Internet, music and communication

How the Internet is affecting communicational efforts of smaller independent record labels

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Abstract

The purpose of this thesis is, through a case study, to analyse how the Internet is affecting smaller independent record labels' communicational efforts, and if these companies are dealing differently with this technological change. In order to accomplish this, a number of interviews have been conducted with smaller independent record labels. The findings have been analysed using a theoretical frame of reference covering innovation management and communicational methods. Our results show that the Internet has had an effect on these labels’ communicational efforts, either directly through an increased use of online communication or indirectly through the decreasing effectiveness of some traditional channels. However, as many traditional channels are still being used, smaller independent record labels are now managing an increased number of channels simultaneously. Furthermore, the degree of online communicational efforts varies depending on musical genre, being more commonly used in popular music genres. For labels with a high online activity, social networks play a prominent role, with considerable effort and time allocated towards working with these. Also, these companies are very attentive to the rapidly changing online environment with the aim of staying at the forefront of this development.
Definitions

Record label
A record label is a brand or company whose business it is to develop, produce and market musical artists and their music.

Major label
The term 'major label' refers to one of the four biggest record labels in the world, Universal Music Group, Sony BMG Music entertainment, EMI Group and Warner Music Group. Together these companies control a majority of worldwide market shares.

Smaller independent record label
The general definition of an 'independent record label' is any label other than the four major labels, that is also neither owned or controlled by any of the four majors. Most independent record labels are smaller businesses but there are exceptions. For the purpose of clarity, we have in this thesis defined a 'smaller' record label as a label with less than 20 employees.

Promotion
Even though it does have a certain connotation within the music industry, for the purpose of this article the term promotion will be used as meaning the activities that companies use to communicate the merits of a product and persuade target customers to buy it. This is the way the term is used in marketing theory.
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1. Introduction

1.1 Background

There is no denying that the Internet is one of the most dramatic innovations of our time. With users worldwide now reaching a number of more than 1.2 billion and by 2015 expected to reach a staggering 3.4 billion it has permeated many parts of our lives, and will continue to do so (Kotler, Armstrong, Saunders & Wong, 2008). Among many things affected by this, it has completely changed the way in which we consume products and this has naturally affected how businesses market their products to consumers. Pitta and Fowler (2005, p. 265) describe the Internet as a borderless means of connecting companies and consumers. Among its many characteristics it offers persistence, accessibility, near communications and specificity. As a consequence, something that was previously promoted through traditional channels such as newspapers or television and retailed in a shop, might today be promoted as well as sold online. In many ways this is positive for smaller companies, as it has provided them with a platform for conducting business including the sales and targeted marketing of their products at a low cost.

Among the industries affected by the Internet is the record industry. It is no secret that the Internet has changed the way we search for and consume music. Following the emergence of mp3’s, file sharing, forums, blogs and streaming clients such as Spotify, visits to traditional music shops to look for and buy new music has become a thing of past for many people. The Internet has given us access to a humongous supply of music at the mere click of a button. The record companies, in turn, have been given a very resourceful tool with which they can market their music to the consumer.
1.2 Problem discussion

It is clear that the Internet is changing the playing field for marketing consumer products. It is also most likely that this change will continue for a long time (Peterson, Balasubramanian & Bronnenberg, 1997, p. 342). In particular, the emergence of broadband Internet has made possible a high-scale information exchange previously unheard of, which has increased the supply of music available to consumers tremendously. We also know that over the past decade, these changes have caused the music industry to go through a rapid and far from seamless structural change as the possibility to cash in on the sales of CD's has diminished. As a result, major record labels have suffered a decrease in record sales and are desperately battling to protect their royalties (Metro 12 May 2008). Blame has been placed on Internet piracy, but downloaders in turn say the labels only have themselves to blame because of their agressive and relentless crack-down on file-sharing (Metro 12 May 2008).

However, an article in Dagens Nyheter (Söderling, 2007) highlights how, overshadowed by the cries of the major labels, the number of smaller independent record labels has hit an all time high, and as a category have increased their market share. At the same time the four major record labels have decreased their market shares. We suspect that the emergence of broadband Internet has played a big part in this, in that it has brought effective and efficient ways of distributing and marketing music to audiences all over the world. In the same edition of the newspaper, the founder of the small and independent record label Hybris points to the Internet as the very reason for the company's existence (Dahlström, 2007).

