

# 디지털 음악시장에서 모바일 웹과 소셜네트워크서비스 사례연구 : 네오위즈벅스의 신경영

## A Case Study on Mobile Web and Social Network Service in Digital Music Market : The New Management of NeowizBugs

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### 초 록

오늘날, 음악 서비스의 새로운 환경이 디지털 음악산업에 변화를 가져왔고, 다양한 형태의 음악 콘텐츠가 제공되고 있다. 따라서, 다양한 콘텐츠 확보가 독점적 경쟁 음악 시장에서 중요하다. 이러한 상황에서, 웹 2.0은 다양한 소셜네트워크 환경을 제공하고, 소셜네트워크서비스는 기존의 정보중심 인터넷서비스와는 다른 인적관계를 중시한다. 모바일 소셜네트워크서비스는 모바일 기기사용이 증가함에 따라 사회적으로 이슈화 되고 있다. 네오위즈벅스는 음악 특화된 소셜네트워크서비스인 세이클럽을 운영하는 네오위즈인터넷과 합병했다. 그리고 에스엠 엔터테인먼트와 콘텐츠관련 협약을 체결했다. 따라서, 통합법인은 확보된 디지털 콘텐츠와 소셜네트워크서비스를 연동시키는 비즈니스 모델을 확보, 운용하고 있다. 일반적으로 음악특화 소셜네트워크서비스는 광고기반 비즈니스 모델과 음악추천 시스템을 활용한다. 본 연구는 네오위즈벅스 사례를 소개함으로써, 웹 2.0, 모바일 소셜네트워크서비스, 스마트폰 등을 포함하는 유비쿼터스 환경에 알맞은 음악 유통사의 성공전략을 알아보고자 한다.

### ABSTRACT

The new environment of music service has brought changes in digital music industry. Today, various forms of music contents are presented in ubiquitous environments. Thus, securing various contents becomes very important in monopolistic competition of music market. Under the circumstance, web 2.0 provides a networking environment to form diverse relations. Social Network Service (SNS) is a service to emphasize people relation and is different from information-centered Internet service. And mobile SNS becomes popular as Smartphone rapidly increases. NeowizBugs merged with NeowizInternet managing Sayclub of a music-specified SNS site. And the firm confirms comprehensive contents by making ties with SM entertainment. Thus, the integration corporation secures and manages a new business model by linking digital contents with SNS. Generally, music-specified SNS has advertisement business model and uses a recommend system utilizing

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the database of users. By introducing the case of NeowizBugs, this study tries to identify the success strategy of music distributors fitting ubiquitous environment including web 2.0, mobile SNS, Smartphone, etc.

**키워드** : 디지털 음악, 웹 2.0, 모바일 소셜네트워크서비스, 스마트폰  
Digital Music, Web 2.0, Mobile SNS, Smartphone

## 1. Introduction

### 1.1 The Environment of Digital Music Service

As music service is digitalized, the production and consumption behavior of digital music is transitioned into a single market of music service. It implicates that listening music is getting valuable than collecting music. The new environment of music service will have brought changes in digital music industry. Generally, the change from packaged album to single occurs. As digitalized music service is getting popular, business models of subscription or single purchasing get settled in digital music markets. The value of consumers to music contents is changed from the quantity of music to the quality of music. Thus, single music publishing increases in digital music markets. The deep concentration of music consumption on the accessibility of portable digital devices occurs. The age groups of heavy music consumption are teenagers and young in their twenties, and the two groups are about 80% out of the whole music consumers [5]. The young groups are

familiar with digital devices, and can easily access to digitalized music contents through the devices and Internet. People in their thirties and forties, who are not familiar with the culture of digital contents cannot easily access to digital music service. Therefore, the younger groups to digital music consumption increase. The offline music shops will have transformed into the places in which consumers experience music contents or the channels through which music contents are displayed and promoted. The consumption of compact disk (CD) formed music has decreased due to the large diffusion of digital music. Many consumers visit the offline music shops to watch new digital music contents rather than purchasing CD. And music producers use the physical shops to promote new digital music contents. Today, many consumers enjoy listening music because they are able to listen to digital music anywhere and anytime through mobile devices.

