WINDS OF CHANGE

Marketing effects of the Internet at Universal Music

Authors:
Tobias Johansson
Oskar Wallin
Abstract

The internet has fundamentally changed our society during the past decade with considerable ramifications for business practices in all types of industries. The music industry is arguably one where the effects have been most evident with a drastic decline in record sales as a result of piracy and increased competition for customers’ attention. Thus, record companies must find new ways of satisfying music consumers’ needs by restructuring their promotion and distribution processes. Therefore, this paper investigates how the internet has affected the promotion and distribution of music at major Swedish record companies by performing a case study at Universal Music AB. To analyse the effects of the internet, a resource based view of the firm is adopted with special focus on market based assets. The analysis indicates that the most significant changes brought about by the internet regarding the distribution of music are the transition from brick and mortar retailers to online equivalents and the creation of alternative means of distribution, such as digital sales. The internet also contributes with new channels for music promotion, which not only increase competition for customers’ attention but also encourage the search for new marketing partners, particularly evident in the demise of MTV and the emergence of online channels such as Youtube and Myspace. Finally the Internet also induces a need to capture all the revenue streams music has to offer, ranging from ring tones to concerts.
1. Introduction

1.1 Background

When scientist at the US Department of Defence in the early 1960’s developed the ARPANET, the embryo to what today is known as the Internet, few where able to predict the future ramifications of this new technology (Castells 2001). The ARPANET would soon outgrow its first habitat, the academic world of American universities, and move on to conquer the business world and later the rest of western society (Castells 2001; Afuah & Tucci 2001). Today the Internet is “the fabric of our lives” (Castells 2001, p 1.) and it has even been hailed as the modern day equivalent of electricity in the industrial era (Castells 2001). Hence, there should be little doubt that the Internet has fundamentally changed the context of our existence and created a need for adaptation. For businesses, changes to the external environment are a major determinant of market performance as it can substantially impact established business models and create a need for new ones, killing of old competitors making room for more entrepreneurial firms. There are many signs telling us that the Internet is doing just that as it is a technology with many abilities that can potentially alter the competitive landscape in many industries as well as creating entirely new ones with its low-costs, universal reach and fast interactivity (Afuah & Tucci 2001).

This is particularly evident in the effects on the worldwide recording industry, a traditionally strong and profitable industry but now struggling to overcome the threat of eroding sources of income due to piracy and new music distribution opportunities (Meisel & Sullivan 2002; Yakhelf 1998; Graham et al. 2004; Krasilovsky & Shemel. 2007). However, although record companies paint a dark picture, the music industry is still very much alive and prosperous; in recent years more music has been enjoyed than ever before thanks to the opportunities presented by the Internet and peer-to-peer file sharing, creating a “golden age” for the industry (Kusek & Leonhard 2005; Krasilovsky & Shemel 2007). Music fans have access to an enormous library of songs online, available for them to burn to CDs or download to their mp3 players, digital music is in a way the new radio for the Internet generation. And while record sales are down there are other parts of the music industry where earnings are anything but in the red. The US concert business for instance has experienced continuous growth over the past couple of years (Kusek & Leonhard 2005).
The discussion above suggests a need for record companies to restructure. They must find new ways of delivering music to consumers, thus creating a need for changes in their marketing activities (i.e. advertising, supply chain management etc.).

1..2 Purpose and research question

The process of adaptation described above is what this paper aims to investigate by looking at the marketing strategies of the major record companies in Sweden. Therefore, the purpose of this paper is to investigate how the dramatic growth of the Internet has affected the promotion and distribution strategies of the major record companies in Sweden, by identifying key marketing resources and how they have been affected. The research question this paper seeks to address is as follows:

- *How has the Internet affected the distribution and promotion of music by the major Swedish record companies?*

1..3 Delimitations

This study is limited to the Swedish recording industry and its dominant actors. This is justified since the major record companies account for about 95 per cent of sales in the Swedish market (IFPI 2008). These major record companies are Bonnieramigo Music Group, EMI Svenska AB, Playground Music Scandinavia AB, Sony BMG Music Entertainment AB, Universal Music AB and Warner Music Sweden AB. Due to the time constraints of this paper we will attempt to generalise about this group by performing a case study at Universal Music AB (henceforth Universal). Furthermore, we will also limit our study to mainstream popular music and the time period we intend to investigate stretches from 1995, the year e-mail was introduced at Universal (Johansson 2008-05-13), until present day.
2 Theory

2.1 Choice of theory

Considering that the purpose of this paper is to investigate how the Internet has affected the promotion and distribution of Swedish record companies, a theoretical foundation that allowed for a structured way of analysing and illustrating these effects was needed. The choice fell on the RBV since it offers useful tools for analysis by focusing on the firm’s internal configuration of assets. The literature on the RBV is comprehensive to say the least and the variations and adaptations of it are numerous. One such adaptation can be found in the article “The resource-based view and marketing: The role of market-based assets in gaining competitive advantage” by Srivastava et al. (2001), from which the conceptual framework for this paper was extracted. This further focuses the analysis towards marketing variables and offers a more defined and comprehensible framework for illustrating the effects of the Internet on the Swedish record industry.

2.2 The resource-based view of the firm – an overview

Following its introduction to the strategic management literature in the late 1980’s, RBV has become one of the most influential frameworks for understanding and analysing business strategy and versions of it are rich in numbers (Wernerfelt 1995; Barney et al. 2001). One of the reasons for its popularity is that it represents a shift from a more external approach to building competitive advantage towards the internal structure of the firm (Seifert & Hadida 2006; Barney 1991) by defining companies not by the products or services they produce but rather by the resources and capabilities they possess (Wernerfelt 1984; Prahalad & Hamel 1990; Amit & Schoemaker 1993). Building on the work of Penrose (1959) among others, Wernerfelt (1984) first introduced this way of viewing the firm as a broader set of resources to the academic literature, but it was not until the RBV was further elaborated in the early 1990’s that the concept gained widespread recognition (Wernerfelt 1995; Barney et al. 2001). Prahalad & Hamel (1990), for instance, highlights the importance of firms not to solely focus on end products and individual business units but instead putting greater emphasize on identifying and leveraging strategically valuable resources. The implication of this is that rethinking the idea of the corporation becomes necessary and the authors continue this train of thought in their later works by introducing the concepts of stretch and leverage (Prahalad &
Hamel 1993). The former refers to management’s ability to come up with visionary ways of deploying firm resources, while the latter concerns the ability to make the same resources add up to more than their collective worth (Ibid.). On a similar note, Barney made another important contribution to the RBV literature in 1991. In his work he challenges the notion that firms within an industry are characterised by a strategic homogeneity, caused by the mobility of strategically relevant resources between firms, by arguing that that resources can in fact be the opposite (Barney 1991). It is claimed that some resources, for different reasons, are unique to the firm and therefore highly immobile and of significant strategic value (Ibid.). Thus, industries are characterized not so much by inter firm similarity, but rather by unique sets of firm specific resources (Ibid.).