As mentioned, the number of smaller independent record labels is increasing. On this point it is interesting that some of these companies seem very positive about the development of the Internet and less aggressive towards illegal file-sharing (Thörnkvist, 2008). Our suspicion is that this sort of attitude among smaller independent labels in part is due to their ability and willingness to adopt their strategies to the changing market environment that the emergence of broadband Internet has brought.
Although the recent changes might have affected the complete business models of companies within the music industry, we feel that the marketing aspect of this and the opportunities that come with it have in many ways been overshadowed by this more general discussion about the problems the industry is facing. We know how different phenomena such as blogs, MySpace, Youtube, Spotify, etc. have given companies new ways of reaching out to their target groups. Today a record label can post a music video online, which can be viewed instantly by everyone with a broadband connection, so there is no reason to spend time securing high rankings on MTV’s playlists in order to make the video available to fans. The manners in which marketers communicate their message nowadays simply does not have to look the same as 15 years ago. These reasons make it interesting to study how the Internet has affected smaller independent record labels' way of reaching and communicating with their target groups to promote their products, and also if these companies have adopted differently to this technological change.

In accordance with the discussion above we have formulated the main problem of the thesis as: *How is the Internet affecting smaller independent record labels' communicational efforts?*

**1.3 Purpose**

The purpose of our study is, through a case study, to analyse how the Internet is affecting smaller independent record labels' communicational efforts, and if these companies are dealing differently with this technological change.

**1.4 Delimitations**

As already touched upon above, there has been much debate on how the Internet affects the entire business model and marketing of record labels. This study will focus only on communicational efforts by smaller independent record labels in Sweden.
1.5 Outline of the thesis

The 'Theory'-section presents the theories which have been used to explain the smaller independent record labels' communicational efforts. In the 'Method'-section it is explained how the research has been conducted in order to analyse the problem. The section 'The Music Industry' aims to provide a frame of reference and background description of how the music industry is structured and operates as well as the findings of our research. In the 'Analysis' section the frame of reference, theory and results are connected. In 'Conclusions' the analysis is put in context and the results of the research are summarised.
2. Literature review

The following section is aimed at giving theoretical reference to communication theory and how the Internet can be used for communicational efforts. First there is a look at communication and promotion theory. Then, more focus is placed on theory describing the characteristics of online promotion. Finally there is a description of innovation and how it affects companies.

2.1 Marketing communications

Marketing communications is one of the essential parts of the marketing mix, and can be seen as the art of effectively communicating with customers (Pickton & Broderick, 2005). In this sense, the record industry is no different from other industries in that it needs to communicate with consumers.

Today, communication is generally viewed by marketers as the management of the customer buying process over time. This includes what is done before selling the product all the way through to the post-consumption stage. Because customers are unique, a company's communication must be adapted and developed to fit specific segments, niches and even individuals. The emergence of new interactive technologies such as the Internet also forces companies to devise plans, not only of how to reach customers, but also of how to let customers reach them. (Kotler et al., 2008.)

Marketing communications are not only done by the original sender of a message, but they are also received and passed on by the receivers to others through a process known as ‘word of mouth’. This extra communication can be very powerful and effective, but also involves the risk of miscommunication, as the message might become distorted as it is passed on many times. (Pickton & Broderick, 2005.)

According to Kotler et al. (2008) an effective communications and promotion programme must identify the target audience, determine the communication objectives (such as creating awareness
or closing a deal), design a message, choose the media through which the message will be sent and collect feedback of the results of the campaign.

Pickton and Broderick (2005) describe the communications environment as being in a state of change on many levels. The proliferation of new media channels on the Internet being one reason, but with a considerable fragmentation of traditional media channels being another. New technologies have allowed the customers to access a much larger range of radio stations, TV channels and magazines.

As pointed out above, Kotler et al. (2008) argue that the Internet is changing the role of the consumer in that they today are better informed and more empowered to easily seek out information on their own. Also, they can easily connect with other consumers to exchange information about products they have some sort of interest in. The technological changes are also causing marketers to shift away from mass marketing to focused marketing programmes in order to build closer relationships with customers in more narrowly defined markets. The Internet is also giving companies the opportunity to monitor their customers' behaviour, needs and wants, and then tailoring their offering thereafter. The communication possibilities that the Internet brings also give companies new media for interacting with customers. On the other hand, this gives consumers more control of which messages they choose to receive or not. In short, the Internet and other information technology have caused marketers to do less broadcasting and more narrowcasting. Thus, it is argued that they are adopting a more modern communications model, which consists of both traditional mass media as well as a wide array of new and more personalized media.

2.1.1 Promotion mix

The marketing communications category of marketing theory contains activities that communicate the merits of the product and persuade target customers to buy it. The promotion mix is one of the most popular theories for describing how a company uses and blends different communicational tools to communicate their message. Kotler identifies four main tools in the promotion mix, and these are advertising, personal selling, sales promotion and public
relations. Additionally, direct marketing can be seen as a special fifth category that in many ways incorporate elements of the other four categories. (Kotler et al., 2008.)

