



**A STUDY OF CURRENT SITUATION OF MUSIC
INDUSTRY AND POSSIBLE WAYS TO REVIVE THE
BUSINESS**

BY

MISS THONGRIN THONGCHATRA

**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL
FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF SCIENCE PROGRAM IN MARKETING
(INTERNATIONAL PROGRAM)
FACULTY OF COMMERCE AND ACCOUNTANCY
THAMMASAT UNIVERSITY
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INDEPENDENT STUDY

BY

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ENTITLED

A STUDY OF CURRENT SITUATION OF MUSIC INDUSTRY AND POSSIBLE
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the degree of Master of Science Program in Marketing (International Program)

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ABSTRACT

Since revenue of the music industry has started to decline in 1990s, there has been an on-going discussion among music communities whether music is dying or not. This contemporary topic in applied marketing report is created in expectation to answer the question and provide recommendations to key players in the industry. Propositions of the report is verified by using secondary data and in-depth interviews of music experts in Thailand. Data interpretations are carried out to find determinant attribute for all music format and make predictions about future of music as well.

Despite all paradigm shift and disruptive distribution technology and business model in music industry, the main key point to increase revenue is surprisingly a basic marketing principle. Consumers are willing to pay for legitimate music only when they like the artist and their songs.

Keywords: music marketing, determinant attribute, piracy

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I would like to dedicate this Individual Study to my family, especially to my beloved grandmother.

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MISS THONGRIN THONGCHATRA



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LIST OF ABBREVIATIONS

Symbols/Abbreviations	Terms
D1, D2, D3, D4	Secondary Data1,2,3 and 4
I1, I2, I3, I4	Interviewee 1,2,3 and 4
P2P	Peer-to-peer or user-to-user interaction
TAM	Technology Acceptance Model
TPB	Theory of Planned Behavior
TRA	Theory of Reasoned Action

CHAPTER 1

INTRODUCTION

1.1 Introduction

The cultural and creative industry is one of the growing global economic trends, pushing both monetary and cultural development in society. The creative industry consists of 11 sectors and produces 3% of the world's GDP, in addition to creating 29.5 million job opportunities. Music is one of the fields in the creative industry, whose revenue in 2015 amounted to 65 billion USD. Although music yields less revenue when compared to other sectors of the industry, it is likely the most labor intensive. As such, it creates the most job opportunities around the world.

Sadly, the growth of the music sector is not competitive with other sectors of the creative industry. Surprisingly, other creative sectors seem to be growing against the global trend during the current economic recession, while the music sector has been long rumored to be dead already. Many people have cast blame on digital formatting and the internet for this misfortune. Along with the gradual transition of music formats, the cultural element of music appears to have been devalued in favor of commodity status.

This Independent Study has several objectives. The first objective is to study the current situation and speculate about the trend of consumption over the next 5 years. The second objective is to gather information from various recent data sources and experts' opinions to provide suggestions for possible ways to revive the music industry.

The findings will result from both primary and secondary data by utilizing a qualitative research method. Interviews with experts in Thailand's music sector are also employed.

In the end, the study endeavors to provide clarification for the current situation in the music industry. Industry professionals and other concerned parties may be able to use this Independent Study as a guideline to help stimulate the music sector.

The structure of this Independent Study starts with an overview of the current situation from literature review. Next, various frameworks that have been used in

recent researches and theses are addressed. Then, content and conclusions from some of the more interesting researches and theses are discussed. Following that, comments from some of the business insiders in Thailand are presented. Finally, conclusions are drawn for the study and predictions made for which music format(s) will likely exist in the next five years, with summaries for patterns in previous findings. Finally, correlations are made between marketing and psychology theories with the aim of making suggestions on how the music industry can be revitalized.



1.2 Topic Description

1.2.1 Key Ideas

The issues of the music industry are addressed using the ethnography research method. Frameworks and theories from Kotler and Keller's book and other academic fields are used to probe for answers to the research questions.

1.2.2 Terminology

Independent Label or "Indie": Record labels that are not under the umbrella of Sony, United Music Group or Warner Music Group.

Independent Artist: An artist who is either unsigned, self-produced or self-managed, without any financial support from other stakeholders.

Format: Format is used to describe how music is licensed or monetized. There are 4 formats of music, including the tangible, digital (including ringbacks and ringtones), performance right and synchronization revenue. Synchronization includes the use of music in advertising, motion pictures and brand partnerships.

Digital Recorded Music: Format of music that can be distributed by means of the internet, mobile phone network or other electronic memory mediums that are not physical.

Physical Recorded Music: Music that maintains a physical presence that consumers can touch and feel, such as CDs or Vinyl.

Music Digital Rights Management: legal restrictions that prohibit against music piracy and use of music without acknowledgment of creator.

1.2.3 Development of Research Objective:

The *Managerial* questions for this study are:

Is the music industry really dying? The concept that music is dying comes from the trend of declining revenue for this sector. Even though technology has allowed consumers to listen to more music, revenue from music production is still declining.

What format of music will survive in five years' time? Since technology is rapidly changing and evolving, the format utilised can have a major impact on distribution channels.

What methods can be used to alleviate the situation? Investigation can find possible ways for players in the value chain to stop the decline of the music sector.

The research objectives are:

RO1: To investigate the cause(s) of revenue decline

RO2: To gather fundamental information on decision-making among music listeners

RO3: To identify the attribute(s) considered the most important for consumers

1.2.4 Interests of this Independent Study

This study can serve as an introductory guide for music sector outsiders to understand the current situation that consumers have a tremendous impact on how the future of music evolves.

CHAPTER 2

REVIEW OF LITERATURE

2.1 Global Music Industry Overview

In 2014, the U.S. had the largest trade value of all with a total of \$4.5 billion (Ingham, 2015). The European continent has a large music market as well, with Germany, the United Kingdom and France among the top countries for the music sector. For Asia, only the Japanese and Korean markets are on the global radar.

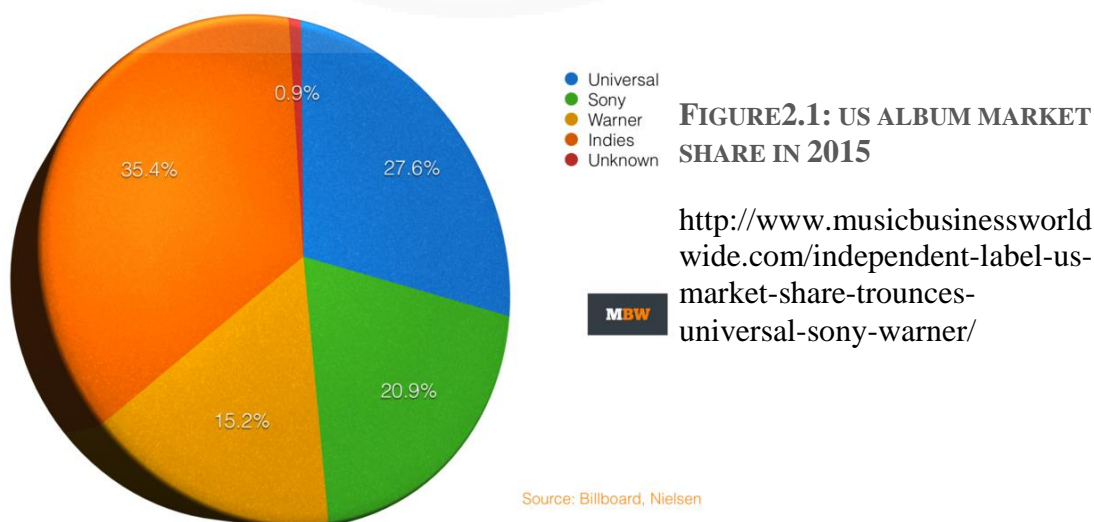
Despite being only the second largest market in the region with a total market value of \$2.6 billion, Japan has the most calculated music spending per capita. Latin America is also considered a strong emerging digital music market, as its total revenue has grown by 8.3% since 2013. Details for the rankings of the top 10 music markets in the world are provided in Appendix A.

2.2 Nature of Business and Key Global Players

The nature of competition in the music industry is oligopolistic. Three major record labels comprised of Sony, Universal Music Group and Warner Music Group have taken over a majority of market share through their many acquisitions and umbrella labels, as shown in Appendix B.

However, independent record labels are driving the growth of the pie as well, as shown in the US market with the largest music market in the world, where the combined independent labels have the biggest share of 35.4% (Figure 2.1).

US album market share 2015 (volume): ownership



2.3 Evolution of the Music Format

Music formatting has always played a significant role in both the growth and decline of this industry. This is because production technology is a critical factor in whether music can be replicated or copied easily and with high quality, which dictates the cost of production. The mass music market was initiated from analog sound storage technology, or the phonogram record, in which music is recorded as grooves on a physical object and later amplified electronically.

The analog sound storage medium, EP (Extended Play) and LP (Long Play), was popular for the longest period of time, from the 1940s to the 1990s. In the 40s, the music industry began to rise because music was considered an outlet for the young generation to experience the world and EPs were the toy of choice for the young generation (Rodley, 2012). Through the EP and LP era, music became a part of youth and popular culture through various musical forms. Record labels maintained firm control on consumers' options. Because the record labels were in sole possession of access to reproduction of analog technology, it was impossible for listeners to replicate content at home.

As production technology evolved, various new record mediums were invented. The birth of cassette tapes and 8-track records eventually made enjoying music more convenient and pleasurable by using a digital recording technique.

Since the birth of the digital format era in the 1990s, the music industry has evolved many times (Taintor, 2004). From the boom of the CD era, record companies gained the most advantage from the low cost of production and improved sound quality. Thus, CD prices were quite high, with high margin. Along with the birth of MTV, the first music television channel and the powerhouse of youth culture in the world as well as the best fit marketing channel of music for young consumers, sales for CDs during the 90s went sky-high. The margin was also high, making this decade the peak for the music industry (Resnikoff, 2014). See Figure 2.2 for more details.