So far the outline and general idea of the RBV has been discussed and now the attention turns to the central elements of the theory. At the heart of the RBV is of course the resources themselves and the literature is rich with resource definitions. For example, resources have been claimed to “consist of know-how that can be traded (e.g., patents and licenses), financial or physical assets (e.g., property, plant and equipment), human capital, etc.” (Amit & Schoemaker 1993, p 35), while others argue that “by a resource is meant anything which could be thought of as a strength or weakness of a given firm” (Wernerfelt 1984, p 172) or that “firm resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness” (Barney 1991, p 101). However, regardless of how resources are defined, most of the authors associated with the RBV seem to agree that not all resources carry significant strategic value (Barney 1991; Wernerfelt 1984; Prahalad & Hamel 1990). Many attempts have been made to specify the conditions under which firm resources can be developed into competencies and capabilities and even the definitions themselves can indeed be a source of confusion (Seifert & Hadida, 2006; Barney et al. 2001) as the terms are often used interchangeably, making it difficult to distinguish between them (Seifert & Hadida, 2006). However, whether or not they are called capabilities, competencies or strategic assets, resources should live up to Barney’s (1991) four criterions for potential sustainable competitive advantage in order to qualify as strategically significant. According to these criterions resources must be valuable, rare, imperfectly imitable and lack strategic equivalent substitutes (Ibid.). Resources are considered valuable
when they enable a firm to exploit opportunities and/or neutralize threats in its environment and rare if they are not currently possessed by any other current or potential competitor. Inimitability refers to the ability of competitors to obtain rare and valuable resources held by a given firm while substitutability refers to the degree to which two resources can be deployed separately to implement the same strategies (Ibid.).

As the discussion above indicates, defining resources and capabilities is not an entirely uncomplicated matter and the appropriateness of each definition can arguably be subjected to lengthy debate. However, the cited quotes all indicate that resources and assets can be both tangible and intangible and stem from any part of an organisation and the following sections attempt to narrow these definitions down to one that can be used for analysis.

2.3 Linking the RBV and marketing

Although the RBV during recent years has gained wide spread recognition in the academic community, it has not been exempt from criticism (Srivastava et al. 2001; Priem & Butler 2001a, 2001b) and even its proponents agree that some issues still remain unsolved (Barney 2001). The RBV, it has been claimed, lacks description of how resources are transformed and processed in order to generate value and the difficulties in defining what constitutes a resource poses several issues concerning theory formulation (Priem & Butler 2001a). Furthermore, the internal approach offered by the RBV has, apart from a few exceptions, not been extended to include elements of the external environment or market place considerations (Srivastava et al. 2001). Thus, the RBV has contributed little to the marketing literature and the knowledge about the processes through which resources are transformed into something of value to customers (Ibid.). As a result, the RBV fails to accurately predict where valuable resources might be found and deployed as it is limited to posterior explanations of why some resources create value and others do not (Priem & Butler 2001a).

2.3.1 Marketing specific resources

In response to this shortcoming, Srivastava et al. (2001) have constructed a framework integrating and connecting central RBV and marketing concepts. Focusing on addressing the issue of ill-defined resources, the authors draw upon the concept of market based assets (see for instance Srivastava et al. 1998) when they introduce the term marketing specific resources
(Srivastava et al. 2001). In doing this the authors claim to aid the application of RBV to marketing by enabling the identification of resources that are both marketing specific (i.e., are generated and leveraged through marketing activities) and possess some of the desired RBV characteristics (rare, difficult to imitate etc.). Market based assets satisfy both conditions (Srivastava et al. 2001).

2.3.1.1 Relational market based assets
Market based assets can be divided into two main categories: relational and intellectual. The former stems from the relationships the firm have with external stakeholders (customers, partners, suppliers etc.) and are often based on factors such as trust and reputation (Srivastava et al. 2001). This implies that there is an opportunity for firms to develop intimate relationships that may be both relatively rare and difficult to imitate. This view is supported by Foss & Eriksen (1995) who in their work about industry assets and capabilities, highlight the importance of resources shared among industry incumbents through business relationships. Furthermore, relational resources tend to be intangible and since they are external to the firm they are rather available to a firm than owned (Srivastava et al. 2001).

2.3.1.2 Intellectual market based assets
The latter type of assets refers to knowledge about the internal and external environment, residing within the firm itself. It is argued that firms facing marketplace heterogeneity regarding demand and supply, stand to benefit greatly from adopting a market orientation “which advocates systematic acquisition, dissemination and use of information to guide strategy development and implementation” (Srivastava et al. 2001, p 781). This information can be embedded in the individuals or processes of the firm and is crucial for the development of customer knowledge (Srivastava et al. 2001).

2.3.2 Market based processes
These assets then combine to form the foundation for the market based processes, bundles of interrelated work routines and tasks, in which assets are converted into products or solutions. Thus, “market-based assets must be absorbed, transformed and leveraged as part of some organization process if they are to convert inputs into products or solutions that customers desire – and thus, generate economic value for the organization” (Srivastava et al. 2001, p 783). A distinction can also be made between customer centric (i.e. product innovation, supply chain management etc.) and non-customer centric processes (i.e. acquisition and deployment
of human resources) (Srivastava et al. 2001). In each of these market facing business process, different marketing activities play important roles, for instance in maintaining crucial relationships within the marketplace network and generating knowledge about key entities in the market such as customers, competitors or suppliers (Srivastava et al. 2001.). The outcomes and results of these processes will then determine the relative worth of the capabilities of the firm, since market specific capabilities are a reflection of how well a firm performs in a given customer connecting process that ultimately might result in competitive advantage through increased customer perceived value and financial growth (Srivastava et al. 2001). In turn, this value extraction can nurture new market based assets or help sustain existing ones (Ibid.). For the purpose of this paper however, the discussion of customer perceived value and financial gains will be deemed out of scope and not further discussed. This framework for analysis of market based assets is summarised in figure 2.1.

