The Wayback Machine - https://web.archive.org/web/20230607222816/https://hbr.org/2015/09/why-appl...

Harvard Business Review

Strategy

Why Apple Music Missed a Beat

by Mark Bonchek and William Patrick

September 25, 2015



The headlines this summer about Apple Music were not what we might expect from the wizards of Cupertino. Apple's streaming music service has been called a "nightmare," a "crushing disappointment" and a "broken promise." Even long-time fans are wondering, "What Went Wrong?"

InterDigital Exhibit 2057, p. 1
Microsoft v. InterDigital
IPR2024-00305

This isn't the first time Apple has struggled with its music business. In 2010, Steve Jobs announced Ping as a "social network for music," like "Facebook and Twitter meets iTunes." Two years later, Apple quietly shut it down. Analysts blamed the lack of Facebook integration. But the problem went deeper – and it is the same reason Apple Music is struggling today.

Apple, like most companies, updated its technology without updating its thinking. These days, if you want to shift your *market*, you first have to shift your *mindset*.

Fundamentally, the digital revolution is about a new model of communication. For the first time in history we can connect many-to-many on a global scale. There is a shift from audience to community and push to pull. Consumers are now co-creators.

Media companies and retailers have been slow to adapt to these changes, habituated over decades to build relationships in order to drive transactions, instead of embedding transactions inside of relationships. You would think that tech companies would be at the forefront of this shift. But not always. Apple and Google both failed in building successful social networks in Google+ and Ping. They failed because they were stuck in an old mindset, confusing the distribution of content with the exchange of *social currencies*.

Instagram has been successful because it doesn't treat photos as merely content but as a way for people to express themselves and make connections. Kevin Systrom, one of Instagram's founders, has said, "We're not a photography company. We think about photos like, 'This is your tweet, this is your status update.'"

Apple's mindset is still stuck in early (and successful) days of iTunes. It treats music as content to be distributed rather than an experience to be shared. It doesn't matter if the music is downloaded or streamed. The problem is that Apple Music is still a distribution channel rather than an experiential platform, a collaborative community, and an artistic accelerator.

How can Apple turn music into a social currency? The answer is right under their noses. Or more accurately on our wrists and in our ears.

Imagine a concert or dance club. As the band plays and the DJ spins, the crowd moves. Their smartwatches and wearable devices record their movements and heart rates. Some devices even capture skin temperature, perspiration, and blood pressure. Maybe even goosebumps.

The bio-feedback is time-synced to the music and fed to the cloud. Analytics reveals the level of emotional engagement and the individual moments of peak experience. Each song or passage has a unique score based on a person's level of emotional engagement.

After the show, the club or concert-goer gets an automatic playlist of the songs that moved them and the passages that created the peak experiences. Bands and DJ's see which songs got people out of their seats and which passages had people put their hands in the air. Clubs and venues see which performers generated the greatest audience connection.

Solitary listening would generate similar data and meaning. Smart headphones can measure heart rate, blood pressure, and oxygenation. While working out, do you run faster, pedal harder, or raise your heart rate when you listen to certain songs? When you are in your car, do some songs get you tapping your fingers on the steering wheel or humming along? While studying, do some songs calm you down, or slow your breathing or heart rate? In each of these settings, biometrics can help to determine the strength of emotional response and the context in which that response takes place.

These musical peak experiences, what we call vibes, become natural points of connection and sharing in social networks. It's one thing to know someone purchased or streamed a song. It's a

InterDigital Exhibit 2057, p. 3
Microsoft v. InterDigital
IPR2024-00305

little better to know how someone rated a song. But it's something else entirely to know that a song gets someone's feet tapping and body moving, or to identify the exact moment a song triggered an emotional or physical response.

Apple has all the elements to create a social and economic system around musical experience. Apple iPhones, Apple Watches, and Beats headphones are the perfect collection devices to measure peak experience and tag content with emotive content. And Apple Music can be the platform that fosters the exchange of peak experiences as a social currency.

Interestingly, Apple is actively developing such an ecosystem in the area of health. Fitness tracking is a key feature of the Apple watch. Apple is even working with organizations like Nike and the Mayo Clinic to create a HealthKit as a "central platform for health information" connecting consumers and caregivers. But where's the MusicKit for artists and their fans?

Philosopher Herbert Spencer once called music "the language of emotion." Jimmy Iovine, the head of Apple Music, is to be commended for trying to reinvigorate the role of music in pop culture and "return emotion to music." He has said his focus on expert curation over impersonal algorithms is an effort to create more human connections. The problem is that the connections aren't between people, but between people and Apple.

A recent ad campaign promoted Apple Music as an "instant boyfriend mixtape service" that can provide personalized playlists. The idea of creating a personalized digital mixtape is brilliant. Mixtapes are about connecting people with each other and are a highly effective social currency. Through mixtapes, people signal interest, affection, and compatibility through the choice of songs, the preparation of the tape, and the packaging of the case.

But to create human connections, Apple should have gone further. Experts can choose content, but only people can create meaning. Imagine if playlists could be combined with photos from social media and annotations of the lyrics. Maybe even heartbeats from an Apple Watch. But this would have required a shift in thinking from audience to community and content to social currency. Instead, Apple once again focused on its own relationship with its customers, creating itself as an "instant boyfriend." Instead of replacing boyfriends as the source of mixtapes, Apple should have empowered boyfriends (and anyone else) to create and share the most amazing mixtapes ever.

The ultimate fate of Apple Music is yet to be determined – but it is still a cautionary tale. It shows that brand, technology, talent, and capital aren't enough to succeed in today's marketplace. The scarcest resource of all are the mental models that enable us to see new opportunities even when they are right in front of us. If you focus too much on your connection with your customer, and not enough on *their* connection with each other, you too may find yourself asking "What Went Wrong?"

Mark Bonchek is the Founder and CEO (Chief Epiphany Officer) of Shift Thinking. He works with leaders and organizations to update their thinking for a digital age. Sign up for the Shift newsletter and follow Mark on Twitter at @MarkBonchek.

WP

William Patrick is a DJ, recording artist, and entrepreneur working at the intersection of music, technology, and culture. His latest musical project is red.tree.