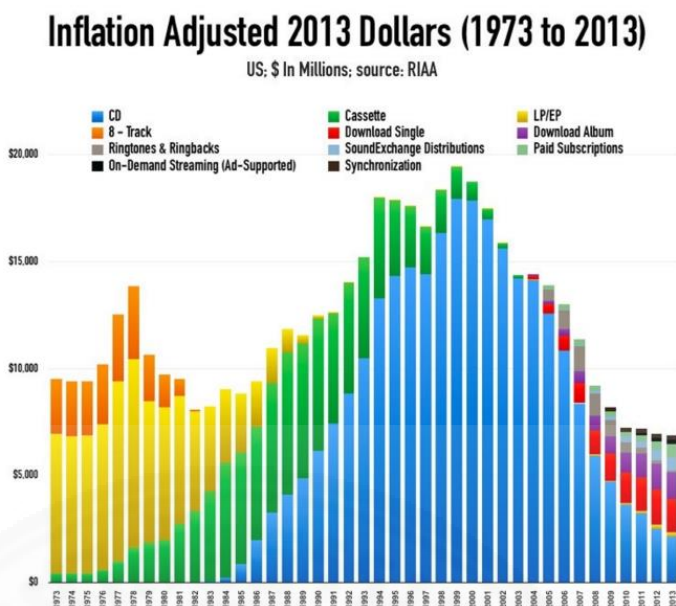


FIGURE 2.2: REVENUE FOR THE MUSIC SECTOR GENERATED BY VARIOUS FORMATS

Taken from <http://www.digitalmusicnews.com/2014/08/26/music-industry-1973-2013/>

Eventually, the magic of the digital format wore off. As technology made copying easier, pirated CDs and MP3s were everywhere. The situation only worsened after the arrival of the Internet. P2P file sharing with better internet bandwidth made the situation even worse.

With streaming and digital cloud technology, there are four main business models for digital formats in the market: (1) pay-to-own, like iTunes; (2) advertisement-supported, like YouTube and Spotify Free; (3) subscription-paid, cloud-based streaming services, like Spotify Premier, iHeartRadio and Apple Music; and (4) mobile personalization for ringback tones (IFPI, 2015). The four business models can be summarized into two categories, namely pay-for-ownership or pay-for-access (IFPI, 2012).

Consumer behavior also has changed over time due to the presence of digital music. The digital media channel has increased its relevance and already raised 46% of industry income, which is equivalent to the income from sales of physical music goods (IFPI, 2015). Music listeners have shifted to the digital format, as the annual number of streamed songs in 2014 increased drastically by 50% from 2013, with 160 billion tracks (The Nielsen Company, 2015).

There are on-going discussions on the fairness of subscription-based streaming services, their efficiency on relieving piracy implication and whether they can stop revenue loss for the music industry.

The digital format has been considered a contributing factor to the loss in revenue for the music industry because the format has no physical form, thus making piracy not equal to actual theft (Wojciech, Krawczyk, & Tyrowicz, 2013, p. 14). In addition, P2P networks, which allow music to be shared easily, have aggravated the piracy problem to the point that music has been devalued. Some consumers think of music as a free commodity culture. Consequently, music listeners have become price-sensitive with many selective criteria. A survey found that consumers consider price as the main reason why they do not want to subscribe to on-demand music services (The Nielsen Company, 2015), an expected effect of no piracy. The reason for not believing that music streaming is alleviating piracy issue and thus will not helping the music industry comes from the fact that the economy of money has been transformed into an economy of attention, as explained by Mark Mulligan, MIDia (HU, 2015). Moreover, the pricing model should have been changed because service providers are charging in excess of what music listeners would normally spend annually on digital downloads (Rogowsky, 2014). Meanwhile, other schools of belief from experts like Rob Wells, former leader of Digital Music, Universal Music, see potential and room for growth in the digital music industry (IFPI, 2012, p. 7). They believe that companies should adapt to the rising popularity of digital music by targeting the right segment with the most growth (IFPI, 2014).

Regarding the fairness of the business model by service providers, the public are more than likely to know about lawsuits and complaints from the artists of major music labels, such as the case of Taylor Swift and her twitter stunt directly to Apple Music because she was not paid. Meanwhile, Apple Music was giving away free trials to potential subscribers (Stelter, 2015). For smaller artists, competing with big names and being enlisted in the licensed platform seems impossible. Some speculate that staying independent from digital music providers is the most reasonable choice. Independent artists can sell a small amount of records, but enjoy a larger share of revenue when compared with artists who are enlisted in the service (Information Is Beautiful, 2010).

2.4 Current Music Situation in Thailand

Thailand is becoming more exposed to legitimate music as the number of subscription-based streaming service providers increases (see Appendix C). This situation may also be influenced by the fact that the number of internet users in Thailand is globally ranked at 29th (The Internet Live Stats, 2014). In addition, Thais are becoming more accustomed to digital music licensed streaming as revenue from music streaming has accounted for more than one-third of total revenue in the music industry (Tschmuck, 2015).

Conversely, the latest data from PwC in 2015 (PwC, 2015) shows that the Thai music sector is on the downturn, in accordance with comments made by Western media. PwC also showed concern about the Thai piracy issue, commenting that it is the root cause of industry decline. The same source mentioned the increase of the music performance trend in the 2016

2.5 Division and Core Functions of Major Record Company

According to the Music Industry Handbook, job functions for a large label include:

Products Division: consists of Artistes and Repertoire, Production, Marketing and Product

Management, Sales and Distribution

Promotion Division: responsible for Press, Promotion, Digital Operations and Creation

Administration: includes managerial positions, Legal and Business Affairs, Business

Development, Finance and Human resources

2.6 Summary: Current Problem in the Music Industry

Based on the literature review, the assumption can be made that the digitization of music has led to the revenue reduction. Because music piracy has been spreading globally at an alarming rate, it has caused physical format sales to drop drastically as a result. Consequently, the major record labels have used various methods to fight piracy, or else it may devalue their products to the point of not generating enough sales to survive.

CHAPTER 3

RESEARCH METHODOLOGY

Since the objectives of this research focus on studying the current situation of the international music industry, exploratory research is applied with two methods.

3.1 Method 1 – Secondary Research

Collection and review of available research that may provide answers for this Independent Study's research questions on an international scale is conducted, which cannot be completed by quantitative research using a small scale and time period.

This research focuses on frameworks, which have been done quantitatively in various countries. Some of the main marketing theories that address the purchasing behaviors of consumers are revisited. In parallel, consideration must be taken of some of the current work in other recent researches and studies to construct a current situational description of the music industry. As well, correlations can be drawn between theories and the current summary of the music industry to make a framework for each music format. In the end, this research reflects on what has been discovered in order to form recommendations for a better future in the music industry.

3.2 Method 2 – Qualitative Research (In-depth Interview)

To confirm the research findings gathered from the first method, in-depth interviews are conducted with selected stakeholders in the Thai music industry.

3.3 Sampling Method for Method 2

Four interviewees from the players in the digital music market structure of Thailand have been chosen for in-depth interviews to gain their insight and opinions.

3.3.1 Respondent Qualifications

- Gender: Male or female
- Residence: Bangkok
- Work Industry: Music and Entertainment
- Work Experience: More than 5 years in the business

3.4 Referred Theories and Framework

3.4.1 Theories of Consumer Behavior

3.4.1.1 Buying Decision Process

To explain the logical process that consumers go through before making a purchase decision, the Buying Decision Process model from Kotler and Keller is referenced. The theory consists of five-steps, as shown in Appendix D. First, a consumer must recognize a problem or desire. Second, he/she shall search for information concerning available products/services in the market. Their involvement may vary from only becoming more receptive to information about the product/service to actively searching for information, by which consumers try to gather product/service information from various sources. Third, consumers will evaluate the attributes of all alternatives using their own set of important purchase criteria for determining attributes. In the fourth step, consumers will reach their decision and make a purchase action. Finally, he/she will be involved in the post-purchase phase, in which they will evaluate satisfaction based on previous expectations. Their evaluation serves as review material for their next purchase opportunity and also whether or not they should become brand loyal.

3.4.1.2 Diffusion of Innovation Technology

This theory, originated by Rogers (Rogers & Van De Ven, 1988), is often used to describe the adoption of a new idea, behavior or product. The main idea is that people adopt new things at a different pace. If people are grouped based on the time that they take to make adoption into five categories, the distribution of these people forms a normal bell curve, as shown in Appendix E. The first group of people who try new things are “Innovators”, followed by groups of “Early-Adopters”, “Early Majority”, “Late Majority” and “Laggards”.

3.4.2 Value-Expectancy Model

3.4.2.1 Theory of Planned Behavior (TPB) and Theory of Reasoned Action (TRA)

These theories build frameworks that can use value to predict a specific behavior and are often used in various academic fields such as marketing and healthcare.

Both theories were co-created by Fishbein and Ajzen (1975) based on the belief that consumers made purchase decisions logically and predictably. We think of the consequences of our actions, based on our own attitudes and others' subjective norms, before deciding to react in a certain way. In short, people will definitely take specific action if they have the intention to do so. There is a slight difference between these two theories. TRA assumes that people have control over their behavior and also that they realize that they can complete the action, while TPB doesn't. Thus, Fishbein and Ajzen delete "perceived behavioral control" from TPB to create TRA. This theory is referenced by the current research to understand consumption of all music formats.