### 1.2 The Growth Outlook of Digital Music

The heavy legal actions against illegal music service, the music service development by

publishers and the concerned people, and the increasing subscription to digital music service and positive awareness to the subscription all will have brought about the growth of digital music [5]. The heavy legal sanctions induce the control groups for digital right management (DRM) to bring continuous lawsuits against illegal music service. Systematic management for digital rights and management plans for relevant music contents have been established to solve the problems derived from illegal music service. The positive awareness of consumers about subscribing to music service affirmatively increases. Many consumers subscribe to digital music service because it takes a long time to find favoring music contents through peer to peer communication methods. And, illegal music contents do not guarantee the quality. They want to subscribe to digital music service if diverse music contents and high-quality information are provided as differentiated music service. Music-specialized portal or wire and wireless music service providers do active business to attract more subscribers. The channels for digital music service will be diversified. For example, convergent style device which has multiple functions is to be released, and digital television becomes popular. Various forms of music contents are presented in ubiquitous environments. Thus, securing music contents become very important in monopolistic competition of music market. The Korean music markets experience monopolistic competition

because several music service providers distribute slightly differentiated music contents. In economic theory, monopolistic competitive music channels experience a downward sloping demand curve due to the market power driven by distributing differentiated music contents in a short time. And, the price elasticity in monopolistic competition is greater than that in monopoly or oligopoly because several substitutes exist [13]. Thus, other managing strategies through mobile web and social network service (SNS) are necessary except pricing strategy [11].

## 2. The 2.0 Management

### 2.1 Web 2.0 and SNS

Web 2.0 forms diverse networks by providing environment comprising components such as people, information and the concerned data [12]. Social network provides a mechanism through which web becomes organized as information ecosystem in the relation of the localized behaviors of users and the global connectivity of the behaviors [15]. Web 2.0 has some features. The typical one is openness. It provides a platform through which people are able to use sufficient data in Internet environment. Web 2.0 improves connectivity. People and information cannot survive without connectivity with other factors in information ecosystem. Thus, informa-

tional and social connectivity is naturally strengthened in the information ecosystem. Web 2.0 drives participant and interactivity. Information is created by participant and interactivity. User created contents (UCC), active participation and sharing among user groups create collective intelligence [1].

Web 2.0 has a close relation with social network. From the perspective of social network, web 2.0 provides a networking environment to form diverse relations [12]. As previously stated, web 2.0 improves connectivity with people and information. Informational connectivity and social connectivity have been diversely and widely formed [1]. Web permits and restricts the relational formation among people as programmed in informational space. People make relations and interact through linking rules and linking tools offered by web service. People and information are divided into possible units for networking, and are identified as the subject and the object in environment offered by web 2.0 [12]. The web components are divided into micro-contents and individuals. And the inter-connectivity among them creates new value. The micro-contents and individuals appear as nodes of which network consists. More specifically, information is divided into keywords, and then the multiple connectivity between information and keywords forms information network. People are divided into individuals, and then the multiple connectivity among individuals forms social network. In the proc-

ess, personal media such as mini-homepages and blog supports connectivity among information and people. The effective processing of network data provides tools organizing information from individuals [15]. For example, collaborative filtering of Amazon and Page rank of Google are good examples for network data processing.

## 2.2 Mobile 2.0 and SNS

Wire communication market was transitioned from voice communication to data communication. Wireless communication is also transitioned to data communication. This is called mobile 2.0. The new trend needs new convergence service surpasses the existing network, service, technology, and application [3]. It is similar to web 2.0 shown in web technology development and Internet industry. Representative trends can be summarized in some keywords such as Smartphone, mobile web, etc. Generally, Smartphone represents mobile device which provides evolved functions or services which PC performs. Wire Internet diffusion was induced through web. Thus, the success of mobile data service needs the vitalization of mobile web. The mobile 2.0 trend began with hardware centered Smartphone. However, platform and applications embedded in Smartphone, and connectivity and convenience through web and Internet service will become more competitive [3].