![Diagram](image-url)
The main advantage of this model is that it suggests a way to circumvent the problem of posterior evaluation of resources, inherent in the RBV, by incorporating a more future oriented perspective and taking industry environment effects into account (Srivastava et al. 2001). Critics argue that there is a path dependency build into the RBV methodology, meaning that where you can go is dependant on where you are coming from (Priem & Butler 2001a; Teece et al. 1997). In other words, the current portfolio of assets and capabilities limit the choice of products and solutions a firm is able to offer or the markets it can enter (Srivastava et al. 2001; Teece et al. 1997). Rumelt (1995) refers to this phenomenon as inertia and claims that the transformation of firms is hindered by distorted managerial perceptions, such as industry myopia or denial regarding environmental change. However, if a market based and more customer centric approach is adopted, new marketplace opportunities might be discovered and exploited (Srivastava et al. 2001). This relates closely to Teece et al.’s (1997) concept of dynamic capabilities, which intends to capture the ability of firms to achieve congruence with a changing environment by adapting and reconfiguring internal and external skills, resources and competencies. Firms need to first articulate possible solutions that potentially satisfy customer needs and then proceed to consider asset and capability configurations (Srivastava et al. 2001). Only then are firms able to “break out of the mental, cultural and organizational constraints embedded in the current resource portfolio” (Srivastava et al. 2001, p 788).

2.4 Analytical framework

The theoretical discussion above leads to the construction of a conceptual framework for the analysis of the impacts of the Internet on the Swedish music industry. More specifically the framework aims at incorporating marketing aspects into the basic RBV model by using the concepts of market based resources as developed by Srivastava et al. (2001). This is helpful as the literature indicates that the greatest effects of the Internet on the music industry concerns the relationship between record companies and music consumers, thus highlighting the importance of adapting marketing practices (Kusek & Leonard 2005; Krasilovsky & Shemel 2007). Furthermore, the model presented also allows for consideration of relational aspects, something which can be argued to be growing in importance since the music industry is increasingly becoming a complex network of business relationships (Graham et al. 2004; Kusek & Leonard 2005).
For the purpose of this investigation the analysis is focused around the configuration of marked based assets and processes and the capabilities they induce. Thus, our conceptual framework (see figure 2.2) will focus on the “middle” part of the model presented by Srivastava et al. (2001); the interrelations between relational and intellectual market based assets and market based processes. This is motivated since a more inclusive approach, taking into consideration customer value and financial implications, has been considered out of scope for this paper. Furthermore, the model presented in figure 2.1 is to be thought of as a framework suggesting possible causality linkages and not a rigid, closed circuit process. The authors also indicate that further research is needed regarding the relationship between marked based assets and financial performance (Srivastava et al. 2001). Therefore, the analysis of this paper should not suffer in significance from being based on an isolated part of the original model.

As shown in figure 2.2 below, the analytical framework of this paper is somewhat modified compared to the original model in figure 2.1 with the incorporation of the promotion and distribution processes. Furthermore, the process of product innovation has been added as it concerns both marketing and distribution and can bee seen as one of the primary means to prevent inertia and break path dependencies (Srivastava et al. 2001; Teece et al. 1997).
3 Research methodology

3.1 Research design

The research approach of this paper is probably best described as iterative as it contains aspects of both inductive and deductive research. According to Bryman & Bell (2007), this is not uncommon and they claim that deductive and inductive strategies should be thought of as tendencies rather than distinctions. For this paper the tendency would be that more of an inductive approach has been used as we do not set out to prove a given hypothesis. Rather we hope to identify possible generalizations about a larger population by analyzing a smaller sample with the aid of theoretical concepts. This method is reminiscent of Saunders et al.’s (2007 p. 139) definition of a case study as we aim to perform “an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence”. As far as possible we have tried to triangulate our empirical findings, which means using different collections techniques within the same study to ensure that information is accurate (Saunders et al. 2007), by relying on both primary (interviews) and secondary (journal articles, books and internet) data sources. We are however aware that more empirical data, i.e. through observations, would be needed for this to be a case study per se but for lack of a better description, we will nevertheless refer to our investigation of Universal as a case study. Furthermore, this research design would also encourage the use of a qualitative research method which corresponds well to the use of an inductive approach and case studies (Bryman & Bell 2007).

To acquire answers that corresponded to our analytical framework and gather sufficient information to analyze effects related to both sides of our model, interview questions were designed and asked to capture the relational assets as well as the intellectual. Questions about relationships were asked in a straightforward manner while, considering the abstract nature of intellectual assets, questions about the processes were asked to capture that side of our theoretical model.

3.2 Case study

As our aim of this paper is to explain how the Internet has affected the Swedish major record labels we have chosen to perform our case study in one of these major labels, namely
Universal. Universal is one of the largest record companies in Sweden with a market share of about 20 per cent and they are one of six members of GLF (Grammofonleverantörernas Förening), an association which compiles reports on the record sales of the major record companies in Sweden, thereby adding to their credibility as an industry representative. Another important factor in our choice of case company was the fact that we were able to access the company through personal relationships with previous employees.

3.3 Interviews

3.3.1 Choice of interviewees

Considering the purpose of this paper, basic information about the industry is needed. To gain this we sought to interview music journalists. The criteria when choosing which journalists to interview was that they had to be currently employed at an established newspaper and covering the music industry. These journalists are to be considered as our informants as they provided us with information not specifically related to our case company Universal and they were chosen on account of their perceived knowledge of the industry and availability. These informants are:

- Tobias Brandel – News reporter, Svenska Dagbladet, entertainment and culture. Has written several articles on the ongoing file sharing debate.
- Gunilla Brodrej – Music journalist and critic, Expressen, entertainment and culture.
- Björn Stenberg – Music Journalist, Upsala Nya Tidning

To gain information about the distribution and promotion of Universal in specific we sought to interview employees who were currently working in fields relating to these processes. Due to availability issues we were not able to get access to all of our desired interviewees, the marketing manager for instance, was away on a business trip and subsequently not possible to interview. However the two employees interviewed are to be considered as respondents providing us with the experiences of Universal. Furthermore we interviewed a former employee of Universal, also to be considered a respondent, to acquire information about company proceedings prior to the Internet. The two current employees consisted of a radio marketing manager and a digital account manager; these two were chosen as they possessed the necessary experience to answer our research question. The former employee was chosen
because we believed he had valuable information about pre Internet processes of Universal since he had been employed at the company during all of the 1990’s. The respondents contributing with information about Universal are presented below:

- Niklas Rune – Radio marketing manager, Universal Music. Longstanding experience in the music industry following 14 years at Universal in a number of different marketing roles including Radio Promotor, A & R, Label Manager

3.3.2 Planning and performing

Following the information gained from secondary material certain areas of interest within the recording industry was identified; these areas included copyright issues, the diversification of the industry as well as the declining importance of record companies within the industry. During telephone interviews of approximately 20 minutes each, the informants were asked to react and reason around these areas of interest and state what they believed to be the biggest issues in the Swedish recording industry and how they believed that the record companies reacted to these issues. Upon completion, the interviews were transcribed and sent to the informants for approval. The structure of the interviews corresponds to what Bryman and Bell (2007) identifies as semi structured as they were open ended, allowing the informants to reason around their own thoughts. For interview guide, see Appendix IV.