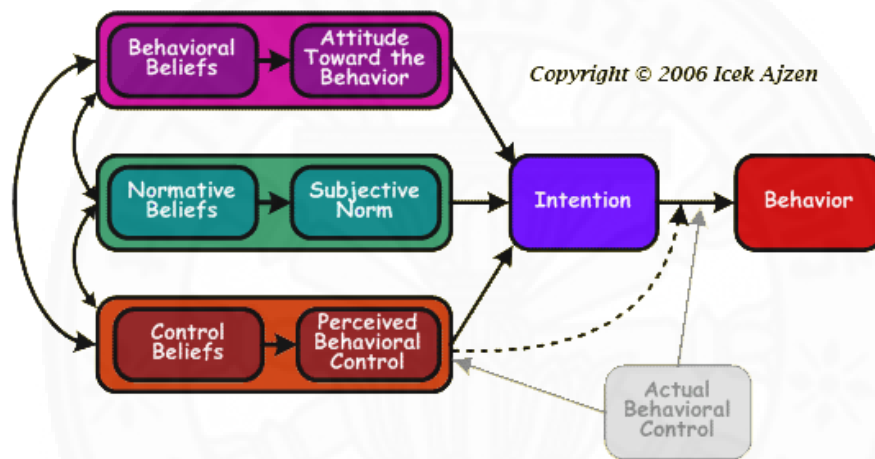
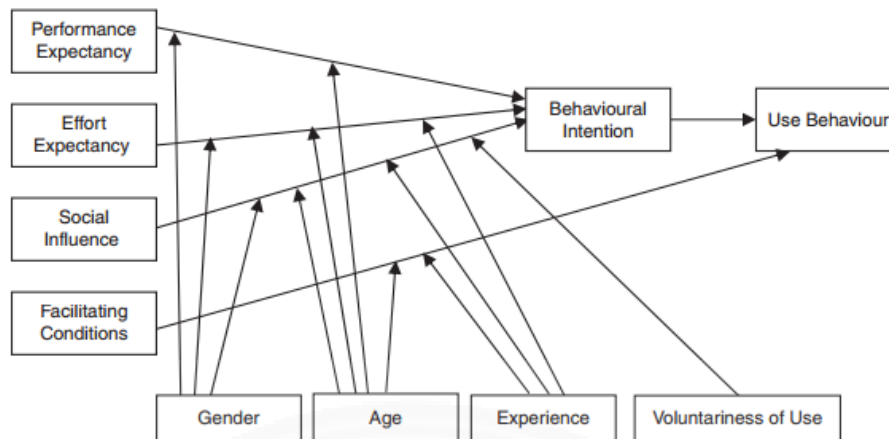


FIGURE 3.1: THEORY OF PLANNED BEHAVIOUR
As taken from <http://people.umass.edu/ajzen/tpb.diag.html>

3.4.2.2 Unified Theory of Acceptance and Use of Technology (UTAUT)

This theory is used to analyze attributes that affect the adoption of both downloaded and streaming music that involves the use of technology (Venkatesh, Morris, Davis, & Davis, 2003). The UTAUT theory resulted from combining the following 8 theories and models.



Source: Venkatesh *et al.* (2003)

FIGURE 3.2: A MODEL REPRESENTATION OF UTAUT

3.4.3 Value-Based Model

3.4.3.1 Consumption Value Theory

Created by Sheth *et al.*, the theory states that consumers make choices based on five distinct values: Conditional Value, Social Value, Epistemic Value, Emotional Value and Functional Value.

3.4.4 Hedonic Consumption Theory

Lacher conducted a quantitative research to create better understanding on how listeners felt when they listened to music and why they were willing to pay for music. The concept is that listeners' characteristics led to their responses, which later created musical preferences and formed purchase intention towards a specific piece and type of music. Listeners' character consists of their traits, how intense they feel when they hear a musical piece and whether listeners have understanding in music or musical education background. Responses of listeners are types of emotions when a music piece is heard, whether listeners are willing to be drawn away or moved by a song and how well listeners can analyze a particular song.

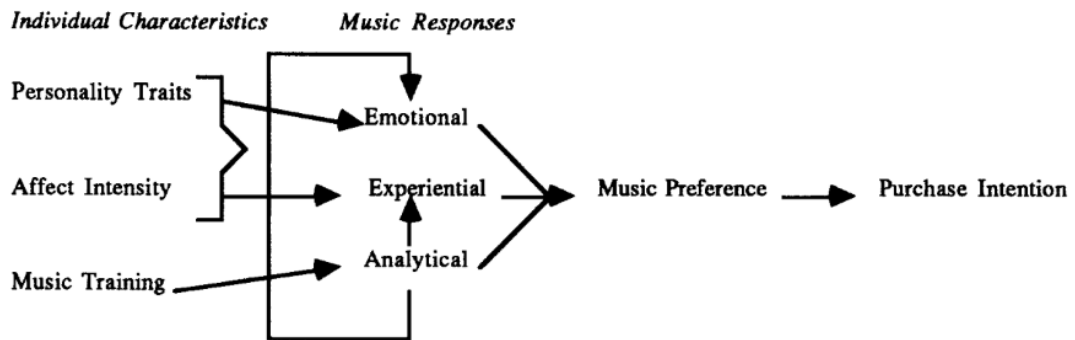


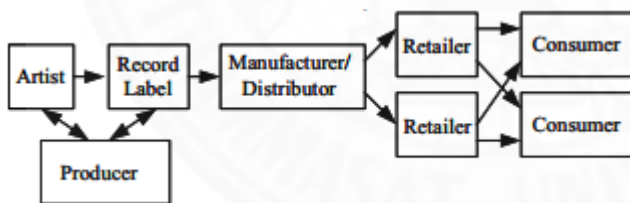
FIGURE 3.3: HEDONIC CONSUMPTION OF MUSIC

3.4.5 Revenue Calculation

Since revenue is calculated by multiplying the number of units sold with the price per unit, there are only these two factors to focus on.

3.4.6 Value Chain Analysis

To be able to predict market trend, value chain analysis may be used as well as looking at the perspectives from each stakeholder (Bockstedt, Kauffman, & Riggins, 2005). The following figures are visual illustrations of distribution channels and a



value chain of tangible and digital recorded music, which can illustrate the impact that digitization has had on the music industry.

FIGURE 3.4: THE TRADITIONAL MARKET STRUCTURE

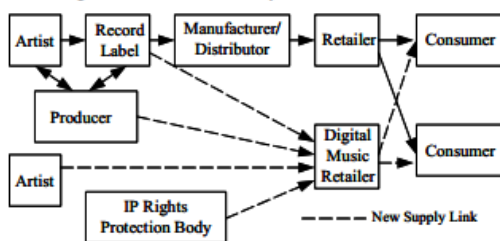


FIGURE 3.5: THE DIGITAL MUSIC MARKET STRUCTURE

For the physical market, which has a traditional market structure, record labels have control over the distribution channel, although the creativity must flow from the artists and producers. The study also suggests that music digitization leads to two additional

stakeholders, Digital Music Retailer and IP Rights Protection Body, meaning that there are two additional sources that will help artists and producers connect with music fans directly without control from record labels. This means that record labels in this digital era are losing control over production and distribution to artists, while consumers have more choices and more music supplies. This means consumers are now able to set the price and redefine the oligopolistic market.

3.5 Proposition in This Independent Study

Since this is a qualitative research with limited sources of data, a hypothesis cannot be created and validated easily. Thus, hypotheses are substituted by propositions, which are created based upon the summary context of the music sector's current situation and the literature review.

TABLE 3.1: Research Propositions Ideation

Research objective	Proposition	Source of Proposition
RO1: To investigate the cause(s) of revenue decline	<p>P1: Volume of consumption for music is not dropping, but the cost of music leads to decline in industry revenue</p> <p>P2: Piracy is the key attribute to drop of units sold.</p>	<p>Revenue equals units sold multiplied by price</p> <p>“Piracy is the No. 1 threat that obstructs the Thai music sector from growing,” (PwC, 2015)</p>

TABLE 3.1 : Research Propositions Ideation (continued)

Research objective	Proposition	Source of Proposition
RO2: To gather fundamental information on decision-making among music listeners	P3: Pricing for legitimate music is the determining attribute for all music formats	Price is one of the top reasons why people don't subscribe to streaming. (The Nielsen Company, 2015)
RO3: To identify the attribute(s) considered the most important for consumers	P4: Music perceived as playful is the determining attribute for all music formats P5: A variety of legitimate music is the determining attribute for all music formats P6: Ability for trial of legitimate music is the determining attribute for all music formats P7: Convenience of legitimate music is the determining attribute for all music formats	Appendix C: Table 2 Consumer comparison of different music streaming providers

3.6 Data Collection Plan

Data collection uses a combination of secondary data, referring to the existing marketing and psychology theories. Also, several in-depth interviews with some of the key players in the Thai music value chain are analyzed to draw final conclusions and create suggestions.

CHAPTER 4

RESULTS AND DISCUSSION

For music synchronization, which is considered as business-to-business, is not included in this study because (1) decision only depends on attribute and associated feelings with a particular song and (2) decisions criteria from customers such as advertisement agencies or movie studios are disclosed matters.

4.1 Method 1-Data Description and Interpretation

4.1.1 Data Description

4.1.1.1 Adoption of Digital Music in Streaming

To learn why consumers, switch from physical to digital recorded music, researchers (e.g., Liao, Liu, & To), as inspired by a study of e-commerce adoption, combine TAM with TRA to create a new framework, as shown in Appendix F, with 15 hypotheses.

Liao, Liu, and To, studied 190 respondents in Taiwan, where digital music services are in an initial state with a limited number of competitors and offer a trial period of the full experience for only three days. The initial framework includes 15 hypotheses, as described in Appendix F. It is then tested using data from the survey. It

reveals that only 7 attributes have a high correlation as shown below.