The early days, information acquisition was a key service in Internet industry. Thus, the quantity of information, searching results, and searching speed were important in Internet service. It was difficult to find relation among online people in the growth stream of Internet industry. However, SNS is a service to emphasize people relation, and is different from the established Internet industry. For example, Cyworld at home, and Twitter and Facebook out of the country lead SNS industry [15]. Mobile SNS is getting popular because mobile device such as Smartphone accepting wireless network rapidly increases. The fusion of SNS and mobile is compulsory and is getting settled as a killer service. For example, SNS appears more than 40% out of whole mobile Internet traffic in 2008 [4]. Mobile SNS has service components same with web SNS. So it is basically identical to web SNS. However, mobile SNS has mobility and instant respond. Mobile SNS is classified into finding friends, contents sharing, micro blocking, GPS, and grafting onto other services. Finding friends is a SNS service which provides the nearest location of friends or acquaintances that make frequent calls. Mobile produces various contents with embedded multimedia functions. Pictures, videos, SMS, E-mail, addresses, and schedules are shared and reproduced through SNS. Today, SNS through Smartphone is almost daily routines [3]. Thus, the Smartphone SNS can be used for marketing strategy.

## 2.3 SNS Marketing

Something different is happening in the marketing world, and it is often fashionably labeled 'Web 2.0'. Online word-of-mouth, social network services and communities are threatening traditional marketing practices and media. Online marketing methods such as search advertisements and banner advertisements became expensive. And measuring the effectiveness is not clear without feedback from customers. However, SNS marketing is relatively cheap, and the effectiveness is clear due to responds from customers. Thus, it can be an effective marketing channel. SNS as a marketing tool has the following strengths. The first one is interaction. SNS can induce participations, sharing and communications from customers by reducing media payments for delivering unilateral messages because bilateral communication can be conducted through SNS. The second is viral effect. Marketing experience and contents which customers have already had can be enormously diffused through social media networks. The last one is brand lover. If relation-oriented marketing activities are conducted based on reliability and fidelity, it is relatively easy to confirm affirmative responses and loyalties of brand from customers compared with other marketing tools [11]. Media literacy and media producing capability is very important for SNS marketing because SNS is a place which collective intelligence exhibits [1]. Advertise-

ments and promotions containing good digital contents can lead a high ripple effect. SNS is a network between individuals, so the ripple effect is enormous. Thus, SNS marketing with media producing capability and comprehensiveness can maximize synergy effects [14].

### 3. Internet Music Business Model

In Internet music markets, a successful business depends on music contents, distribution through point of contact (POC), and customer contacts through PC or mobile devices [10]. Securing various music contents is very important. Generally, music firms exercise their bargaining power to individual POC such as NeowizBugs. Customers download music contents by accessing POC, and enjoy real-streaming service by synchronizing to their mobile devices. Up to recently, there was restriction to provide music contents except mobile carriers. However, non-mobile carriers can synchronize music contents to mobile devices in a form of DRM-free [6]. Mobile carriers provide wire and wireless coupled business model. For example, Melon of SKT, Dosirak of KT, and Music-on of LGT are representative. The mobile carriers provide customers with charging information when coupling music contents with mobile

device through DRM technology. Subscription fee models offering real-streaming on wire and wireless platforms have been popular while download business models have not been. Teenagers and young in their twenties are main customers in the Internet music markets. High speed Internet and mobile devices are relatively prosperous in Korea compared to other countries. As a result, the diffusion of Smartphone and new music contents are quickly established. Thus, subscription business models are appropriated to young people who prefer the newest hit music and purchase new mobile devices. The vitalization of Internet music markets was derived from wire and wireless coupled service based on real-streaming or mobile devices considering the characters of young customers. In recent years, more various contents and business models lead the growth of Internet music markets. Music contents stand-alone, multimedia messaging service (MMS) using other contents, and UCC appear as high-revenue sources. For example, BGM of Cyworld is a sort of UCC. Business to business (B2B) which serves shop real-streaming through PC or a set-top box is also a business model. It provides large-sized shops, cafeteria, and convenience stores with online background music service. The business model becomes popular because it meets customer specific needs depending on the character of shops, weather, and event subjects [6].