The type of product promoted also affects the usefulness of these different tools. In consumer-goods-oriented markets, advertising gets most of the resources, followed by sales promotion, personal selling and PR. (Kotler et al., 2008.)

It should be noted that viewing the promotion mix as the company's sole communications link with the consumer might be counter-productive. As recognised by DeLozier (1976), all elements of marketing have a marketing communications impact. Therefore, if viewed in isolation, promotion can actually work against other elements in the wider marketing promotion mix (DeLozier, 1990, p. 165). Therefore Pickton and Broderick (2005) have a slightly different take on the same basic concept. Instead of 'promotion mix', the term 'integrated marketing communications mix' is used in order to allow for a less narrow definition. The main categories of this mix is the same five as in the promotion mix. Additionally sponsorship, merchandising, point of sale sales management, packaging, exhibitions and trade shows are included as part of the mix.

*The five main categories*

Advertising is any form of paid, non-personal information and promotion of products by an identified sponsor. The advantages of advertising are that it can reach masses of geographically dispersed buyers many times at a low cost per exposure and that it gives the advertised product legitimacy. However, it can also be impersonal and expensive. (Kotler *et al.*, 2008.)

Personal selling is oral presentation in a conversation with one or more prospective buyers for the purpose of making sales. It's qualities are that it can catch potential consumers attention easily, provide possibility for an individually customized response to consumer inquiries, and cause long-term relationships to develop. However, having a large sales force is very expensive. (Kotler *et al.*, 2008.)
Sales promotion is short-term incentives to encourage the purchasing of products, for example discounts. They provide consumers with strong and direct incentives for purchasing a product. On the other hand, they are short-lived and do not effectively promote long-term brand preference. (Kotler et al., 2008.) Pickton and Broderick (2005) argue that sales promotion is an over-arching range of activities in which merchandising and point of sale are included. Merchandising refers to activities that are intended to ensure that products are easily available and attractively displayed. Point of sale refers merely to sales promotion activities that are placed where the product is sold.

Public relations means building good relations with the company's various publics by obtaining good publicity and handling or heading off bad publicity. The category includes various activities such as lobbying, product placement and hosting events or parties. Using PR through, for example, a news story is more credible than advertising and reaches audiences that are prone to avoiding advertised messages, and a well mastered effort can be both economical and effective. (Kotler et al., 2008.) Sponsorship can be seen as a sub-category of public relations, and it can be useful in invoking positive associations with the customer. Reversely, it can also be damaging if negative associations are invoked. In addition, although cost effective, PR should not be considered free, because of the considerable amounts of time and effort needed to manage it (Pickton & Broderick, 2005).

Direct marketing involves using non-personal tools such as telephone, mail, e-mail and text messaging in order to communicate directly with specific consumers or for creating a direct response. The message is usually adressed to a specific person. It is by nature easily customizable, so that messages can be tailored in order to appeal to certain customers and it also allows for interaction and dialogue as a quick response from the customer is possible. For these reasons direct marketing is well suited for highly targeted marketing and relationship building. (Kotler et al., 2008.)
2.1.2 Push and Pull strategies

A company’s communicational mix is influenced by whether a company decides on a *push* or *pull* strategy. A push strategy puts emphasis on ‘pushing’ the product through distribution channels to the final consumer. The company will direct its marketing activities towards actors within the distribution channels in order to convince them to carry the product and promote it to the final consumer. If a company chooses more of a pull strategy, on the other hand, more emphasis will be placed on brand building and directing marketing activities towards the final consumer to convince them to buy the product. This is done mostly through advertising. If the campaign is successful the consumer will then 'pull' the product by demanding it from actors in the distribution channels, who will then in turn request it from the producer. (Kotler *et al.*, 2008.)

Kotler *et al.* (2008) points out that some smaller companies use only either a push or pull strategy, but that the majority of companies use a combination of both. However, in recent years there has among consumer-goods companies been a shift towards focusing more on push, as mass-media campaigns have become more expensive and their effectiveness more and more uncertain. Also, as companies increase their segmentation and tailor their marketing efforts more narrowly, large-scale advertising simply is not as suitable as more locally focused efforts. In summary, it is argued that companies that find the best mix of consistent advertising for long term brand value (pull), and sales promotion to create short-term support within the distribution channels (push), will be the most successful.

2.2 Online Marketing

Pickton and Boderick (2005) argue that, as a communication tool, the Internet, and in particular the world wide web offers tremendous opportunities. Some forward-thinking organisations have been quick to seize these, while others have struggled to come to terms with the new technology. It is also argued that opportunities do not look different to organisations depending on their size. As the costs of entry are very low, all organisations can take advantage. The authors point out
that some have also suggested that it 'levels the field of play', making it easier for smaller companies or even individuals to compete with larger actors.