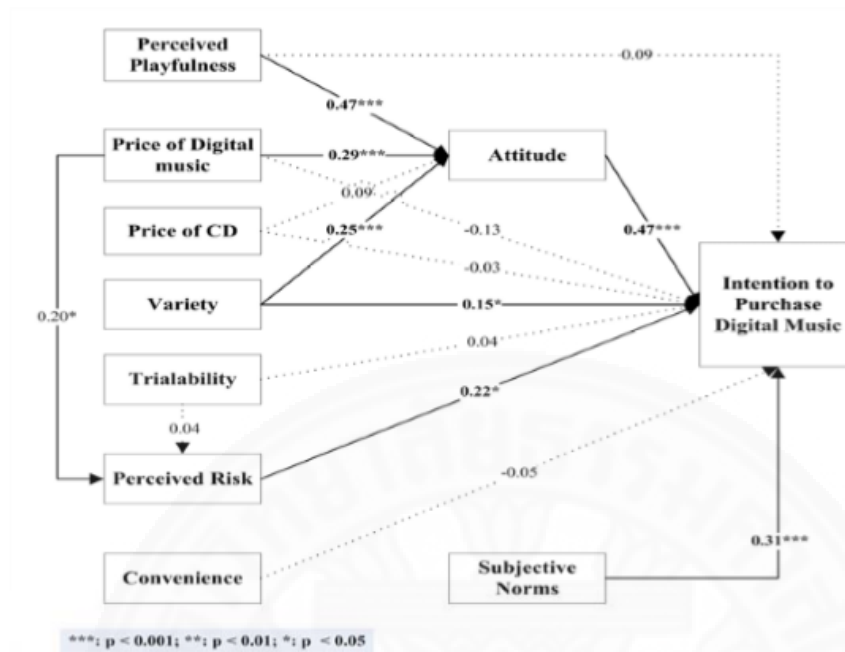


FIGURE 4.1: FRAMEWORK OF INTENTION TO BUY DIGITAL PRODUCTS

The research findings resonate with the current situation in the music industry.

(1) We can determine that music listeners switch from CDs to digital format by focusing on the variety of music catalogues as it is positively influential to both attitude and the intention to purchase digital music. The authors interpret this change as the consumers looking for variety in both physical and digital format. (2) Because digital format is intangible, consumers are afraid to make a purchase because they think it is risky. Theoretically, service providers can reduce the perceived risk from intangibility with good service trial options, but with the circumstance of service—in this case, only a 3-day period—is too limited for consumers to convert to digital music. (3) The important purchase criteria for users to convert to digital music are an enjoyable service experience, the price and the size of the music library, and the perceived risk, respectively. (4) Another surprising aspect is that convenience does not play a major role here. This means that consumers do not find digital format to be superior in terms of saving storage space or time. (5) However, the results do not show that the high price of CDs drives users to switch to digital music. This finding can be interpreted as listeners already expecting digital albums to be cheaper than

physical ones. Also, users do not compare prices between different formats but rather compare prices among digital music providers instead.

4.1.1.2 Adoption of Streaming in a Mobile Platform

Another study, conducted in Thailand, combines the framework from TAM with the Modified UTAUT or UTAUT2 (Pongnatpanich) to find attributes that affect people's decision to subscribe to online music streaming through a mobile platform.

This survey was conducted in Thailand from March 2015 to May 2015 and used a sample size of 760 respondents. The details of this framework are provided in Appendix G, and it uses 8 hypotheses.

The key findings are as follows: (1) There are three attributes that cause listeners to pay for streaming music, which are enjoyment gained during the trial period, the application's functionality, and the price. (2) Surprisingly, perceived ease of use is not included in the final framework. It turns out that consumers do not care if they have to put a lot of effort or time into accessing streaming applications. (3) In conclusion, consumers are willing to subscribe when they enjoy listening to music they like. All application functions perform well, and consumers do not have to pay too much money.

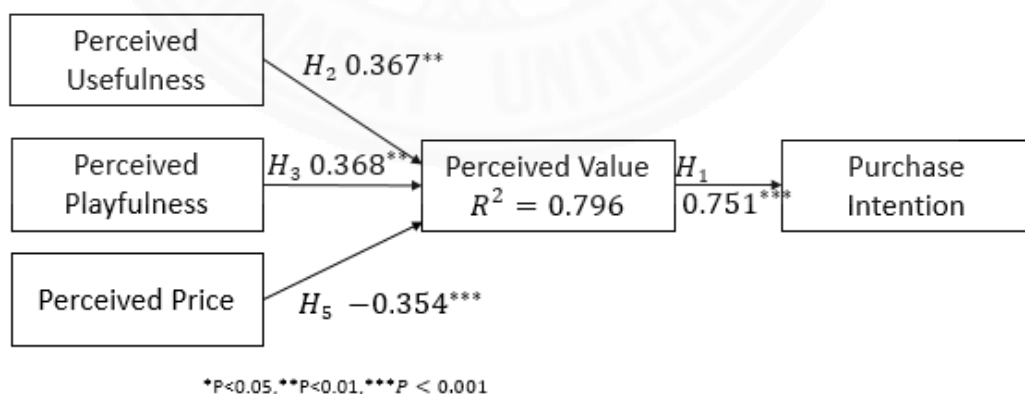


FIGURE 4.2: FACTORS THAT AFFECT THE DECISION TO SUBSCRIBE TO STREAMING IN A MOBILE PLATFORM

4.1.1.3 Determinant Attribute for Concert of Music Events

To explore the possible effect of MP3s or digital music on consumers' preference, Styven conducted a questionnaire with 870 respondent data from Sweden in 2010. He suspects that how much music means to one person (Music Involvement), music knowledge and owning an MP3 player affect the preference to own CDs.

As shown in Fig 4.3, important findings for the study are as follows: (1) Consumers' involvement has the strongest direct effect on the preference of owning a physical format. (2) Owning digital tools such as MP3 players reduces the preference to buy tangible recorded music. (3) Surprisingly, high involvement listeners also have a tendency to own MP3 players as well.

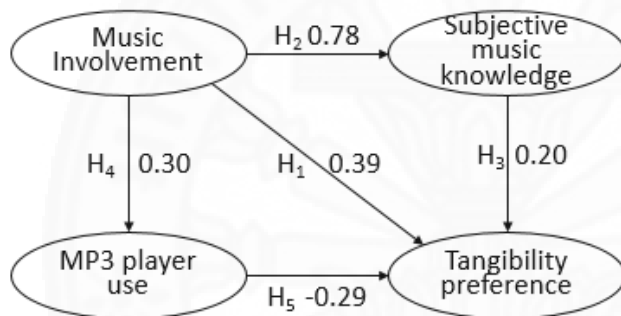


FIGURE4.3: DETERMINANT ATTRIBUTE FOR CONCERT OF MUSIC EVENTS

Kawase and Obata (Kawase & Obata, 2015) conducted an experiment on 55 university students to investigate the decision-making process of buying concert tickets after hearing a musical piece. The researchers assumed that concerts are regarded as services and that concert patrons evaluate the service quality from recorded music before deciding to pay for a live performance. When listeners hear a musical piece, they evaluate the song and have certain emotions that create a willingness to pay a certain price to hear a performance of the song. For a graphical representation of the hypothetical model, refer to Appendix H.

After verification of the experiments, the research findings were determined as the following: (1) Sound quality and performance skills are important for performance evaluation. (2) However, if music listeners give high performance scores to recorded music, it does not mean that they are definitely willing to pay for concert tickets. (3) The most important observation is that people are more likely to attend concerts if they have strong feeling attached to songs.

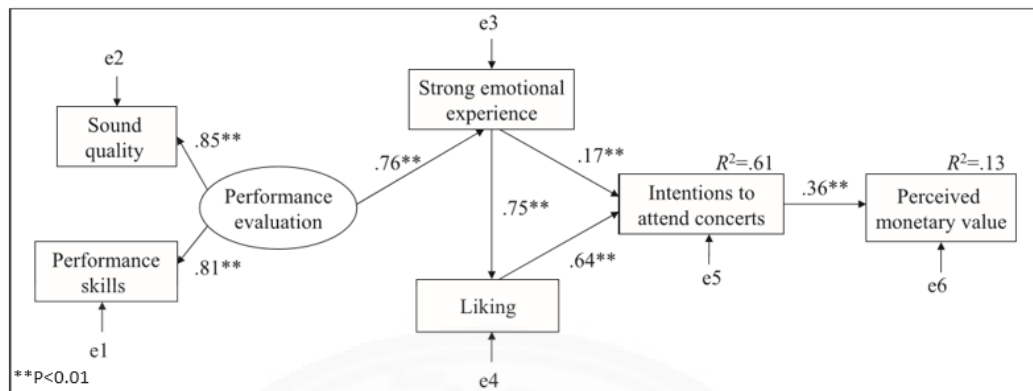


FIGURE 4.4: MODEL FOR WILLINGNESS TO PAY FOR PERFORMANCE

4.2 Method 2-Data Description and Interpretation

4.2.1 Profiles of Interviewees

- 1) Mr. Piyapong Muenprasertdee is the co-founder of Fungjai.com, a start-up company that defines itself as an online music community for Thai independent music. He has work experience in a music start-up company in the United States and decided to return to Thailand to change the face of Thai music industry. Recently, Fungjai.com officially launched with sponsorship, and it has gained widespread media attention beyond that from the underground music scene—a community in which Fungjai.com has been accepted in for many years.
- 2) Ms. Patcharaporn Kwancharoensub is the head of New Product Marketing for JOOX. She has been selected as the representative of streaming service providers. The brand JOOX is under the umbrella of Tencent, one of the well-known Chinese application and online service providers. In early 2016, JOOX launched in Thailand with a partnership with Sanook.com, one of Thailand's highly regarded websites. Currently, JOOX is the only one streaming music provider in Thailand to use the freemium model which allows users to listen to all free contents with a lower audible quality and a

limited number of music genres and record labels. JOOX's current services include exclusive content from artists, online radio mode, playlist and song suggestions, and personal music lockers.

