, president of Huayun Music, and Huashan, general manager of Sony / ATV, reached an agreement on long-term strategic cooperation and issued a number of statements and plans. The purpose of establishing the basic information base of music copyright is to clarify music rights, especially the right to disseminate information on the Internet. In this way, copyright owners can get effective support in safeguarding their rights, and users can find legal resources more easily, thus reducing transaction costs and legal risks. The database will make music copyright information transparent and clear, helping to prevent false authorization and avoid repeated authorization. It will also increase the credibility of copyright trading [10].

The cooperation between Huayun Music and Sony / ATV and China copyright Protection Center is expected to simplify music copyright information, strengthen the protection of the rights of copyright owners, and facilitate the identification of legitimate music resources. The result is a more efficient and sustainable music industry.

4.3. Digital Music Strategy

Sony's digital music strategy includes a multifaceted approach aimed at providing a high-quality music experience and staying at the forefront of the digital music landscape. Here are some key aspects of Sony's digital music strategy:

Technological innovation: Sony continues to invest in research and development to promote the technological progress of digital music. This includes improving audio quality, developing intuitive user interfaces, and exploring new formats and delivery methods.

Content acquisition and management: Sony works with artists, record companies and content providers to ensure that diversified and extensive music catalogs are available. By planning and promoting quality content, their goal is to attract and retain music lovers [10].

Streaming and subscription services: aware of the growing popularity of streaming, Sony offers its own streaming platform or works with existing services to reach a wider audience and provide seamless music access.

Mobile and multi-device compatibility: with the increasing use of mobile devices, Sony ensures that its digital music products are compatible with a range of devices and operating systems, enabling users to enjoy music while on the move [10].

Immersive experience: Sony explores innovative technologies such as virtual reality and augmented reality to create an immersive music experience and strengthen the connection between fans and artists.

Data analysis and personalization: by using data analysis, Sony can gain insight into consumer preferences and behavior, thus achieving personalized recommendations and customized music experiences.

Licensing and partnerships: Sony has worked with other companies in the music and technology industries to reach strategic licensing agreements and partnerships to expand its brand presence and distribution channels.

Branding and marketing: through effective branding and marketing campaigns, Sony has promoted its digital music products, created awareness, expanded the Sony brand, and built a loyal fan base among consumers [10].

Overall, Sony's digital music strategy focuses on providing superior audio quality, accessibility and convenience, while keeping up with technological innovation and market trends in the evolving digital music landscape to attract the majority of consumers.

4.4. Music Content Creation and Collaboration

Sony Music's creative and collaborative efforts include a series of initiatives aimed at exploring new areas of music production and promoting artistic cooperation. Here are some of Sony Music's key approaches to creativity and collaboration:

Technological innovation: Sony Music invests in research and development to promote technological progress in the music industry. This includes improving audio quality, developing intuitive user interfaces, and exploring new formats and transmission methods.

Artist collaboration: Sony Music encourages cooperation between artists of different genres and borders. By promoting cooperation, Sony Music aims to bring different musical talents together to inspire unique, border-breaking music creation.

Songwriting and composition: Sony Music supports songwriters and composers by providing them with resources, tools, and guidance. This includes working with established songwriters and composers to develop new music and providing opportunities for emerging talent to show their works.

Music production: Sony Music has a team of experienced producers who work closely with artists to make their creative vision a reality. Producers provide guidance and support throughout the production process to help artists achieve the sound and vision they want.

Working with technology companies: Sony Music and Technology works together to explore new ways to create, distribute and consume music. This includes working with companies in the areas of virtual reality, augmented reality, artificial intelligence and blockchain.

Music festivals and events: Sony Music actively participates in music festivals and activities to promote its artists and music. These activities provide artists with opportunities to perform, connect with fans and collaborate with other musicians.

Overall, Sony Music's innovation and collaboration focus on supporting artists, exploring new technologies and promoting cooperation, while continuing to promote Sony's brand power to drive innovation and growth in the music industry.

5. The influence of Digitalization on Sony Music

5.1. Expand the Market Scope

How Sony Music can expand its market digitally.

Sony Music has embraced digital technology to expand its market reach. By using digital platforms, they make music heard around the world. Streaming services and online distribution are linked to a wider audience. Social media and digital marketing also help promote artists and albums and reach fans around the world. Digitization allows Sony Music to break down regional barriers and maximize market potential.