The information gained from our informants provided us a better view of the Swedish recording industry and was used to construct questions to be asked to our respondents. Our primary goal was to get our respondents to provide us with experiences and thoughts surrounding the effects on distribution and promotion of the Internet on the Swedish recording industry. These interviews were, just as the ones with the informants semi structured, as we wanted our respondents to speak freely about the problems and possibilities surrounding the impact of the Internet. The interviews with Mr Rune and Mr Johansson were recorded and conducted in person at their offices, in Stockholm and Uppsala respectively, while the
interview with Mrs Kadir was performed over telephone. The interviews ranged from 20 to 50 minutes and were transcribed a couple of hours after they were conducted. Matters that remained unclear after analysing the information from the interviews were addressed in follow up questions via e-mail.

Furthermore, as the interviews with both informants and respondents were conducted in Swedish they had to be translated to English and therefore subject to our interpretation. We acknowledge that there is always the possibility of misunderstandings but at the same time wish to stress that we have taken every measure to ensure that no information provided by the interviews is lost in translation and that any misinterpretations are purely unintentional.

3.4 Secondary data

The effects of the Internet on society and organisations have been widely documented and in order to obtain a comprehensive background of the phenomenon we intended to study we consulted literature that viewed the impacts of the internet from different perspectives. For instance, Afuah & Tucci (2001) focus on business strategic aspects while Castells (2001) adopts a more sociological approach. To acquire information about the specific effects on record companies, a number of books and articles were found to be relevant but our primary sources of information on this matter has been Krasilovsky & Shemel (2007) and Kusek & Leonhard (2005). The former is a detailed document covering nearly every aspect of the music industry while the latter is primarily concerned with future developments within the industry. Together with complimentary information gained from journal articles we were able to compile an overview of the vast number of opportunities and threats that the Internet constitutes. Most of the material painted a similar picture and this reinforced certain challenges as key issues for the industry.

3.5 Trustworthiness and authenticity

When evaluating quantitative research Bryman & Bell (2007) discusses the criteria of trustworthiness and authenticity. Trustworthiness deals with issues surrounding the validity, reliability and objectivity and is made up of four criteria, credibility, transferability, dependability and confirmability (Ibid.). We argue that this paper is trustworthy according to all four criteria as it has been conducted according to good practice and the result can, to some
extent, be applied to all major record companies in Sweden. Furthermore the material has been handled with an auditing approach and the authors have tried to minimize the effects of possible influence by personal values or theoretical inclinations. Authenticity relates to issues regarding the broader political consequences of research and its impact on the subjects studied (Ibid.). It is our opinion that this paper should help managers at major Swedish record companies to better understand the impact of the Internet on distribution and promotion but as the results are limited to record companies it can not be said to help other stakeholders such as artists or retailers.

3.6 Research ethics

According to Saunders et al. (2007 p. 178) research ethics refers to “the appropriateness of your behaviour in relation to the rights of those who become the subject of your work, or are affected by it”. When gathering and analysing data for this paper, we have strived to ensure that the quality of the information has not been compromised by poor judgement or neglectful behaviour on our part. Both regarding the theoretical and empirical research conducted, we have made every effort to get an as complete picture as possible by doing extensive research on the RBV and gathering empirical data about the music industry from several independent sources including interviews (informants and respondents) and secondary data (journal articles, books and internet).

Furthermore, the interviewees of this study have all agreed to participate and given their consent to have their opinions published, why we argue that there should be no privacy issues regarding the information disclosed in this paper. In addition, as we have strived to maintain our objectivity as researchers and at no point received any objections from any of the participants of this study, there should be little or no risk that the findings of this paper will cause harm to any individual or organisation.
4 The Swedish recording industry and Universal Music

4.1 Industry overview

For about 50 years the recording industry experienced above average growth, although some slopes in sales occurred, these were, as in the late 70s when the cassette tape was introduced, countered by periods of even stronger growth numbers (Krasilovsky & Shemel 2007). During this period, the physical product changed numerous times, from LP to cassette to CD, but, as Graham et al. (2004) notes, “the distribution channels and the division of labour within the industry remained relatively stable: artists create music, record labels promote and distribute it and the fans consume it”. The ability of major labels to sustain and control the supply-chain for music over time is further put forward by Graham et al. (2004) as an explanation to why these major labels collect about 85-90 per cent of music sales profits. But in the late 1990s the Internet presented itself as a challenge of a magnitude previously not faced by the industry (Vogel 2004). One important aspect is presented by Graham et al. (2004), that the Internet and the growing popularity of file sharing is challenging the traditional distribution model that has relied on physical products such as CDs (Graham et. al. 2004). Another dimension is put forward by Kusek & Leonard (2004), that the Internet is presenting new ways of exposing listeners to music and at the same time drawing Internet users away from other media such as TV and radio. Thus, this development highlights the importance for record companies to manage their marketing and distribution channels to come up with innovative ways of satisfying customers (Kusek & Leonard 2005; Graham et al. 2004; Krasilowsky & Shemel 2007).

4.2 The Swedish music industry – an external perspective

In order to obtain an external overview of the Swedish music and record industry, interviews were conducted with journalists of major Swedish newspapers. Following these interviews it was possible to detect a general opinion that in the last decade it has become easier for artists to distribute music independent of record companies and thereby reducing the dependence of artist on record companies (Brandel 2008-05-06; Brodrej 2008-05-05; Stenberg 2008-05-08). Mr Brandel (2008-05-06) claims that “there should be little doubt that the importance of record companies has been reduced as technology has evolved” while Mrs Brodrej (2008-05-05) argues that “Internet communities such as Myspace have contributed to a
reduction of the importance of record companies [for artists]”. Furthermore, lower costs and technological advances have allowed artists to market themselves to a higher extent than before (Brandel 2008-05-06; Brodrej 2008-05-05). Brandel (2008-05-06) notes that “the connection between artists and record companies is not as strong any more”. Another reoccurring statement of the informants is the observation of a tendency of record companies to work with established artists rather than introducing new ones (Brandel 2008-05-06; Stenberg 2008-05-08) or as Mrs Brodrej (2008-05-05) notes: “it seems like the record companies are less engaged in developing new artists today” however she also states that this is still one of their primary functions. This trend is largely creditted to an uncertainty in the industry, stemming from a constantly decreasing timeframe and quickening pace of the industry (Brodrej 2008-05-05; Brandel 2008-05-06) and as a consequence Mr Brandel (2008-05-06) believes that “record companies are unable to define their future role in the music industry”. Moreover, artists are claimed to be more likely to circumvent the record companies regarding increasingly important functions, such as concerts and merchandising for instance (Brandel 2008-05-06; Brodrej 2008-05-05; Stenberg 2008-05-08).