- 3) Mr. Anucha Naknoi is the founder of Nong Ta Prachan, a record store that is small but well-known among music lovers. His product selection includes rare items and various physical goods such as CDs, vinyl, and band merchandise. With only one branch, the owners have put a lot of effort into curating their music selection and have focused on building a good relationship with customers. Recently, Mr. Anucha obtained a sole distributor agreement with Sony Music for Nothing But Thieves CDs.
- 4) Mr. Potchara Vichitranon is the owner of VIJI CORP, the event organizer that has been in this business for more than ten years. He has a passion for music and makes risky business decisions. Recently, VIJI CORP successfully managed a sold-out concert for Damien Rice without any sponsorship, creating a buzz among music lovers.

4.2.2 Data Description

4.2.2.1 Mr. Piyapong:

Despite the decline in revenue in the music industry, Mr. Piyapong has a very positive outlook on the situation. In fact, he believes the digital format will revolutionize the entire industry again.

“I think the music industry is about to enter another revolution. The first was when P2P file sharing emerged and shifted away control from major labels to listeners. The second was during the time of MySpace when independent artists reached listeners without control from the major labels. However, after every evolution, we still have famine and hardships to go through before everything goes back to normal.”

Mr. Piyapong points out that digital music should not be considered as main income for artists and record labels. Music streaming should instead be treated as an additional communication channel.

“Digital streaming is just a channel for consumers to discover new music or to allow them to hear songs repeatedly until listeners fall in love with a particular artist.”

“Music streaming was invented to fight against piracy. So, how do you compete with free stuff? The first way is to make it easier or more convenient to use, and the second way is to make it extremely cheap. So, considering the high operation cost, it is not surprising that streaming services can only pay artists very little [money].”

Music revival, in Mr. Piyapong’s opinion, is rather an equilibrium of supply and demand in both the mass music market and the niche music market. He views the current situation as having too much supply which never matches the market’s needs because of at-home recording technology, while market demand is constant. In order for the industry to reach the new equilibrium point, he strongly believes in a holistic approach, as with Fungjai.com. Mr. Piyapong believes that by educating listeners and musicians to respect each other will not only drive artists to develop better music and listeners to respect music but will also increase the size of the music market.

“The number of demands or music listeners in the world is not growing stronger, but the supply of music and musicians is in excess. Therefore, artists are fighting more to get attention from listeners.”

“Listeners must learn to respect artists and appreciate the processes that artists need to create pieces. Artists should reconsider the reasons why they want to make music...is their goal to be financially successful, or is it just to make music? To make a living from music, artists should respect listeners’ needs and preferences. Do you want to make popular music for a high number of listeners who are willing to pay a small amount, or do you want to focus on a niche market with a lower number of listeners but more willingness to pay?”

“In the future, the number of artists may decrease, but listeners may become more willing to pay for music.”

4.2.2.2 Ms. Patcharaporn:

Ms. Patcharaporn points out that piracy and the mindset that music is a free commodity are the culprits for the declining music industry. The current lucrative opportunities for well-known artists are concerts and other entertainment mediums. Independent artists who are still struggling to build their fan bases suffer the most from this vicious cycle.

“When consumers compared the increment of CD prices and their disposable income, they started to think of music as a luxury item. So, that was how piracy began.”

“The number of music listeners is not decreasing in anyway; instead, they shift their channel to free stuff or to pirated ones.”

“Consumers already think of music as free entertainment. They do not understand why they need to pay for music, even a small amount for legit music. Then, artists must take jobs in show-biz, like concerts or being guests on a show. However, this also leads to another problem: that only big record labels with well-known artists can do this. And only big record labels have connections and control over mass-media. That is why the music industry is declining.”

“JOOX wants to acknowledge listeners that they can listen to legit music for free and support their favorite artists as the same time. We hope that they are willing to pay a little bit more for more content and understand that our pricing packages are very reasonable—especially if they pay the annual rate.”

“We believe that listeners do not pirate to hurt the music industry, but they were not aware of the impact on their favorite artists.”

In regard to the impact of JOOX and other music streaming services on the industry, Ms. Patcharaporn hopes that JOOX can help increase the variety of music consumption among radio listeners. This means that existing mass media like AM and FM radios and TV channels should be prepared for competition from smartphone streaming services as well.

“Listeners in an area with rural areas which have limited AM and FM radio stations may want to listen to international, music but they do not have easy access to that.”

“The number of smartphone and internet users in Thailand is increasing, so this means that the number of streaming users is increasing accordingly.”

“We [JOOX] are a channel that can capture a new generation of mobile or smartphone users. So, we can increase the number of connections among listeners with artists, record labels, producers, and songwriters.”

Ms. Patcharaporn also believes that competition among legitimate streaming music service providers also drives artists and labels to continue developing their product. This means that record labels should invent more ways to produce more varied content at a cheaper cost.

“When music streaming services are trying to compete with exclusive content, record labels are pushed to keep making better content.”

“Thai record labels are now releasing fewer new songs and artists due to high product development and production costs.”

She also sheds light on the fact that monetizing digital music by implementing strict digital rights management is troublesome for streaming music providers and listeners.

“The licensing of digital music is extremely confusing. You can’t assume that money from streaming goes directly to whoever produced that piece of music.”

“Our listeners [free membership] have questions such as why they can’t listen to certain songs. They may think of digital rights management as troublesome.”

Based on the interview, legitimate streaming may still seem to be new among Thai users even after Deezer tapped into the Thai market in 2012. Another barrier to the trial is payment convenience because many Thais do not have credit cards.

“After only five months of service, we have been asked many times about how listeners can pay for our service without a credit card.”

The second important purchase attribute is content, which is followed by ease of payment. Ms. Patcharaporn believes in consumers’ lifetime value and intends to develop listeners’ attitude toward paying for music. This means that by retaining a number of music listeners, even for free accounts, it should be able to increase the number of consumers who pay for service.

“Listeners are willing to pay when they think the contents are worthy of payment.”

“To increase listeners’ perceived value, they plan to increase the variety and amount of exclusive content.”

“We will be expanding the variety in our library and will be developing an easier payment channel or a non-credit card one.”

“Young music consumers do not have enough disposable income to spend on legitimate music. But our service provides more value than pirated music because we provide a large amount of free music. And for those with disposable income, we need to increase the ease of payment.”

Ms. Patcharaporn thinks that it takes cooperation from both the supply and demand side of music to revive the business.

“When promoting their music, artists should acknowledge our streaming service to their fans.”

“Consumers need to understand and accept that they can listen to free, legit music with our service, but there will be legal implications that will not allow them to access all of the songs from there.”

In the end, Ms. Patcharaporn has the strong belief that consumption music streaming will still continue to grow in the future.

“Thai listeners now get bored very easily. So, may I ask how many times they can listen to those downloaded songs repeatedly? The number of radio stations in Thailand is decreasing. so how do consumers discover new music? I believe we are the answers for those questions.”

4.2.2.3 Mr. Anucha:

Mr. Anucha’s perspective is very similar to the opinion of Mr. Piyapong, who believes that music is not dying but that we are facing an oversupply of music. In addition, Mr. Anucha says that consumers’ behavior after digitization has also changed due to having many choices.

“The new technology allows listeners across the world to explore music globally, which means that music listeners just become pickier and get a chance to choose what they really love.”

“Listeners now must love the artist first to buy CDs.”

Mr. Anucha also stresses that major record labels are responsible for the decline of the industry. He thinks that the top decision makers only focus on making as much money as possible; they do not treat music as art and instead see it as a commodity. With the lack of understanding music as art, record labels destroy the music ecosystem in so many ways.

“It starts with the overly strict regulations of music to prevent piracy. They [record labels] start charging stores and restaurants that play legit music. Though it is good for labels to make more money, they forget that they are hurting themselves because they create less opportunities for listeners to discover new songs. Thus, it gave listeners no choice so that listeners needed to explore music through a free source on the internet.”

“They [record labels] need to realize that their tactic of discounting music is not doing them any favors. They should understand that if their music is not good, they are not going to make a dime, even they reduce their price over and over again!”

“Ringtones are dangerous to the industry as well. There were times when major labels made full songs just to sell callback melody versions as well. They are using marketing tools and tactics to make more money but thus make consumers listen to low-quality music which doesn’t take into consideration of their artful appreciation.”

“Major labels now reduce the number of sales force personnel, but they forget that sales persons have a limited capacity to reach music stores.”

“In regard to the fact that a music label tries to promote music events to make more money, I think it is a wrong because some artists are not fully developed, and some don’t have a full album yet. Or, a famous artist is sometimes forced to perform with too much repetition so that they may become exhausted and lack the motivation to make music.”

To revive the industry, Mr. Anucha thinks that all parties need to cooperate to make it happen. Listeners should stop piracy while record labels should focus on grabbing consumers’ attention without giving music away in all the digital distribution channels.

“We need to educate listeners about piracy.”

“Listeners are accustomed to the marketing method of giving away music for free. Record labels have released almost full albums on the internet just to promote them. How can you expect consumers to pay for what they have already heard? They should change the way that they do marketing... They should present the content to engage listeners with the product.”

When Mr. Anucha was asked about the future of his shop in five years’ time, he expressed a rather positive view because he believes that there are always music fans who are willing to pay for physical goods.

“Kids will learn that music on the internet and CDs have a different audible quality, and they will eventually become CD buyers. In the end, only the best bands can sell physical products.”