## 4. Case Study : The 2.0 Management of NeowizBugs

### 4.1 NeowizBugs

NeowizBugs was originally founded in June 2002 and started digital music distribution. The firm acquired the right of digital music distribution and industry-firstly established an accurate account system to deliver digital music service in February 2004. NeowizBugs manages music portal service and makes main profits from a monthly fixed rate DRM-free service. Nowadays, the firm has made a ceaseless effort to secure comparative advantage in monopolistic competition of digital music markets surrounding ubiquitous environment including web 2.0, mobile SNS, Smartphone, etc. This year, NeowizBugs merged with NeowizInternet managing Sayclub of a music-specified SNS site. And the firm confirms comprehensive contents by making ties with SM entertainment. Thus, the integration corporation secures and manages a new business model by linking digital contents with SNS. The primary management of NeowizBugs is as follows in 2010.

2010. 01 : Releasing iphone application, signing merger contract with NeowizInternet  
2010. 02 : Releasing Android application, signing business ties contract with SM entertainment

2010. 04 : Completing merger with Neowiz-

Internet

2010. 08 : One person media linking service on Twitter, Cyworld, etc, Releasing music application for window mobile

### 4.2 Merger of NeowizBugs and NeowizInternet

NeowizBugs merged with NeowizInternet managing Sayclub of a music-specified SNS site. Creative marketing strategies and effective business models confirm profitability from consumers. Thus, the music service fitting the ubiquitous technologies such as web 2.0 and mobile SNS becomes important. SNS can be a platform to deliver digital contents to consumers through networked social relations. Specifically, mass diffusion of Smartphone such as iphone and Android phone will provide opportunities of the new business model. However, there is nothing much in distributing digital contents through SNS in Korea. Cyworld delivered mainly music contents in past. However, the case is different from Twitter or Facebook, which opened a platform by circulating digital contents.

### 4.3 Strategic Alliance of NeowizBugs and SM Entertainment

Sufficient contents, effective service for music contents, and the expansion of the service are important for the successful busi-

ness in the Korean music markets. NeowizBugs had a strategic alliance with SM entertainment. The firm secured business rights using music contents from SM entertainment for 3 years. It implicates that NeowizBugs confirms a new business power by taking comprehensive contents tie with SM entertainment. The top contents firm, SM entertainment, which has the first market share in Korea and NeowizBugs which has 25 million subscribers and has world-class capability in developing mobile applications would maximize synergy effects through the ties.

#### 4.4 Business model of NeowizBugs

Internet music markets consist of NeowizBugs providing packages of contents, mobile

carriers providing mobile device coupled music contents and Cyword providing community back ground music (BGM).

<Table 1> shows business models of three different music distributors. One particular thing is that only NeowizBugs has Smartphone application based business model; SAVE when compared with other two music distributors. The specialty of the music distribution is outstanding and is appropriate to ubiquitous environment including web 2.0, mobile SNS, Smartphone, etc. Generally, digital music contents are homothetic but differentiated. Each business model is slightly different to compete with each other in monopolistic competition. As previously stated, a slight lower price compared to competitors cannot guarantee profitability [13]. To ensure