4.3 Universal Music AB

4.3.1 Company presentation

Universal is one of the leading record companies in Sweden with a market share of approximately 20 per cent and around 40 employees. Universal is a subsidiary of Universal Music Group, which is the largest family of record labels in the global recording industry and a part of the media and communication company Vivendi (Universal Sweden 2008). The company consists of two parts, the recorded music business and the music publishing business. The recorded music business discovers, develops, markets and distributes recorded music while the music publishing business acquires, owns and licenses rights to musical compositions (Universal Sweden 2008; Universal Music Group 2008). The history of the Swedish branch of Universal stretches back to the 1920’s and through a series of mergers and acquisitions the company grew to its present size with a turnover of about 3 million EUR in 2006 and currently releases about two new albums every month (Universal Sweden 2008; Rune 2008-05-14). Universal represents several successful Swedish acts such as The Cardigans, Carola and Lars Winnerbäck (Universal Sweden 2008).
4.3.2 Distribution channels

Mr Johansson describes how Universal previously had their own distribution centre to which records were shipped from the production factory located in Germany and from where records were shipped to retailers. A “stand alone” IT system (i.e. not connected to any external network) in turn administrated order handling, inventory and invoicing and was in effect until online computing was introduced at the company in the mid 1990’s (e-mail was set up in 1995) (Johansson 2008-05-13). At present Universal’s warehouse and distribution are co-owned with SonyBMG and EMI (Ibid.).

The diminishing record sales have, according to Mr Rune, lessened the importance of brick and mortar retailers as partners for Universal “by about 70 per cent” and put forward the importance of new ways to distribute their products. One important contribution of the Internet has been to shorten the distance to consumers as Mr Rune suggests when claiming “selling music has become faster [following Internet], today you do not need any intermediaries”. Reduced record sales have also forced Universal to tighten the distribution budget to increase the likelihood of albums being profitable or as Mr Rune puts it: “About 40 per cent of our albums break even, earlier one out of ten albums financed the other nine”.

Mrs Kadir states that digital sales account for about 8 per cent of total sales throughout the industry and that Universal started to distribute their music digitally in 2003. One important ramification of digital distribution as opposed to traditional is, as Mrs Kadir and Mr Rune state, that costs are substantially lower for Universal; once a song is online it can be downloaded an almost infinite amount of times without creating additional costs. “It is an extreme simplification”, Mr Rune says, regarding the effects of the Internet on music distribution. Moreover, environmental effects are also put forward as benefits of digital distribution (Rune 2008-05-14; Kadir 2008-05-16). Universal sell their music digitally, according to Mrs Kadir, at all major digital music stores in Sweden including CDON, 3 and iTunes with the ambition to sell it to as many as possible while Mr Rune states that an important function of Universal is to enable and help customers consume music in the online environment. However, Mrs Kadir states the condition that the online retailer must use the Digital Rights Management (DRM) protection system to hinder the files from being shared with other non paying listeners online.
4.3.3 Promotion channels

4.3.3.1 TV
Two of the interviewees, clearly emphasises the importance of television and music videos as a marketing channel and especially MTV is singled out as probably the most important player of 1990’s (Rune 2008-05-14; Johansson 2008-05-13). “If you had a good music video, it created a huge demand”, says Mr Rune while Mr Johansson claimed that “if you did not have a video to the song you were about to release, you were pretty much doomed to fail”. Mr Rune develops further by pointing out that that good relations with the television station was a necessity as it could make or break a song; if a song were ever to become a hit the video had to air on MTV. But the emergence of the Internet meant the coming of age of a new generation of teenagers who to a broader extent “tend to consume music and music videos online” (Rune 2008-05-14). Internet sites such as Youtube and Myspace served to shift the interest of teenagers, the most important consumers of popular music, from MTV to the Internet (Rune 2008-05-14). Mr. Rune specifically points out that for Universal, MTV has lost most of its significance as a partner, for the benefit of the Internet and Youtube where they upload their music videos upon release.

4.3.3.2 Radio
Mr. Johansson states that as the government controlled Sveriges Radio previously had been the only radio station allowed to broadcast on the Swedish market it was the only station where Universal sent their music to get air time. “Considering how Sveriges Radio dominated Swedish radio broadcasting during the early 1990’s, marketing was ‘easier’ back then”, said Mr Johansson. Mr Rune describes the emergence of commercial radio as a situation where as new stations appeared and the market diversified it became harder to market a song since there where more radio stations to get airplay on. Subsequently Mr Rune highlights that after 1993 commercial radio stations became an important partner and has to this day remained so as radio still plays an important part in creating hits or as Mr Rune puts it: “radio is what drives our hits”.

4.3.3.3 New media
Throughout the interviews conducted, the importance for Universal to understand and leverage the new marketing opportunities brought about by the Internet was stressed (Rune 2008-05-14, Kadir 2008-05-16). For instance Mr Rune singles out the online community Myspace as an effective forum for both new and established artists to promote themselves.
Furthermore, Mr Rune notes that Youtube has greatly simplified the process of marketing new music by allowing the online publishing of video samples. At the same time, other forms of Internet based marketing, such as blogging and news letters, have grown in importance. However, as Mr Rune notes, an implication of these new opportunities is that knowledge of how to leverage them becomes imperative for Universal. He argues that Internet has contributed with tools for mapping and analyzing customer behaviour, thereby offering a possibility to improve the effectiveness of existing marketing means. “I would say that in a way it has become easier to reach customers with our existing tools [following the Internet]. It is easier to track customers’ movements, what web pages they visit, what their interests are”, says Mr Rune. Moreover, Mrs Kadir points out that the digitalization of music and the internet has enabled ways of improving music marketing. For instance, in partnership with soft drink manufacturer Coca-Cola, Universal has previously performed campaigns where customers are offered to download a digital copy of a current song free of charge, when buying bottles of Coca-Cola (Kadir 2008-05-16). Mr Rune also points to the importance for Universal of co-operating with mobile operators such as 3 as a new way of accessing their customers through for example ring-tones. However, the marketing environment in the post Internet era does not only offer possibilities. Mr Rune and Mr Johansson both point out that increased competition for customer’s attention reduces the effectiveness of promotional efforts. Mr Rune for instance talks about the need to break through “the clutter of today’s media” and the added costs of doing so. “It has become harder to reach customers [following the Internet] since the competition for their attention has increased greatly”, says Mr Rune.