4.2.2.4 Mr. Potchara:

Though the literature review points out that musical events are growing, what I heard from Mr. Potchara is rather disturbing. Though he believes that concerts or music events are not going to disappear, he does not think that the revenue in the industry is increasing.

“Music is not dying. The industry just uses new ways to make money, and the revenue for [physical] music disperses into other formats.”

Moreover, it seems like event organizers are experiencing more competition from new entrants. Also, they still have not found a way that can guarantee financial success. This means that the musical event business is now under a great amount of stress.

“There are some concerts from which I gained no financial benefit.”

“I notice that the number of music events seems to increase each month.”

“Now I have more business competitors than before.”

“Artists now request more money for their performance.”

The most alarming part of the interview was when Mr. Potchara expressed disbelief in the future of the event industry.

“For eight years, I used to believe that Bangkok could become the city of musical events. But now I just hope someone will help with this issue as well.”

4.3 Patterns in Data

4.3.1 From Secondary Research

Collected data will be compared with propositions and summarized in tabulation format. Each secondary data will be represented by number from 1 to 4 as the following:

Secondary Data 1 (D1): Adoption of Digital Music in Streaming.

Secondary Data 2 (D2): Adoption of Streaming On Mobile Platform

Secondary Data 3 (D3): Determinant Attribute for Concert of Musical Events

Secondary Data 4 (D4): Model of Tangibility and Music Involvement Relation

Table 4.1: Summary of Secondary Data

Proposition	D1	D2	D3	D4	Conclusion
P1: Volume of consumption for music is not dropping, but the cost of music leads to decline in industry revenue.	-	-	-	-	Cannot conclude from only Secondary Data.
P2: Piracy is the key attribute to drop of units sold.	-	-	-	-	Cannot conclude from only Secondary Data.

Table 4.1: Summary of Secondary Data (Continued)

Proposition	D1	D2	D3	D4	Conclusion
P3: Price has the greatest effect on the purchase intention.	2 nd most important attribute.	3 rd most important attribute.	N/A	Music involvement leads to preference to have tangible prerecorded music	If listeners like the artist, songs or enjoy listening to music, they are willing to pay for all type of media.
P4: Listeners will pay only if they enjoy their experience with each media.	Yes.	Yes.	Yes.		
P5: The number of songs that listeners can access or hear is the most important factor.	N/A	2 nd most important attribute.	N/A		
P6: The free-trial period is the determinant attribute.	No.	N/A	No. Have indirect effect.		
P7: The convenience of legitimate music is the determinant attribute for all music formats.	No.	N/A	N/A		

4.3.2 From In-depth Interviews

The collected data will be compared with the propositions and summarized in tabulation format. Each interviewee will be represented by a number from 1 to 4, as the following shows:

Interviewee 1 (I1): Mr. Piyapong, the co-founder of Fungjai.com.

Interviewee2 (I2): Ms. Patcharaporn, JOOX's head of New Product Marketing.

Interviewee3 (I3): Mr. Anucha, record store owner with more than 30 years of business experience.

Interviewee4 (I4): Mr. Potchara, event organizer with nearly a decade's worth of experience.

Table 4.2: Summary of In-depth Interview Findings

Propositions	Detail
P1.A: Consumption of music is not decreasing	<ul style="list-style-type: none"> Respondents think that the number of listeners is not decreasing, but rather their consumption channel has changed from a physical one to other mediums, including illegal ones. <p>I2: "The number of music listeners is not decreasing in any way; they shifted their channel to one with free items or to pirated ones."</p> <p>I4: "The industry just uses new ways to make money, and the revenue for [physical] music disperses into other formats."</p>
P1.B: Price of music has been reduced	<ul style="list-style-type: none"> Respondents confirm that consumers now think of music as a free commodity. <p>I3: "Listeners are accustomed to the marketing method of giving away music for free."</p> <p>I2: "Consumers already think of music as free entertainment."</p>
P2.A: Piracy reduces willingness to pay for legitimate music	<ul style="list-style-type: none"> Piracy is equivalent to free items. Thus, when comparing pirated products to legitimate products, consumers often hope to avoid paying for music content. <p>I1: "Music streaming was invented to fight against piracy. So, how do you compete with free stuff? The first way is to make it [legitimate music] easier or more convenient to use; the second way is to make it extremely cheap."</p> <p>I2: "They [listeners] do not understand why they need to pay for music even at a low cost for legit music."</p>

Propositions	Detail
P3-7: Determinant Attribute	<ul style="list-style-type: none"> There are conflicting perspectives among interviewees. <p>I2: “When consumers compare the increment of CD prices and their disposable income, they started to think of music as a luxury item.”</p> <p>I3: “Kids will learn that music on the internet and CDs have a different audible quality, and they will eventually become CD buyers.”</p> <ul style="list-style-type: none"> However, two of the participants shared an interesting point: nowadays, consumers only pay for bands they love. So, the particular challenge besides making good music is also about adapting to the market’s needs or expectations. <p>I1: “Digital streaming is just a channel for consumers to discover new music. It allows them to hear songs repeatedly until listeners fall in love with a particular artist.”</p> <p>I3: “Listeners now must love the artist first before they are willing to buy CDs.”</p>

The interviewees did not reach a consensus in terms of which attribute is the determinant attribute for music. However, two out of four interviewees expressed that becoming fans or falling in love with an artist is an important factor for listeners to pay more for a genuine product from that artist. This means that when making a purchase, listeners must follow the similar pattern of the buying decision process, and it may take long time for them to actually make a purchase decision.

Moreover, most of the interviewees did not perceive the digital music era as a threat but rather as a shifting paradigm and a new distribution channel. This channel does not create much revenue, but it does create awareness and more opportunities for music discovery.

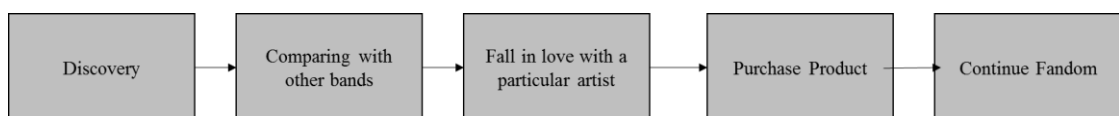


FIGURE 4.5: BUYING DECISION PROCESS FOR MUSIC

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

5.1.1 Reasons for Revenue Decline

The music industry is not dying but the number of listeners who are willing to pay for legit music is very low. However, we cannot assume that consumers and their piracy behavior are the cause of the decline because insight from in-depth interviews shows that record labels are competing with piracy and against each other on price point only. As a result of high cost competition, labels opt to devalue their products, applying more legal regulations to increase sources of income and decrease costs of the salesforce. These actions from the management team eventually lead to revenue reduction as well.

As music can also be categorized into three types: digital, physical product and live performance, we will provide a one-by-one analysis for each format as follows.

5.1.2 Determinant Attribute of Digital Format and Live Performance

Perceived Playfulness is the determinant attribute for downloading, streaming and attending a concert.

5.1.3 Determinant Attribute of Tangible Recorded Music

Unlike other music formats, Perceived Playfulness is the determinant attribute for both the downloading and streaming platform.

5.1.4 New Era of Music Consumer Behavior: Old Wine, New Bottle

Even in the digital era, music has and always will be considered an emotional purchase. In the end, users want to enjoy music in various forms. Also, the marketing team needs to go back to the basic idea of understanding consumers' preferences in each market segment. However, in-depth interviews show that major record labels are having trouble developing high quality artists and music and, as a result, smaller labels have taken a lot of market share.

5.1.5 The Marketplace Will Be Overcrowded

Referring to in-depth interviews with I1 and I3, technology has shortened music development processes and led to cost reductions since the music market is oversupplied.

5.2 Predictions

5.2.1 Formats of Music Will Never Die: They Adapt to the New Environment

A variety of evidence leads to this prediction. According to D4, even music enthusiasts who own MP3 players show a tendency of coexistence of both the digital and physical music format. Also, in-depth interviews show that if consumers like a specific artist, they will start and continue to purchase legit products in various forms. However, since consumers have already perceived cheaper prices for a digital format, this may lead to the prediction the digital format may continue to dominate market share consumption in five years' time. If record labels do not adapt to new distribution channels and improve their artists, then their revenue may continue to fall as consumers switch to free music if they do not have any artists that they are willing to pay for.

5.2.2 The New Key Player in the Digital Music Value Chain

The music industry is always ever changing and key players and threats can happen at any moment like in any other industry. Since legalization and monetization of music is composed of too many process, music retailer and digital service are beginning to depend on the conglomerate to facilitate music licensing between artists or record labels and the retailer. Thus, the monetization of copyrights is becoming easier but e-retailers' negotiation power and cost effectiveness may be affected as well (Galuszka, 2015).

5.2.3 Predicting Recovery of the Music Industry

Werida (Wierda, 2010) uses the economic terminology of the business cycle to explain the possibility of predicting the profitability of the music business based on

the American economy. The idea originates from cyclical trends in popularity of various music genres and the impact of creative industries on America's economy.

Also, there is another similar idea as suggested by Mr. Aucha. Since listeners who were born in the smart phone era have more disposable income and will be able to differentiate the quality of music in various formats, a music revival may come when most of the smart phone generation begins to have more income.

Another research that supports the prediction that all formats may survive in the near future is conducted by Weijters and Goedertier (2015). The key findings are consumers nowadays can be divided into four segments based on consumption behavior. (1) All-round users are those who consume a lot of music in both digital and physical form. (2) Traditionalists are those who prefer buying CDs or physical format. (3) Streamers-downloaders are used as reference for those who mostly stream and download digital music. (4) Light users consume digital music and CDs moderately. It turns out that segment only Traditionalists segment has prefer buying physical recorded music while other segments consume both.