<Table 1> Business Model of NeowizBugs

Service Providers	Charging time	Business Models	Synchronizing Device
NeowizBugs	2005. 9	Download (5,500 won/40 songs : 9,900won/150songs) Streaming (3,000 won/1 month) Bundling (7,600 won/40 D/L and 1 month Streaming) Bundling (12,000 won/150 D/L and 1 month Streaming) <b>SAVE (5,000 won/1 month)</b> <b>SAVE + 40 D/L (10,500 won/1 month)</b> <b>SAVE + 150 D/L (14,900 won/1 month)</b>	MP3P Smartphone  iphone iPod Touch
Melon	2004. 11	Download (5,000 won/40 songs : 9,000won/150songs) Streaming (3,000 won/1 month) Bundling (7,000 won/40 D/L and 1 month Streaming) Bundling (11,000 won/150 D/L and 1 month Streaming)	MP3P PMP Mobile iPod
Cyworld	2001. 9	Download (dotori 10/5 songs : dotori 40/20 songs) Streaming (dotori 4/80 times : dotori 20/450 times) Streaming (dotori 33/30 days : dotori 330/390 days) Singing Room (dotori 5/1 hour : dotori 10/3 hours)	MP3P



profitability, NeowizBugs employs SNS marketing strategy in mobile web environment. The firm realizes a new paradigm of recent online music service by linking music portal with SNS because it secures keywords of future growth such as digital contents, SNS and Smartphone application. The music channel is advancing to new entertainment portal by fusing exiting digital music source with communities of Sayclub and application technologies of NeowizInternet. Naver in Internet search engine and eBay in online shopping are leading companies in the specific-businesses. However, there is not an apparent leader in music entertainment markets in Korea. Thus, NeowizBugs wants to be the best firm in the entertainment business. Smartphone boom gives the firm a good business opportunity because the demand of music contents through mobile web and application rapidly increases. Apple and Google give a good business opportunity to NeowizBugs competing with Melon of SKT, Dosirak of KT, and cy-world because NeowizBugs has already de-

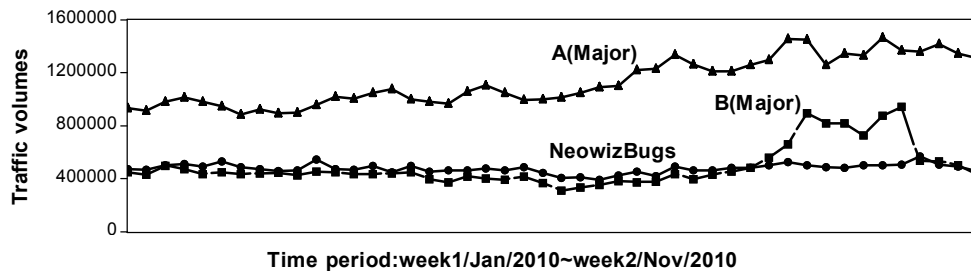
veloped music applications on iphone and Android phone. And the firm develops other applications on mobile operating systems such as Symbian, Blackberry, etc.

<Table 2> shows that market share of NeowizBugs is clearly the third in internet music market. However, Internet music broadcasting service, which NeowizInternet manages, SayCast has significant market shares compared with Inlive. Cyber Jockey (CJ) can listen or broadcast music through the SNS site. And costumers can enjoy the music services on Smartphone application of iphone and Android phone.

<Figure 1> shows 46 weeks traffic volumes of three most popular music distributors from week 1 January 2010 to week 2 November 2010 in Korea. The result is different from the market share based on unique viewers. And the traffic volumes pattern of A (Major) is roughly analogous to the pattern of B (Major), while the traffic volumes of NeowizBugs are relatively stationary. It indicates that mobile carrier based music dis-

<Table 2> Market share of NeowizBugs (A Number of in the Thousands) [2]

Music / SNS sites		Jan	Feb	Mar	Apr	May	June	July	Aug	Sep
Unique viewers	<b>bugs.co.kr</b>	<b>1,807</b>	<b>1,525</b>	<b>1,706</b>	<b>1,414</b>	<b>1,349</b>	<b>1,166</b>	<b>1,416</b>	<b>1,253</b>	<b>1,193</b>
	<b>Saycast</b>	<b>504</b>	<b>445</b>	<b>339</b>	<b>431</b>	<b>409</b>	<b>297</b>	<b>339</b>	<b>335</b>	<b>295</b>
	<b>Inlive</b>	<b>88</b>	<b>69</b>	<b>79</b>	<b>76</b>	<b>64</b>	<b>50</b>	<b>91</b>	<b>81</b>	<b>64</b>
	A(Major)	2,816	2,314	2,324	2,075	3,888	1,572	2,076	2,318	3,394
	B(Major)	3,788	3,750	3,796	3,718	1,913	3,689	3,708	3,542	3,548
	C(Major)	1,168	1,147	966	818	856	727	892	830	679
	D(Minor)	712	594	582	549	627	599	682	551	620