4.3.4 Product innovation and improving the value of music

Mr Rune points out that Universal need to capitalize on the music they own in every way they can. He believes that the music has lost a lot of its value since “people gladly pay 25SEK for a ring tone but then steals the song [by downloading it illegally]”. However, he also stresses the importance for Universal to control ring tone sales, as he states “if someone buys a ring tone, at least he contributes something”. On a similar note, Mrs Kadir states that every model which enables the artist to get paid is a good model. Mr Rune also believes that Universal need to find new ways of capitalizing on their products; he states that this process will take time and that Universal is constantly developing new business models but also remarks that “ultimately, a good song and a good artist is always the foundation for success”. He continues
by claiming that since every artist is unique, marketing requirements often differ greatly between artists and thus create a need for idiosyncratic marketing solutions (Rune 2008-05-14). Mr Rune specifically points out the acquisition of Lionheart and Sanctuary as attempts to capitalize on every process surrounding an artist from publishing to management and live music. Sanctuary and Lionhart are both companies that use something called a “360 degree participation”, which means attempting to capture all the revenue streams from their artists (Rune 2008-05-14).

Mr Rune believes that even though 85-90 per cent of the company’s revenues still come from CD-sales, they will eventually diminish. He also indicates that the company puts significant efforts into developing new business models and improving the company’s human resources in order to find new ways of attracting customers: “new models are being developed all the time. We are reinventing the wheel, so to speak”. Along these lines Mr Rune also points to the possibility of taking advantage of the flourishing concert industry. Mr Rune emphasized that their task as a record company is to enable the creation of hit music and in recent years this task has demanded that the value offered to customers is extended beyond the music. He argues that “packaging” of music (i.e. merchandise, ring tones etc.) will grow in significance since these attributes form the identity creation part of the product, which is outgrowing the actual music when it comes to creating customer value. Says Mr Rune: “Ring tones create identity. Music is more ‘locked up’ in the sense that you often consume it by yourself at home”.

5 Analysis

5.1 Marketing specific resources
Marketing specific resources are defined as assets and resources that are both generated and leveraged through marketing activities (i.e. marketing specific) while at the same time possessing at least some of the desired RBV characteristics (Srivastava et al. 2001). For Universal, the research in this paper points to several changes in the company’s ability to acquire and leverage these assets and the following sections identify them and how they have been affected by the internet.

5.1.1 Relational market based assets
Relational market based assets stem from the relationships that firms have with external stakeholders and are often based on factors such as trust and reputation, implying an opportunity to develop relationships that may be both relatively rare and difficult to imitate (Srivastava et al. 2001). For Universal, the interviews conducted indicates that relational market based assets are found in both the distribution and promotion of music.

Regarding the distribution, brick and mortar retailers were prior to the internet regarded as very important partners as they were the primary distribution outlet for CDs. As a consequence, the relationships with these retailers can be argued to be both valuable and lacking strategic equivalents, thereby qualifying as a marketing specific resource. However, as the Internet grew, a myriad of new distribution options became available, thus substantially reducing the importance of retailers as partners for Universal. The empirical findings suggest that this is partly because of the new distribution channels available the company in the online and mobile environment and partly a result of the presence of online file sharing and the decline in record sales that followed. The reliance on brick and mortar retailers can thus be argued to have been replaced by relationships with their online equivalents, such as iTunes and CDON. The claim of Mr Rune that the digital infusion in music distribution has lead to considerable simplifications and to reduce the distance to consumers, suggests that the value of relationships with online distribution partners is potentially greater than with their brick and mortar counterparts. However, although the empirical findings indicate a potential to improve distribution efficiency, the value of Universal’s partnerships with online retailers as
market based assets is less lucid. Albeit arguably valuable it is questionable whether or not they posses any of the other RBV characteristics.

Regarding the promotion of music the empirical findings suggest that, prior to the Internet, Universal relied mainly on TV and radio as their primary promotional tools. More specifically, the respondents highlight MTV as the most important promotion channel through the broadcasting of music videos while also identifying commercial radio as an important driver for hit music. As these two were the dominant conveyers of music to customers, relationships with the key actors, such as MTV, was essential. Thus, such relations qualify as both valuable and lacking strategic equivalences and can therefore be characterised as relational market based assets even though the empirical findings do not indicate if these relations are inimitable or rare. Following the emergence of the Internet, the respondents indicate that MTV lost much of its value as a promotional tool for Universal and its role as conveyer of music videos was overtaken by online options, such as Youtube. Correspondingly, the value of market based assets associated with MTV has all but disappeared and empirical findings do not suggest that new promotional channels, such as Youtube and Myspace, have generated substitute assets according to the market based assets criteria. As for radio, the interviews give at hand that despite the emergence of the Internet, the medium has lost little of its promotional value for Universal. Thus, radio can still be argued to be a source of relational market based assets

Empirical findings also suggest that the relationship with artists is a source of market based assets as Mr Rune repeatedly points out that marketing is fruitless without a commercially sufficient artist and song. Artists can be credited to at least three of the RBV characteristics as they might be rare, hard to imitate and valuable to Universal, making the relationship with them a source of relational market based assets. Furthermore, there is nothing in the empirical findings that suggests that these relationships have been adversely affected by the emergence of the Internet. “Ultimately, a good song and a good artist is always the foundation for success”, Mr Rune says.

Furthermore, Universal’s acquisitions of Lionheart and Sanctuary imply that the company wishes to build new relationships to extend their revenue making possibilities. Through these
new companies, Universal are able to access resources previously unavailable to them and which allows the company to capitalise on all aspects of their publishing rights. The degree to which market based assets can be derived from these relationships is not given by the empirical findings, but it is reasonable to believe that resources that are valuable, rare and lacking strategic alternatives could potentially be extracted.