Moreover, I predict that freemium pricing models will help revive the industry. The reason given is that price is an important purchase attribute and the freemium model allows listeners to access legitimate music without making monetary sacrifices. By having a positive experience from legitimate distribution channels, listeners may eventually develop a positive attitude toward legitimate music and have a greater likelihood to pay for other legitimate music products as well.

5.3 Suggestions for Key Players in The Value Chain

To make recommendations, one must separate those who make music and those who act as a distribution channel or use music as a product because those two make money from different products. Record labels are considered product producers, so developing artists and products profitably are their goals. While for middlemen, they profit from the number of users who use their services.

5.3.1 Recommendation to Record Label

5.3.1.1 Digital Music

Though we are now in the Single Era, in which albums are unbundled, record labels should understand the possible effect of “Too-Many-Choices” whereby consumers are challenged with too many new product launches all in the same period (12 launches/month simultaneously to be exact). This effect of too many choices is also found in the conclusion of Ensuing, Koenen & Peukert (Essling, Koenen, & Peukert, 2015).

5.3.1.2 Marketing Approach

For short-term solutions, record labels must be cautious when using tactics that may reduce perceived enjoyment such as releasing too much free content, and releasing songs on only one platform or format.

For long-term plans, the most important is to change mindsets and develop cooperate culture. As suggested by I1 and I4, big record companies view artists as objects whose personalities are shaped by companies’ direction instead of artistic approach. As a result of unartistic product development, companies lose touch with what consumers want and develop music that does not match ever-changing market preferences. In the end, whoever understands consumers’ needs the most and creates the most number of loved bands will win the biggest market share.

The marketing team should also adjust the media plan according to the type of product launch, because promotion through traditional and social media affects the sales of albums and singles differently (Dewan & Ramaprasad , 2014).

5.3.2 Recommendation to The Physical Record Store

5.3.2.1 Marketing Approach

I predict that all formats of media will survive in the coming five years; however, CDs and vinyl shops should also adapt their marketing to match the digital era. The stores need to stress building relationships with customers through online channels, the same as in the CD era when shopkeepers were one of the touch points that create satisfaction and brand loyalty among music listeners.

5.3.3 Recommendation to The Digital Music Retailers

On developing a better user interaction, as we all know the initial intention to include the social networking function in music streaming or stores is not leading to the intention to purchase. Initially, platforms were designed for users to interact with each other but somehow consumer behavior is not going in that direction. However, it is how consumers interact with the user interface that matters (Liao, Liu, & To). Thus, service providers should focus more on technology to bring more stable streaming for listeners who do not have enough bandwidth in order to prepare for capturing the new emerging markets where internet bandwidth is not that high of quality.

5.3.4 Recommendation to Concert Promoters

To increase revenue by providing better pricing strategy, research (Tereyağoğlu & Fader, 2015) reveals that discounts promotion should be applied to sections with high sales rather than sections with low sales.

As concerts and music festivals are also social gathering events, music promoters should create tools to help create better communication among circles of friends who have plans to attend musical events, as friends may have a direct influence on decisions as well.

5.3.5 Recommendation to Independent Performers

As suggested by I1, independent musicians should have clear career goals. They must know that with such high competition, they should differentiate themselves in terms of physical and musical aesthetics. Also, they should become more strategic with their distribution channel; they should avoid giving away their album for free. Lastly, the musician should be patient and not expect a sudden breakthrough after the first release as listeners in a target segment have to sift through a larger number of artists to find the right one that they will love and engage in for many years to come.

5.4 Research Implications and Limitations

Since this Independent Study is constructed on solely qualitative data, our findings and predictions can only reveal a correlation of the findings, and cannot yield a causal relationship between attributes.

Moreover, culture and type of music could possibly have a different product life cycle but we do not have enough information to prove a correlation.



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APPENDICES



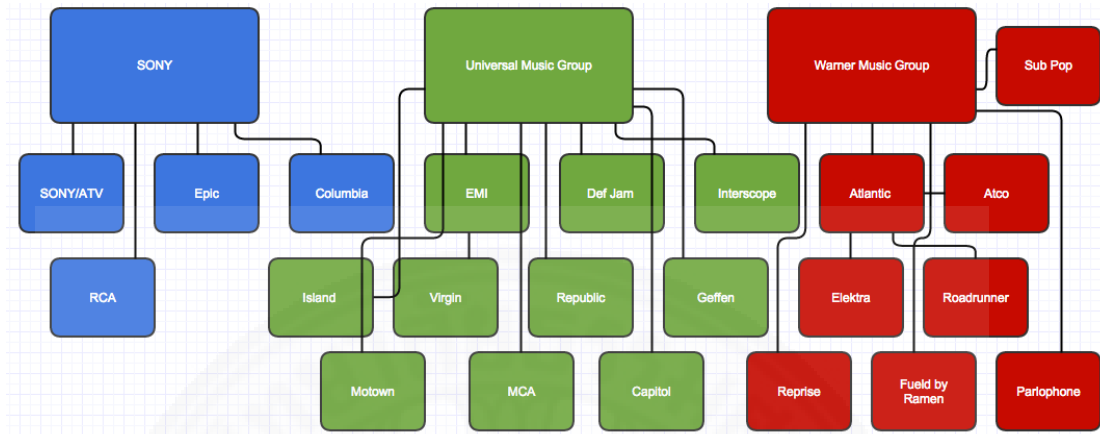
APPENDIX A

The 2014 Global Music Market Ranking and Spending Per Capita

Rank	Country	Trade value in 2015 (USD\$)	% of Total Market	Population (Million People)	Spending per capita on music (\$)
1	The United States	4.9 Billion	39%	319	15.36
2	Japan	2.6 Billion	21%	127	20.47
3	Germany	1.4 Billion	11%	81	17.28
4	The United Kingdom	1.3 Billion	10%	65	20.00
5	France	843 Million	7%	66	12.77
6	Australia	346 Million	3%	24	14.42
7	Canada	376 Million	3%	36	10.44
8	South Korea	266 Million	2%	51	5.22
9	Brazil	247 Million	2%	206	1.20
10	Italy	235 Million	2%	62	3.79

APPENDIX B

Oligopolistic Situation in Music Industry



Taken from <https://adammarxsmind.wordpress.com/2015/03/23/tell-me-again-how-theres-no-monopoly-in-the-music-industry/>

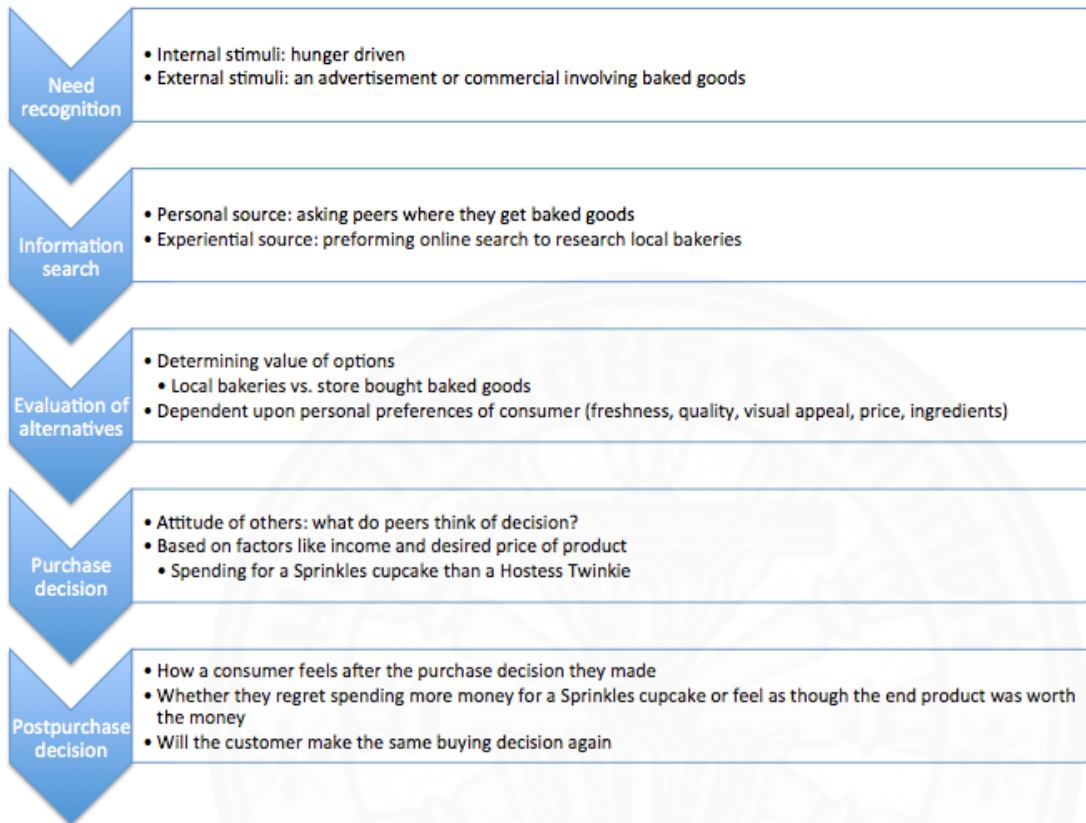
APPENDIX C

Comparison Between Available Subscription Services in Thailand

Criteria	Apple Music	KKBOX	Deezer	Tidal	Rdio	Line Music
Monthly Subscription price (THB/Mth)	Individual pack :170 Family bundle: 270	203 (or with AIS mobile service at 89)	179	Premium: 340 Hi-fi : 675	159	60
Trial Period	3 months	1 month	1 month	1 month	1 month	1 month
Audio File Quality	256Kbps	320Kbps	320Kbps	320Kbps	320Kbps	N/A
Offline mode	Yes	Yes	Yes	Yes	Yes	N/A
Music Video Viewing	Yes	Yes	N/A	Yes	N/A	N/A
Payment Method	Credit card	PayPal or included in AIS bill	Credit card or included in DTAC bill	Credit card	Credit card/PayPal	Automatically deduct from bank account
Does it have Thai music or not?	Yes (excluding from GMM and RS label)	Yes	Yes	N/A	Yes (very old ones)	Yes (excluding songs from GMM label)
Does it have songs from international artists?	Yes	Yes	Yes	Yes	Yes	Yes
Supported platform	iOS, Mac, Windows	iOS, Mac, Windows	iOS, Android, Mac, Windows, Web browsers	iOS, Mac, Android and Windows	iOS, Android, Web browsers, PS3 and PS4	iOS and Android