〈Figure 1〉 Weekly traffics of Internet music distributors [16]

tributors affect each other, but NeowizBugs is relatively not affected by the music distributors. Consequently, mobile carriers using mobile web is advantageous to distribute music contents in ubiquitous environment including mobile web, Smartphone, etc. However, one particular thing is that traffic volumes of NeowizBugs are slightly greater than that of B (Major) except periods from week 4 August to week 4 October. It implicates that music distribution based on Smartphone application and SNS marketing based on Say-cast might affect the greater traffic volumes.

#### 4.5 SNS Marketing of NeowizBugs

NeowizBugs provides a new function in which consumers enjoy music contents on diverse platforms of Twitter, Cyworld, etc and communicate daily update of new music contents with their social friends. The firm added the SNS linkage functionality on Bugs player 4 as well as PC websites and mobile web. It indicates that consumers can share their music contents with SNS friends of Twitters, Facebook, Me2day and Cyworld in uniform

resource locator (URL) linkage way, and scrape their pictures and stories on mini-homepage, blog, and club of Cyworld. The contents are music charts, artists and their albums, etc. This SNS marketing is appropriate to multi-SNS trend that one consumer use various SNSs at the same time.

〈Table 3〉 illustrates successful SNS marketing cases of non-music distributors. It can be summarized as follows. First, a firm opens a special event or incentive to attract customers. Second, it realizes accurate characters of each SNS and utilizes suitable SNS well. Additionally, a firm manages consistently customers through the suitable SNS. These SNS marketing are not much different from that of NeowizBugs.

##### 4.5.1 Music SNS case

Music SNS has following features such as online advertisement based business model, streaming service based on mobile web or Smartphone application, music recommendation systems, and active music user's participation lead through SNS sites. The following table illustrates those characteristics.

〈Table 3〉 Overseas SNS Marketing Cases

Starbucks [9]	Pepsi [8]	UNIQLO [8]
<ol style="list-style-type: none"> <li>1. Comprehending characters of SNS channels <ul style="list-style-type: none"> <li>• Facebook Starbucks official page for communicating with customers.</li> <li>• Twitter Starbucks official page for sharing opinions with customers from time to time.</li> </ul> </li> <li>2. Consistency of SNS marketing <ul style="list-style-type: none"> <li>• SNS team members have a consistent communication with customers for only limited issues.</li> <li>• Starbucks manage whole issues</li> </ul> </li> <li>3. Attracting customers' attention <ul style="list-style-type: none"> <li>• Starbucks makes their customers use the firm's media and sites.</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1. Launching exclusive Pepsi refresh project sites <ul style="list-style-type: none"> <li>• Asking project ideas from customers and awarding the chosen idea</li> <li>• Inducing votes for winner idea through SNS channels such as Facebook and Twitter</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1. UNIQLO lucky switch <ul style="list-style-type: none"> <li>• When clicking bookmarks and widget, all website images are changed into coupons or gifts</li> </ul> </li> <li>2. UNIQLO lucky line <ul style="list-style-type: none"> <li>• After logging with Twitter ID and password, stand online for the event</li> </ul> </li> <li>3. linking brand and products with Twitter <ul style="list-style-type: none"> <li>• Customers share the contents which they experienced through Twitter</li> </ul> </li> </ol>

When compared with overseas music SNS cases, various attempts combining SNS with music service have been fulfilled in Korea, but the success cases have not been come out. For example, Soribada provided service which users upload music contents and make playlists by borrowing abroad model Imeem in

2008. Users compose my pages, and then make online friends through making playlists up. The interface of Soribada was similar to homepage of Cyworld. However, the attempt was not successfully activated. Music-specified SNS have partially appeared. For example, Somesee which shows off music-specified