5.1.2 Intellectual market based assets

Intellectual market based assets refers to knowledge residing within the firm itself about the internal and external environment (Srivastava et al. 2001). A market orientation that encourages systematic acquisition, dissemination and use of information is argued to be of great benefit for the strategy formulation and implementation of firms facing market heterogeneity (Srivastava et al. 2001). The empirical findings suggest that two distinct such assets are possible to identify at Universal. The first concerns knowledge about customer preferences and the ability to determine what songs and artists that are suitable for a particular environment. Mr Runes points to the importance of idiosyncratic promotion strategies between artists and in order to achieve that, intimate knowledge about how, when and where to promote artists becomes imperative. This knowledge arguably fulfils all of the RBV characteristics, thus qualifying as an intellectual market based asset. Moreover, the empirical data does not indicate that the fundamental function of this asset has been significantly affected by the Internet. There should be little doubt that customer insights are highly valuable when it comes to finding new ways of satisfying customer needs in an online environment, but the core value of knowing when, how and where to promote music remains unchanged.

The second intellectual asset is the technical knowledge in Universal’s distribution and promotional processes. The empirical findings suggest that technical knowledge prior to the Internet was restricted to supporting administrative functions such as inventory, invoicing and order handling. It is debateable whether or not such supporting functions were ever the source of any type of market based assets but the findings of the research conducted suggest they were not. However, the emergence of the Internet brought about several changes. Mr Rune claims that younger generations tend to consume music online to higher extent than before and it therefore becomes important for Universal to help customers do just that. This is where knowledge about the technical opportunities available becomes important. Both Mr Rune and
Mrs Kadir speak of the continuous search for new ways of taking advantage of new technology and the knowledge investments required to do so. Mr Rune’s claim that the Internet offers ways of leveraging existing promotional tools, by for instance allowing for improved customer behaviour analysis, can be said to be an example of this. Also in the development of new online business models, technological knowledge is central. The empirical findings are somewhat inconclusive regarding the possibilities of Universal’s technological knowledge being considered market based assets, but it should be clear that the role of technological knowledge within the firm has undergone significant change following the emergence of the Internet.

5.2 Market based processes

Market based processes consist of different configurations of market based assets available to the firm (Srivastava et al. 2001). The assets are converted into products or solutions that customers need by being absorbed, transformed and leveraged as part of some organisational process (Srivastava et al. 2001). The following sections outlines how the assets identified above interact in the processes associated with the distribution and promotion of music and the development of new products and solutions.

5.2.1 Distribution

The empirical findings indicate that the distribution of music at Universal was, prior to the Internet, reliant on relational market based assets stemming from the relations the company had with retail outlets and intellectual assets concerning when and where to distribute music. Following the Internet however, the asset configuration can be said to have changed since the number of distribution channels have increased, emphasising the importance of technological knowledge in the distribution process and relations with online distributors. However, since Mr Rune indicates that that as much as 85-90 per cent of Universal’s revenues are generated by CD-sales, the administrative functions of the process should not be forgotten.

5.2.2 Promotion

The impacts of the internet on the promotional processes of Universal can be said to be quite similar to the effects on distribution since it has mainly created a need for improved technological knowledge and reshaped the company’s configuration of relational assets. The company can although be said to have lost one of its most important relational market based
assets following the downfall of MTV, an asset not yet substituted by one of equal value. However as the empirical findings suggests, the artists still constitute an important source of market based assets and one that have not been affected by the Internet.

5.2.3 Product innovation

“We are reinventing the wheel so to speak” as Mr Rune says, is an example of the fact that Universal seeks to find new ways of capitalizing on their music and the opportunities offered by the Internet by leveraging the assets constituted by their artists. In this process both types of intellectual market based assets identified above can be said to be critical since the empirical findings indicate that Internet has changed customers’ value perceptions of music and new technology continues to be developed. Relational assets are also important with Mr Rune speaking of opportunities in the growing ring tone business and citing mobile operator 3 as one of their main current partners. The acquisitions of Sanctuary and Lionheart further indicate that Universal is actively trying to establish relations in order to gain access to new and valuable resources.

5.3 Summary

Figure 5.1 and 5.2 below summarises and provides an overview of the analysis above. In figure 5.1 the situation prior to the internet is pictured while figure 5.2 takes its effects into account. Assets where empirical findings are inconclusive as to whether or not they can be defined as market based assets are put within brackets.
Marketing-Specific Resources

Relational Market-based Assets
- Retailers
- MTV
- FM Radio
- Artists

Creating Customer Value Via Market Based Processes
- Distribution
  - Retailers
  - Customer preferences
    - (Order, Inventory, Invoicing)
- Promotion
  - Artists
  - MTV
  - FM Radio
  - Customer preferences

Intellectual Market-based Assets
- Customer preferences
  - (Order, inventory, invoicing)

Marketing-Specific Resources

Relational Market-based Assets
- Artists
- FM Radio
  - (Lionheart/Sanctuary)
  - (Online retailers)
  - (Youtube/Myspace)

Creating Customer Value Via Market Based Processes
- Distribution
  - IT knowledge
  - Customer preferences
    - (Online retailers)
    - (Order, Inventory, Invoicing)
- Promotion
  - Artists
  - FM Radio
  - IT knowledge
  - Customer preferences
    - (Youtube/Myspace)
- Product Innovation
  - Lionheart/Sanctuary
  - IT knowledge
  - Customer preferences

Intellectual Market-based Assets
- Customer preferences
  - (Order, inventory, invoicing)

Figure 5.1
Market based assets and processes prior to the Internet (Adapted from Srivastava et al. 2001, p 782)

Figure 5.1
Market based assets and processes after the Internet (Adapted from Srivastava et al. 2001, p 782)
6 Conclusions and discussion

6.1 Conclusions

The purpose of this paper is to investigate how the Internet has affected major record companies in Sweden. The empirical findings identify some common changes, challenges and opportunities that arguably have affected all the major record companies in a similar way considering that they are induced by changes external to the industry. Therefore the findings in this paper do not indicate that the results should lack applicability for all Swedish major record companies. So, how has the Internet affected the distribution and promotion of music by the major Swedish record companies?

Regarding internet effects on the distribution of music it can be said that the most significant change is the demise of brick and mortar retailers and the growing importance of online substitutes. Relationships with traditional retailers were prior to the internet a valuable asset as it was the principal outlet for music sales but new distribution options following in the wake of the internet have gradually come to over take the role previously played by brick and mortar record dealers. As a consequence, insights on customer preferences and behavior have become even more important than before when it comes to determining where to distribute music. Furthermore, technical knowledge was prior to the internet limited to administrative functions such as inventory and invoicing, but the more complex process of distributing music in an online environment requires additional knowledge about how to leverage the potential of digital distribution.