However, potential pitfalls of using the Internet as a communication tool are described as including poor targeting capabilities. As more and more companies are using the Internet, the problem of standing out amid the clutter will pose major challenges for organisations. However, the fact that the consumer is proactively surfing the Internet can work to the company’s advantage. Also the costs should not be underestimated as keeping an updated online profile can require a lot effort. (Pickton & Broderick, 2005.)

Kotler et al, (2008) categorise the term 'online marketing' as a fast-growing form of direct marketing. This distinction is however, not made by Pickton and Broderick (2005), who instead describe the Internet as containing possibleitites for use with most of the categories in the integrated communications mix.

In order to categorise companies after their level of online involvement Kotler et al, (2008) uses three main groups. So called click-only companies operate only on the Internet. Examples of this type of company are Amazon.com and Google. Brick-and-mortar companies are those companies that do not have an online presence. Click-and-mortar companies are traditional brick-and-mortar companies that today also have an online presence. It is argued that these click-and-mortar companies sometimes have more online success than click-only companies.

Even though an ever growing part of the world is moving online and the Internet is becoming truly mainstream, Kotler et al. (2008) argues that the Internet consumer still differs from the traditional offline consumer in his or her approach to purchasing products and response to marketing efforts. In the Internet exchange process it is the customer that initiates and controls contact. This provides for an interesting change from traditional marketing which targets a more passive audience and therefore, online marketing must target consumers by actively seeking out which web sites or social network they visit and what communicational information they wish to receive. For these reasons a different approach is needed, according to the authors.
As mentioned earlier Pickton and Broderick (2005) do not express any limitations to the main communicational use of the Internet. However Kotler et al (2008) argues that there are four main ways for companies to create an online presence. These are: setting up a web site, placing ads and promotions online, participating in online social networks or simply using e-mail. In our opinion, even if one could argue that other ways are as important as these four categories, these give a fairly good picture of the possibilities available.

**Web sites**

Kotler et al. (2008) define two main types of web sites. First there is the *corporate* (or brand) *website* which serves the purpose of creating customer goodwill rather than selling the company's products directly. Secondly there is the *marketing web site* which aims to interact with consumers in order to move them closer to a direct purchase or similar outcomes.

**Online advertising and promotions**

Online advertising can take many forms, but usually come as banners, pop-ups or search related ads (sponsored links) in search engines. Another form of online promotion is so called *viral marketing*. This is the Internet version of word-of-mouth marketing and involves creating a web site, online video or other promotion which is so infectious that customers will pass it along to their friends. (Kotler *et al.*, 2008)
Social networks

Participating in social networks includes such things as setting up MySpace or Facebook profiles and posting videos on YouTube. This type of involvement is increasingly popular with companies and many major brands have their own YouTube channels. Furthermore social networks also include blogs, and discussion forums targeting more specific topics, such as a particular style of music. In particular, the phenomenon of blogs has gained a lot of publicity. According to Wright (2006), blogs are an economical means of generating and measuring buzz. However, a successful blog needs to engage their readers and therefore it is not effective if it is only used to communicate simple communicational messages. Instead focus must be put on building relationships and providing interesting information.

There are challenges involved in using social networks, however, as the phenomenon is new and results are hard to measure, and as these web communities are mainly user controlled it can be hard for a company to create the dominating presence it would like without being viewed as interfering and thus acquiring badwill. (Kotler et al., 2008.)

E-mail

E-mails are used by companies to communicate their message. Having mailing lists that inform about new products is an easy and cost-effective way of reaching customers. To differentiate themselves, marketers are more and more creating enriched e-mail messages that are animated and interactive containing audio as well as video. On the other hand, the explosion of spam has made many customers less enthusiastic about receiving communicational e-mail. Therefore, many companies today use permission-based e-mail marketing, sending mail only to those who actively request it. (Kotler et al., 2008)
2.1 Managing innovation

Innovation can be defined as the process of exploiting opportunities, getting new ideas out of them and finally putting these ideas into practice. Essentially, innovation is about entrepreneurship - the ability to see opportunities and jumping at them is at the heart of the innovation process. How companies manage innovation is critical to their success and research shows a correlation between market performance and innovation management. (Tidd & Bessant, 2009)

Innovation is not just about offering new products. According to Tidd and Bessant (2009), innovation can be divided into four categories referred to as the '4Ps': product-, process-, position- and paradigm innovation. By process innovation, the authors mean being able to make something no one else can or to do so better than anyone else. In context of the thesis, this would mean finding new ways of communicating more effectively with consumers.

