

# Music Denied – Shoppers Overwhelm iTunes

Associated Press Newswires

SAN FRANCISCO, California — Swarms of online shoppers armed with new iPods and iTunes gift cards apparently overwhelmed Apple's iTunes music store over the holiday, prompting error messages and slowdowns of 20 minutes or more for downloads of a single song.

Frazzled users began posting urgent help messages Monday and Tuesday on Apple's technical forum for iTunes, complaining they were either not allowed into the store or were told the system couldn't process their request to download songs and videos.

It was not immediately clear how many people were affected by the slowdowns, and Apple Computer Inc. would not immediately comment Wednesday on what caused the slowdown and whether it had been fixed.

Analysts said the problems likely were the result of too many people with holiday iPods and iTunes gift cards trying to access the site at once.

Traffic indeed was heavy over the holiday, with more than four times as many people visiting the iTunes Web site on Christmas than at the same time last year, online market researcher Hitwise said Wednesday.

Some financial analysts said the interruption could be viewed as a sign that sales dramatically exceeded the Cupertino-based company's own forecasts.

"It's actually created more positive buzz among analysts – traffic was so great it blew up the site," said Gene Munster, sen-

ior research analyst at Piper Jaffray. "If anything it could be a positive – demand was better than they were expecting."

Apple commands about 75 percent of the market for downloaded music, but could lose as much as 5 percent of that market share in 2007 because of increased competition from rival services, according to Piper Jaffray.

Dan Frakes, a senior editor at Macworld magazine and playlistmag.com, a Web site focused on digital music, said he and some colleagues were unable to access the iTunes store or received error messages when they tried to download songs early this week.

However, others breezed through the process hassle-free, and Frakes successfully downloaded songs again on Wednesday. He said the problem likely was not as widespread as the frustrated discussion group chatter might indicate.

"The store itself was working, there was just too much traffic," he said. "It's a good bet that most people were able to get through."

Analysts said they didn't anticipate a rash of iPod returns because of the delays.

"What you're seeing is the tremendous success of the iPod," said Michael Gartenberg, vice president and research director with JupiterResearch. "No doubt it was a very, very popular gift, and no matter how well you plan on the server side of the equation, there are always times when you get caught short."



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