〈Table 4〉 Overseas Music SNS Cases (7)

Last.FM	MySpace Music	iLike	imeem
www.last.fm mobile application	music.myspace.com no mobile application	www.ilike.com iLike Facebook application	www.imeem.com iphone/Android application
Music recommendation Streaming service	Music recommendation Streaming service	Music recommendation Streaming service	Music recommendation Streaming service
Community(region/artist)	Community	Facebook/Bebo	Community(topic group)
Widget(Facebook/Myspace)	No widget	No widget	No widget
Subscription fee model	Free	Subscription fee model	Free

SNS is most similar to abroad music SNS. It basically provides music streaming. Users can attach music player on their homepages or blogs, and then upload their preferred music through Somesee box function. The music service is not popular because of the lack of popularity and accessibility. However, it will be popular if the service is linked with large music service portals. MusicShake is a site in which users are able to become music composers by using the offered online composing programs. Online composing was originally diffused through UCC, but it was simple. MusicShake provides active composing and editing [7]. The country best SNS Cyworld providing Back Ground Music (BGM) was partially transitioned into music SNS. Melon also attempts to be transitioned into SNS. However, considerable outcome has not come out compared to overseas cases.

NeowizBugs' music SNS is very similar to overseas music SNS cases. For example, it uses website of [www.bugs.co.kr](http://www.bugs.co.kr) and iPhone/Android application. Music distribution service consists of download, streaming and recommendation service. And NeowizInternet manages Saycast of Internet music broadcasting service based on social networking of Cyber Jockey and music lovers. Furthermore, its SNS specialty is the first introduction of charged avatar items in music community site. This SNS business activity of NeowizBugs is outstanding compared with other music SNS business in Korea.

## 5. Implications and Conclusions

The Korean music market is monopolistic competition in ubiquitous environment marking web 2.0 and mobile SNS with Smartphone popularity. And the success of music business depends on music contents, distribution and customer contacts through devices. As stated previously, many consumers prefer listening to music to collecting music through social music streaming service. They can use the same service anywhere and anytime through blogs, social networking sites, and mobiles because widget and mobile applications are developed. New advertisement service embedded in SNS is not profitable because of fluid advertisement markets. There is not a certain success model to charge to consumers who use SNS. For example, one successful SNS site with no charge became worse after it was transformed into SNS site with charge. However, if SNS is based on community, and induces more active participants, the SNS marketing of music contents will be effective. SNS effects the changes of diverse industries, specifically the consumption habit of consumers. The fast-going music contents diffusion and music recommendation system provide various opportunities for consumers to choose more music contents. That is, the consumers can find, listen, and purchase music contents through SNS. It implicates that

SNS becomes a distribution channel for music contents. From now on, music contents promotion and distribution can be done without traditional media channels. The development of SNS implies the growth of consumers' influence in the ranges of consumption, creation and investment. That is, consumers can become prosumers. SNS influences individual decision to the consumption of music contents. And SNS helps the music contents providers secure the base of consumers' support.

In Korea, SNS has appeared in the established social networking sites such as Cyworld, Sayclub, etc. And the social trend is expanding to music-specified SNS. However, there is no success case to affect the change of music markets. NeowizBugs builds a suitable business model in mobile web specified social network environment. It investigates overseas cases to establish a suitable revenue model fitted by legal music streaming environment. When investigating oversea music-specified SNS success cases driven by Smartphone or Internet available mobile devices, the SNS strategy of NeowizBugs will succeed because Smartphone is massively diffused this year. Under the circumstance, NeowizBugs merged with Neowiz-Internet managing sayclub of a chatting community site. The integrated corporation secures a new revenue model by combing sufficient contents driven from SM entertainment with SNS and maximizes synergy effect. Furthermore, NeowizBugs has developed ap-

plications fitting to various mobile operating systems, and has quickly responded to ubiquitous environment compared with competitors. As a result, mobile streaming and mobile download increases the revenue of NeowizBugs.

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