The impact that an innovation has on its environment is determined by the nature and characteristics of the innovation. A very important characteristic is its degree of novelty on a scale between incremental innovativeness, which brings small changes to a product or process, and radical innovativeness where the impact of the innovation is so great that it changes the very foundations of society. Another important characteristic is the scope of the innovation, meaning whether the innovation in question changes things at the level of components or at the system level. Figure 1 illustrates these dimensions of innovation and how they are related. (Tidd & Bessant, 2009)
Figure 1: Dimensions of Innovation (Tidd & Bessant, 2009)

The Internet is a radical innovation at the system level that has permanently affected the conditions for many businesses. For record labels, it offers a whole new platform for further innovation in the field of marketing communications.

2.4 Literature summary

The chapter begins by outlining theory on promotion and communication by Pickton & Broderick (2005) and Kotler et al. (2008) with the purpose of explaining what marketing communications means, what things are important to consider when communicating a message and finally how the internet has changed the role of the consumer in the consumer process. The theory on communication has then been elaborated outlining the promotion mix by Kotler et al. (2008) with the purpose of explaining the different ways in which companies can communicate the merits of their products, and the advantages and disadvantages of each method. Pickton and Broderick (2005) as well as DeLozier (1976) provide us with alternative and updated perspectives as well as a critique of Kotler et al’s (2008) communicational theory and introduces the slightly wider concept of the integrated marketing communications mix.
Push and pull strategies (Kotler et al. 2008) are ways in which products and information move between buyer and seller. These strategies are important to consider when explaining what might have influenced the smaller independent record labels' choice of communicational tools both in the past as well as the present. To further specify the theory of marketing communications to the purpose of our research, the following section reviews literature on online marketing and its different modes to see through which mode or what modes the different categories of communication can be conducted using the internet. The chapter continues with reviewing literature on innovation management by Tidd and Bessant (2009). This theory explains how innovations like the internet can affect companies and why it can be important to effectively manage such innovations. It is of high importance because it enables an understanding of the Internet and online marketing from an innovation perspective and allows for comparison of the extent to which smaller independent record labels' communication has been adjusted to the Internet.
3. Research Method

This section is aimed at providing a description of our research method, as well as providing the reasons for this approach.

3.1 Critical literature review

Most of the literature used in this thesis comes from books, predominantly course literature and therefore we will start off by directing criticism to our selection of these. Much of the literature on promotion has been centered around Kotler et al’s theory on promotion and communication. This theory provides us with widely spread and accepted theory on different communicational tools and their effectiveness. We base our choice of communicational theory on its relevance, its acceptance in the field of marketing and the prominence of its authors. The views of Pickton and Broderick (2005) as well as DeLozier (1976) have been used in order to broaden our perspective and give critique to Kotler et al. Of course one could argue that the concept of the promotion mix is outdated, and therefore reference to Kotler et al’s theory does not serve a useful purpose. However, in our opinion this theory still provides a very good cover of a company's communicational efforts and therefore still holds validity today. Knowing the different categories of the promotion mix will allow for understanding of how smaller independent record labels promote their music and to see which, if any, of these they now use the Internet for instead. Updated theories by for example Pickton and Broderick and the critique by DeLozier are very relevant contributions, but the main concept of the promotion mix still remains useful. Newspaper articles have been used to some extent in the thesis however not in the literature review-section. Newspaper articles have been used as background to our problem discussion to further justify its relevance as a research topic.

3.2 Research Approach

This thesis is based on an inductutive approach to the research problem. By using this approach, one is more concerned with the context in which something is taking place (Easterby-Smith,
Thorpe, Jackson & Lowe, 2008). Theory is developed after the data has been collected and permits alternative explanations for what is happening (Saunders, Lewis & Thornhill, 2009). We have collected results, seeing how smaller independent record labels are and have been promoting themselves and referred this to our theory to try and explain exactly what we are seeing on the whole as well as in each individual case. Some of the theory was chosen before we set out to do our interviews to keep us within the boundaries of our research problem and some after to allow us to analyse relevant results that could not sufficiently be related to previous theory in our analysis.

### 3.3 A qualitative case study

We applied a qualitative method to our research because we felt that our research topic could not easily be expressed numerically and is more reliant on the individual experiences of the respondents.

According to Morris & Wood (1991) the case study strategy is useful if you wish to gain a broader perception of the context of the research. Due to the complex nature of the problem at hand and the fact that it, from existing research, is not evident exactly how the Internet has affected smaller independent record labels communicational efforts we chose the case study strategy in our research to gain a deeper understanding of what reality looks like.