The Internet has changed the configuration of resources related to promotion. Prior to the Internet, MTV was heavily relied upon to promote music, but the network has lost most of its significance as a promotional tool for the benefit of websites such as Youtube and Myspace. However, the value of these new channels remains to be determined as they appear to not to have replaced the relationship that previously existed with MTV. At the core of successful promotion are nevertheless the artists and this position has not changed following the emergence of the Internet. Radio has as well been an important partner and although the Internet introduced new ways for music broadcasting, the Internet has not altered the significance of radio as it is still a primary hit driver. Knowledge of customer preference has
always been critical to ensure successful music promotion and even more so after the Internet considering the difficulty to break through the clutter of today’s media. On the other hand, new IT solutions contribute to improving the effectiveness of promotional tools by enabling mapping and detailed analysis of customer behavior.

Another important effect of the internet concerns both distribution and promotion of music and stems from the notion that the internet has changed consumers’ value perceptions of music. Therefore, it becomes necessary to find new ways of capitalizing on music and in this process of product innovation knowledge of how to leverage new technology and information about new customer needs are fundamental. Partnerships with external players, such as mobile operators, as well as acquisitions of complementary assets, as in the case of Universal acquiring Lionheart, are also growing in value in order to capture all of the revenue streams from music.

6.2 Implications

Following the emergence of the internet, there is little doubt that knowledge about customer preferences and behavior is more important than ever before. The reasons for this are twofold. First the internet has brought with it significantly increased competition for customers’ attention, thus creating a need to find innovative ways of reaching customers. On the other hand, the internet has improved effectiveness of existing promotional tools by simplifying tracking and analysis of customer behavior while also creating several new marketing opportunities, i.e. Myspace and mobile technology. As a consequence, record companies need to make sure that they possess relevant intellectual assets through their human resources processes. This market facing knowledge then needs to be coupled with technological capabilities that facilitate successful distribution of music to customers. These capabilities can either be based on internal resources or perhaps more likely, accessed through relationships with external partners. Thus, identifying and establishing relationships with partners that are able to provide new ways of delivering music to customers, such as mobile operators, becomes crucial for the future prosperity of record companies.
6.3 Discussion and suggestions for future research

As indicated in the analysis, there are a couple of issues where the empirical findings of this paper are somewhat inconclusive and further research is needed. We believe this is partially because of limitation in the gathering of information but also because the effects of the internet on the music industry are very much an ongoing process. The final word in the debate about issues such as file sharing music has definitely not been said and while legislators, record companies and internet providers are searching for a final and sustainable solution the music industry will find itself in a state of continuous change. Thus, the effects described in this paper may very well prove to be just a transition phase. For example, imagine a scenario where internet providers pay a fee to record companies to make up for the loss of revenue generated by illegal downloading of music, then it is possible that both promotion and distribution strategies might need further restructuring. Therefore, we believe that more research is needed to identify and evaluate possible future paths for record companies to follow.
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Appendix

I. Interview guide, Niklas Rune, Universal Music

• Vilka är de tydligaste förändringarna efter Internet i er bransch?
• Vad har blivit lättare?
• Vad har blivit svårare?
• Innan Internet, vilka var era viktigaste samarbetspartners?
• Hur mycket har vikten av dessa kontakter minskat?
• Vilka är era viktigaste samarbetspartners idag?
• Tror du att dessa nya affärsmodeller är kritiska för att ni ska klara er i framtiden?
• Är relationer viktigare idag?
• Vad är skillnaderna i distributionsprocessen nu och innan Internet?
• Ett problem i skivbranschen idag är att era kunder samtidigt är era konkurrenter och distributörer i samband med fildelning och piratkopiering. Hur förhåller man sig till kunderna när ett sådant samband finns?
• Finns det en risk att skrämma bort kunder?
• Tror du att det krävs nya lösningar och affärsmodeller för att ni ska klara er i framtiden?
• Finns det likheter mellan Internet och tidigare ny teknik?
• Hur ser distributionen ut idag? Hur lång tid tar det från inspelning till handeln?
• Hur har produktionskostnaderna förändrats?
• Vilken är den viktigaste förenklingen som Internet har medfört i distributionen?
• Hur många album producerar ni?
• Hur stor andel går ihop ekonomiskt?
• Är det svårare att marknadsföra en release idag?
• Läggs större del av budget på promotion idag?
• Vilka andra svårigheter finns med Internet och promotion?
• Kräver man mer av artisterna idag i promotionsprocessen?
• Vilka marknadsföringsverktyg på Internet är viktigast?
• Har det ökade bruset medfört större kontaktnät?
• Ställs det högre krav på produkten idag?
• Det har hävdats att avståndet mellan artist-konsument har minskat har det bidragit till minskad försäljning?
• Hur ser inkomstfördelning ut av ett album?
• Har ni ekonomisk del i konserter eller andra former runtomkring artisten?
• Hur aktivt jobbar man med att ta fram nya affärsmodeller?
• Tror du att skivförsäljningen kommer att finnas kvar i framtiden?

II. Interview guide, Michelle Kadir, Universal Music

• Vilka är era viktigaste samarbetspartners vid sidan återförsäljarna?
• Var säljer ni er digitala musik?
• Har ni ambitionen att sälja hos fler i framtiden?
• Hur många låtar säljer ni digitalt? Hur stor andel?
• Hur arbetar ni för att er digitala musik inte ska delas?
• Vilka nya lösningar finns för att få del av den inkomstförlust som fildelningen har medfört? T.ex. samarbete med Internet-leverantörer.
• Kommer man i framtiden att inte sälja fysiska skivor över disk?
• Hur ser kostnads/inkomststruktureren ut, finns det någon skillnad mellan fysiskt och digitalt?
• Vad är de största fördelarna/nackdelarna med digital försäljning?
• När började ni sälja digital musik?
• Vad krävs av er för att ni ska kunna sälja musik digitalt?


• Hur såg arbetet i företaget ut från din synvinkel i början?
• Vilka var det viktigaste marknadsföringskanalerna på den här tiden, som du uppfattade det?
• Kan man urskilja någon utveckling av marknadsföringen under din tid i branschen?
• Fanns det några speciella relationer som spelade större eller mindre roll i marknadsföringen som du ser det?
• Hur såg distributionen ut när du började i företaget?
• Hur skulle du beskriva Polygram/Universals roll i distributionskedjan av musik?
• Kan du urskilja några relationer eller processer som var speciellt viktiga för distributionen?
• I dina arbetsuppgifter ingick även ansvar för royalty/copyright, hur utvecklades detta under din tid i branschen?

IV. Interview guide, Informants (Music journalists)
• Vilken ser du som skivbolagens tydligaste funktion idag?
• Vilka trender går att urskilja i musikbranschen?
• Hur har artisters roll förändrats?
• Hur har skivbolagens roll förändrats?