5.2. Add Music Consumption Options

How Sony Music increases the choice of music consumption through digitization.

Sony Music uses digitization to increase the choice of music consumption. They provide a wide range of digital formats and platforms that allow listeners to easily access music. Streaming services provide personalized playlists and recommendations that enable people to discover new artists and genres. In addition, digitization enables Sony Music to release exclusive content and limited editions to cater to different consumer preferences. This increases choice, attracts listeners, and boosts music consumption.

5.3. Data-driven Decision Making

Digitization brings huge amounts of data, enabling Sony to better understand consumer preferences and behaviour and promote smarter business decisions.

Business model innovation: digitization provides Sony with a new business model and source of revenue. Sony, for example, could expand its music, film and game businesses through online music, streaming services and digital content sales.

Improve production efficiency: digital technology can optimize Sony's production process and improve production efficiency and quality control. For example, the use of automated production lines, digital design tools and supply chain management systems.

Enhanced customer experience: Sony can use digital channels to better interact with customers and provide personalized products and services. Through social media, online customer support and mobile applications, Sony can better meet customer needs and increase customer satisfaction and loyalty.

Data-driven decision-making: digitization brings huge amounts of data, and Sony can use data analysis tools and technologies to gain insight into customer behavior, market trends, and business operations to make smarter decisions.

Competitive advantage: for technology companies like Sony, actively responding to digital trends can maintain a competitive advantage. If you can't keep up with the pace of digitization, you may be overtaken by competitors.

Of course, the specific impact will also be affected by Sony's strategy, market environment and industry competition.

6. The Future of Sony Music

6.1. Continuous Innovation

As technology advances, Sony will continue to invest in innovative research and development to explore new music technologies and experiences to meet the changing needs of consumers and the market.

6.2. Cross-border Cooperation

Sony is likely to further strengthen its cooperation with other industries while expanding the influence of the Sony brand. Such as technology, games and movies to create more cross-media music projects and experiences.

6.3. Global Development

Sony will continue to expand the global market and work with musicians and cultures from different regions to promote music diversification and capture major market share.

7. Conclusion

The impact of digital music on Sony Music can be summarized as follows:

Transformation: digital music has completely changed the development of the music industry, and Sony Music has to adapt to this new model. The rise of digital platforms and streaming media services has changed the way music is consumed, distributed and monetized.

Expand coverage: digital music provides Sony Music with unprecedented access to a global audience. Through this online platform, Sony Music can connect with fans around the world and increase the accessibility and discovery of its artists.

Innovation and technology: digital music trends prompt Sony Music to invest in technological innovation. This has led to the development of new platforms that improve audio quality and enhance the user experience. It has played a positive role in promoting the development of digital music.

Challenges and opportunities: while digital music brings challenges such as piracy and declining sales of physical albums, it also creates new opportunities. Sony Music explores revenue sources through licensing, collaboration and digital subscriptions.

Data-driven insight: digital music provides valuable data and analysis to enable Sony Music to better understand consumer behavior and preferences. This information helps to make informed decisions about marketing, artist development and music distribution.

Collaboration and interoperability: the digital music ecosystem encourages collaboration and interoperability. Sony Music can work with technology companies, streaming services and other industry participants to create innovative music experiences and expand coverage.

Empower artists: digital tools and platforms empower artists to have better control over their music and careers. Sony Music has to adapt to this shift, supporting the digital careers of artists and promoting the direct participation of fans. Such a strategic shift will bring more innovation to Sony's future music business.

The evolution of the business model: the impact of digital music requires the business model of Sony Music to evolve. The company must find ways to effectively monetize digital content while harnessing complex licensing and royalty patterns.

Fan participation: Sony Digital Music provides more opportunities for fan participation. Social media, music videos and interactive experiences have become the key to building an artist fan base and promoting music.

The pattern of digital music is constantly evolving, and Sony Music needs to remain agile and adapt to new technologies and trends. Embracing innovation, cultivating talent and providing an extraordinary musical experience will be the key to its success in the digital age.

To sum up, digital music has a profound impact on Sony Music, bringing both challenges and opportunities. By leveraging technology, driving innovation and staying in touch with fans, Sony Music can continue to thrive in the digital music space and shape the future of the music industry.

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