### 3.4 Data collection

Due to the lack of past research on the topic we chose to collect our primary information through through semi-structured interviews with a number of respondents from smaller independent record labels. One disadvantage of conducting interviews is the lack of standardization leading to concerns about reliability. Here, the problem is whether other researchers would get the same results in another similar research at the same point in time. There are also many types of bias to consider. In the context of our research this would be how we view interviewed labels differently depending on our personal preferences. Also, there is the risk of the interviewees having an interest in portraying their business in what they see as a positive way. However, we felt it was
important to allow the respondents to talk freely about their experiences and how they carry out their communicational efforts, in order to get a comprehensive view of their activities. In doing this, many unexpected topics of interest came up which meant that we gave room for resulting questions in the interviews yet tried to keep these within the boundaries of our thesis. Therefore, the interview questions have not been followed strictly. Perhaps using a more structured interview guide would have enabled us to better sort out our results but since each label interviewed was unique in many respects, this would have been very difficult to accomplish. We have also used literature about the music industry as well as one separate interview with a former managing director of MNV Music to describe the business environment and how communication traditionally has been carried out within it.

3.5 Sampling

In order for our data to give as true a picture as possible of the situation for smaller independent record labels in Sweden, and as many labels are focused on particular types of music and target groups, we felt it was important to cover a wide array of record labels in terms of music styles and artists represented. Of importance is also to sample different labels in terms of how long they have existed. As older and newer companies might not use the Internet in the same manner this will give us a fairer picture. These factors have determined our choice of companies to interview.

Interviews with four smaller independent record labels have been conducted. Initially, we intended to conduct a larger number of interviews. We used the Internet to find potential respondents and emailed them requesting an interview. Six labels replied wanting to participate in the research. Out of these six, four were similar in terms of genre, and for the purpose of balance, two of these labels were selected in addition to the two labels that differed in genre. We are aware that only interviewing a limited number of labels does not allow for a complete generalisation of all smaller independent record labels. If the same research was to be conducted with another sample of cases, there is of course a risk of results being different. However, the aim of this research is not to describe the whole truth, but rather to detect tendencies in the development of the working environment of the companies. All labels interviewed are based in Stockholm due to the large number of smaller independent record labels based in that area and
the geographical proximity of the city. One could argue that perhaps including more rural labels would have enabled us to spot differences in how promotion is done in different places in Sweden but we felt it was important to conduct our interviews face to face. Also, since we are concerned with how the Internet has affected these companies and that access to Internet is almost unlimited throughout Sweden, we did not think that this would make a difference.

One of the labels interviewed, Serpentine, turned out to be somewhat different in structure and business model in that it does not own any rights to the music of the artists it works with. However, as the label still engage in communicational efforts on behalf of artists, we felt they were still relevant to the research.

3.6 Construction of interview questions

As a help in the conducting of our interviews we used a plan with questions (see appendix 1). These questions were sent out to the respondents in advance in order to allow for them to get an insight in to the type area our questions would be centered around. The first section of the plan aimed at providing background information. The "communication" section aimed at providing us with answers on what type of tools and techniques the companies use in order to promote their music and artists. The following sections aimed at providing information on the companies target audiences and the allocation of marketing resources, this was done in order to put their efforts into context. Before we set out to conduct our interviews we had the intention of seeing how these companies’ communicational efforts had changed over a period of 10 years. Therefore, the interview guide contains follow-up questions regarding this. However, as our research purpose changed we have disregarded these questions as well as any answers to them. To avoid missing out on any important information, we used the term ‘marketing’ in our questions as the respondents might not have been fully aware of what marketing communications entails. For this reason we felt it was better to let the respondents talk about all of their marketing activities and then select the information most relevant to our research.
4. The record industry

4.1 Background and structure

This section is aimed at providing the reader with useful background information about the nature of the record industry and how it is structured.

Although fairly small compared to many other industries, the record industry attracts a fair deal of attention, and according to Yngen (2010) this is due to the interest and passion it invokes in people, which is on a much higher level than for example banks.

The record industry, as well as other commercial providers of art and culture perhaps in some ways differ from other industries in that other not strictly economical interests are allowed to have an effect on business. Arvidsson (2007, p. 70-71) discusses the conflict between economical and artistic interests in the record industry, and sees this relationship between commerce and art as an integral part of it. Even though the interests do not necessarily conflict with each other, this means that there are situations where artistic or cultural interests have been given priority over strictly commercial ones. Gander and Rieple (2004) also note that many smaller record labels are partly driven by social commitment. It is useful to bear this in mind when analysing why and how record labels conduct their business.