APPENDIX D

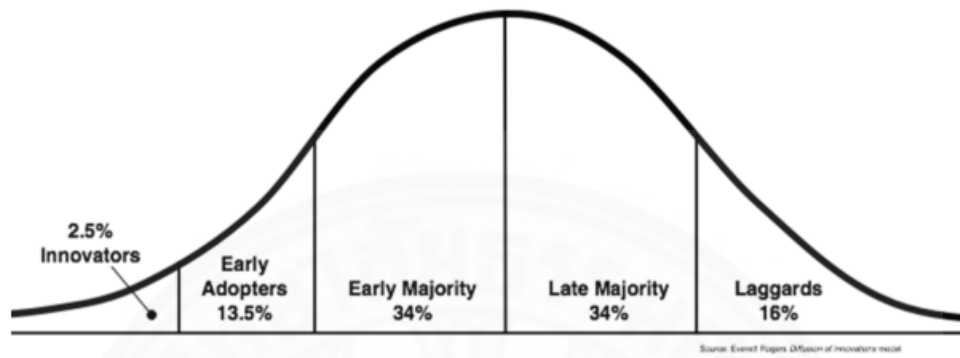
Theory of Buying Decision Process Created by Kotler and Keller



Taken from <https://eeledge.wordpress.com/marketing-concepts/consumer-buyer-decision-process>

APPENDIX E

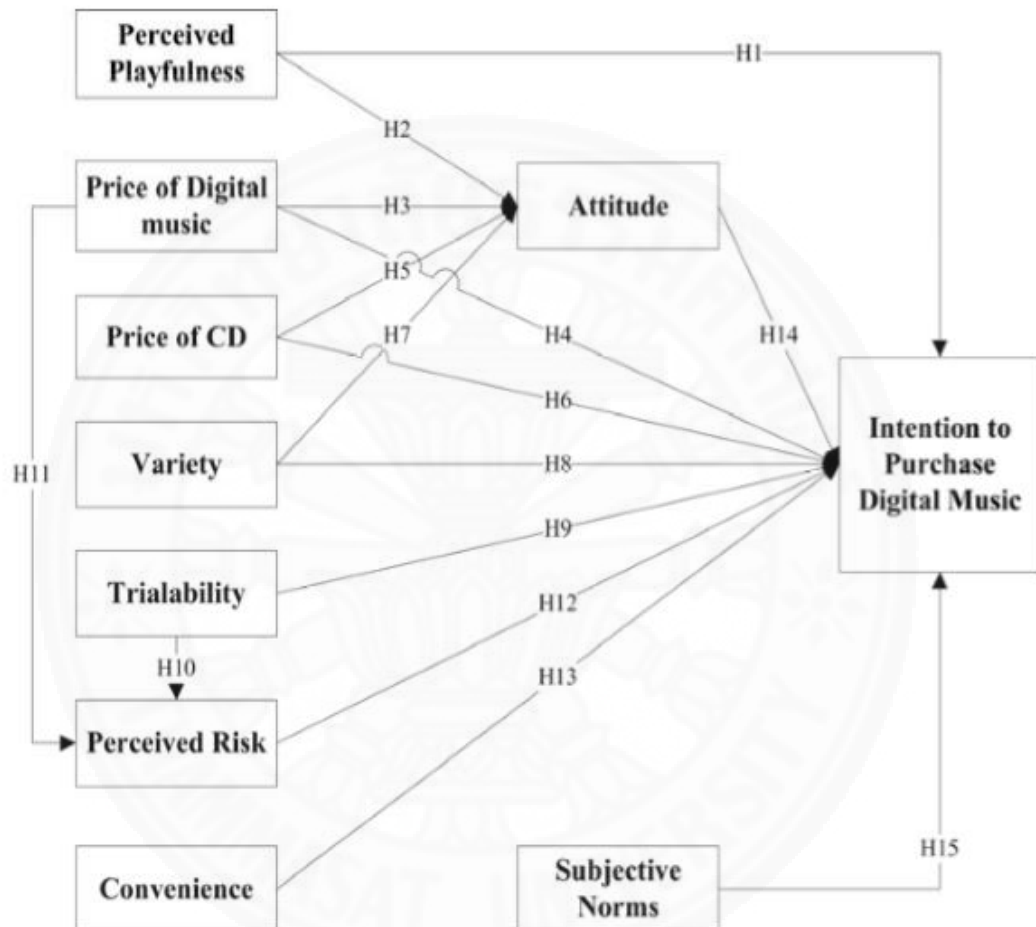
Theory of Diffusion of Innovation Technology



Taken from <http://www.keyzapp.com/blog/tag/innovation-adoption-lifecycle-curve/>

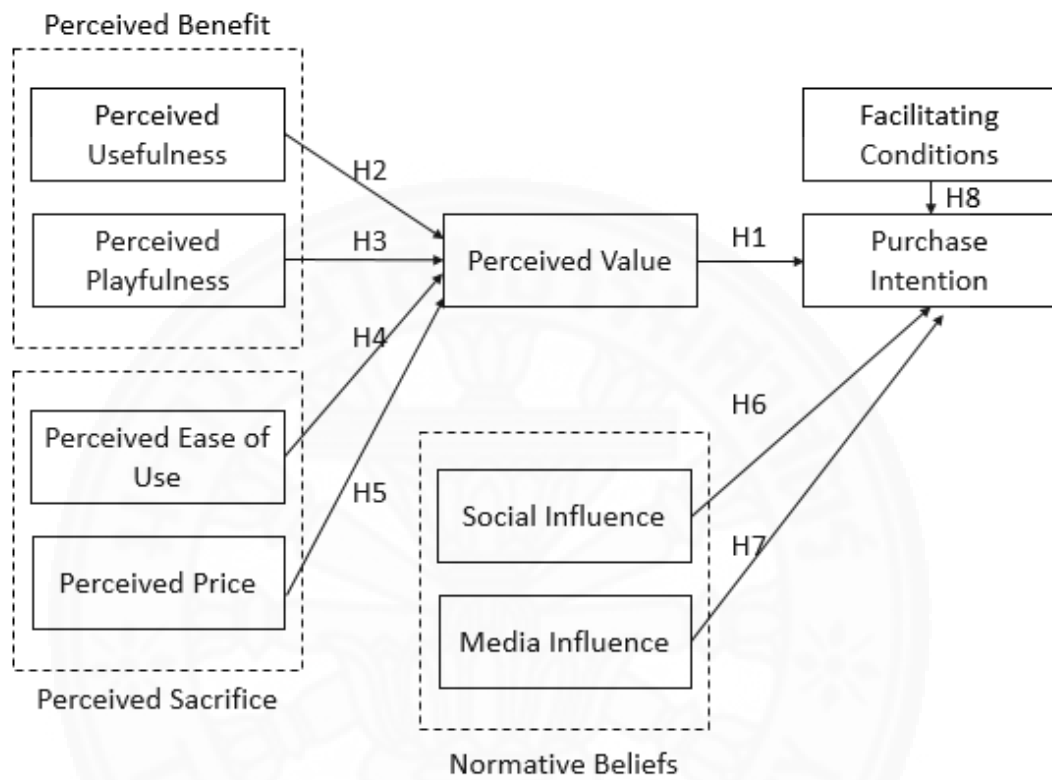
APPENDIX F

Framework of Digital Music in Streaming as created by Liao, Liu and To



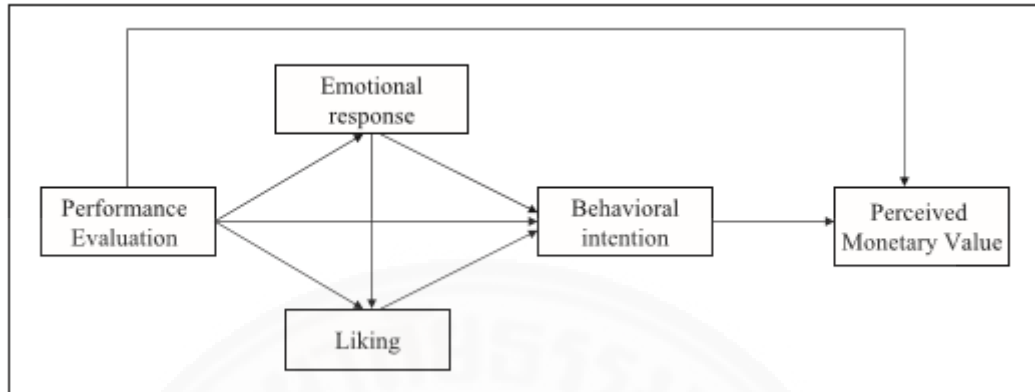
APPENDIX G

Framework of Adoption of Streaming in a Mobile Platform by Pongnatpanich



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Framework of Performance Evaluation and Willingness to Pay



BIOGRAPHY

Name	Miss Thongrin Thongchatra
Date of Birth	August 15, 1984
Educational Attainment	2015: Master of Science Program in Marketing 2007: Bachelor of Engineering
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