According to Yngen (2010) the music industry as a whole has also traditionally been characterised by an unusual division of the control of the main musical product, with record labels attaining rights to the income from selling records, artists attaining the rights to revenue for their work from royalties and publishers attaining the right to revenue for use of the actual composition. On top of this other actors could own rights to revenue from live concert. Yngen argues that this structure has not been beneficial to the larger record labels as the environment has evolved.
Yngen (2010) describes communicational efforts by Swedish record companies in previous decades as quite straightforward. The ultimate aim was to sell records, and as the number of possible and effective communication channels were limited, the options of promotors were also limited to sending records to radio, TV and magazines as well as advertising in primarily tabloids and making press releases and arranging release parties. This is in contrast to the increasingly fragmented market and the increasing amount of different communication channels that exist today.

**Major vs. Independent labels**

There is generally considered to be two types of music producers within the record industry: major and independent record labels. The major labels have dominated the music industry for a long time and it was not until the 1960’s that independent record labels started gaining significance (Bemuso, 2010.)

Gander and Rieple (2004) have investigated the main differences between major and independent record labels and according to them, what characterizes major labels is their access to capital, marketing skills and distribution. Independent labels on the other hand are owned and managed by the people who set them up and thus, they are much less bureaucratic than their counterparts. The authors explain that the informal structures of independent labels work to their advantage as they can better adjust to changing environments. According to Yngen (2010) the passion of people behind smaller record labels for their music also serves to their advantage, in contrast to the large corporate structures of the major labels which might take away some enthusiasm from their employees.

On the other hand, the major labels' financial strength has historically given them great advantages as they have been able spend considerable amounts on promotion ensuring high publicity through expensive outlets such as MTV, radio and magazines, in a way not possible for smaller labels. (Passman, 2009.) Also bigger labels have put considerable resources into pushing the product to record shops through the use of sales people (Yngen, 2010).
All in all, there is around 3500 legal companies registered as record labels in Sweden. The majority of these are very small, employing only one or a few people (Allabolag, 2010). All the four majors are situated in Stockholm, whereas only a third of independent labels are placed within the city (Arvidsson, 2004).

4.2 Case study

4.2.1 Presentation of interviewed respondents and their companies

Serpentine Records - Christer Lundblad

Serpentine Records is a small record label started in 2004 and run by Christer Lundblad. Lundblad describes the company as a 'record label for-hire', and the company offers it's services to artists who need help with recording, printing records, layout as well as some promotion. The company does not hold any rights in their artists' music but instead charge money for their specific services. At the moment it is run on a part-time basis taking up around 15 to 20 hours a week. Lundblad estimates the company's yearly turnover to be around SEK 300000 to 400000. Serpentine does not focus on any particular music but provides it's services to everyone. However, a large part of their artists have been in the Jazz category and other more mellow music.

Daphne Records - Björn Uddén

Daphne Records was founded by Björn Uddén in 1997 and is an independent record label that specialises in classical music. Daphne Records is a public limited company in which Björn owns the majority of the shares and functions as the only employee. Up until his recent retirement he ran the label parallel to working a regular full-time job. Björn Uddén started his musical career playing trombone for the radio-orchestra "Radiosymfonikerna" where he was a member for 39 years. During the last 15 years of his working life he became interested in recording music. He worked as a producer for an independent label before it went under and as payment, Björn was
given the rights to five unfinished projects. With these, and with the help of a government grant, he started Daphne Records. Björn Uddén currently works full-time with his label and the company has a turnover of around SEK 300 000.

Thomas Gunnarsson - Respect My Hustle (RMH)

RMH started as a musical collective consisting of a number of rappers and producers. Today, the collective houses three rappers, two producers and two owners/managers. The actual company was created in 2006 with the intention of acting as a record label. Thomas Gunnarsson is one of the company's two owners and driving forces and he describes RMH as no longer being a traditional record label, but instead a company which focuses on maintaining and strengthening a brand with music as one of its cornerstones. The label employs four people full-time and focuses on hip-hop related music.

Tobias Hansson - La Vida Locash

La Vida Locash is a record label and production company with offices in Hägersten, Stockholm. The label has existed since 2000 and focuses mainly on modern pop music with a young and trendy target audience. The founder and driving force behind the label Tobias Hansson describes the company as similar to a traditional marketing agency, as a majority of it's work is centered around promoting its artists. The label also has a clear stated long-term perspective with their artists, not necessarily expecting any return for many years.

4.2.2 Findings

Serpentine Records

As Serpentine works with fixed fees for specific services, their ultimate aim is not to make money from the music in the same way as for other companies that hold rights in sales or other sources of income. The small amount of promotion that Serpentine records does for it's artists is conducted through mailing physical records to radio, TV and magazines, and does not involve
the Internet. From a larger communication perspective, their assistance in the graphic design of the physical records should also be included. All other promotion is left in the hands of the artists themselves. However, the label does recommend promotion specialists to their artists if this is asked for and help out with printing flyers and posters. They also assist in formulating press releases.

*Daphne Records*

Uddén describes the main goal of Daphne Records’ marketing communication as selling as many CDs as possible. In addition to this, airplay on the radio is also of high importance as it generates significant revenues and works as promotion in itself. Uddén describes the label's main target audience as people who attend concerts with live classical music. Uddén points out that one important aspect of Daphne's target group is that they still like to consume music the old fashioned way, through listening to and buying CDs in physical stores.

Uddén describes the label's communicational efforts as consisting of mailing records to radio, newspapers and magazines in order to get airtime, publicity and reviews along with placing adverts in magazines. Uddén is unsure of the effectiveness of placing ads in newspapers mainly due to its immeasurability. Word-of-mouth was and still is an important tool for Daphne in raising awareness of its records and artists. Previously, posters and flyers were used but today the label only uses a small amount of flyers, mainly for promoting artists at concerts. In the past, posters were sent out to retailers which sold Daphne Records' music. However, this has been discontinued as the number of physical record shops have drastically dropped and moved online. But Daphne Records still leaves a lot of its promotion to its distributors. The company has been using a web site for some years in order to present itself and its music. Recently, a new version of the web site was launched which offers the possibility previewing parts of songs (see appendix 2). Along with this, links to its online distributors have been placed on the site redirecting visitors to where they can buy the records. According to Uddén, Daphne's use of the Internet is growing but is still limited much due to its lack of knowledge of the Internet and online promotion. A mailing-list has been considered and used in a very small scale, but the potential association with spam has deterred the company from doing this.
According to Thomas Gunnarsson the aim of RMH's promotion is to maintain an entity consisting of a brand, a story and music with the ultimate goal of attracting people to live concerts. By story, Gunnarsson means the everyday life of the RMH collective. Gunnarsson says letting people in on the life of the RMH collective strengthens the brand but also backs up the music released by its artists. In his view promotion permeates all that RMH does when stating: ‘everything we do is promotion’.

Gunnarsson describes traditional channels for music videos such as MTV as outdated because of the emergence of YouTube. Somewhat paradoxically getting radio airplay is still important for RMH, but Gunnarsson means that this can be achieved not only by pushing the product directly to radio stations, but also through gaining high publicity in social networks, which in turn will increase the possibility of radio picking it up. The company uses the services of an external promotional agent who's job it is to push the music to the right people in the media and handle press releases. In 2007, RMH artist Adam Tensta had a big hit single which led to a lot of exposure for the artist and ultimately a Swedish grammy award. Gunnarsson thinks the song had its success partly due to good timing and partly due to the fact that the song was brought to the attention of influential people in the media. This created a chain reaction leading to exposure in more media outlets and in online social networks where the label was already present. RMH aimed to take advantage of this and made sure to gain as much exposure through all types of channels as possible during this period.

According to Gunnarsson 90 per cent of their music is now communicated through the Internet. The website of Adam Tensta is described as the most important communication channel for the artist. It is designed as a blog which is constantly updated with music, news and film clips. Also, the aim is to connect as many social networks as possible through linking to them on the site (see appendix 3). In particular, Gunnarsson describes Adam Tensta's recent success in North America as a result of good publicity on blogs and YouTube. He remembers one American blog in
particular which brought several thousand views to Adam Tensta's video on youtube in a very short space of time.

The company also puts a lot of effort into networking with influential people. Maintaining good relationships with so called 'trend setters' and DJ's is described as vital and more important than having relationships directly with fans. However, Gunnarsson spends around 2-3 hours a day updating the webpage and responding to comments on it. At one point an e-mailing list was used, but this was discontinued as so many others were exploiting the same tool and the recipients stopped responding to them, however a digital newletter is still used occasionally. Gunnarsson thinks that an important aspect of online promotion is to constantly adapt to the development of social networks. Gunnarsson does not see specific social networks as permanent and points out that as more and more people learn how to use these for promotion, the more obsolete they become for the ones that have been using them the longest.

**La Vida Locash**

Hansson describes the label's communication as very dynamic but generally it’s centred on choosing what songs will be promoted, sending them out to the press, radio, TV and giving influential trendsetters exclusive previews. This also includes choosing which blogs that shall be approached with the music. The goal of their promotion is ultimately to make money, but Hansson does not point to any specific source of income. The label claims to never have spent a penny on advertising, but on a few occasions they have employed people to do promotion for them. La Vida Locash has made sure that all of their promotion is done inhouse and rarely outsources this type of work. Web-TV shows have also been used, and whenever the production part of the company makes any TV-shows it always makes sure to use the label's music. Also, their artist Kocky figured in adverts for clothing chain MQ in an effort to gain wider publicity.

La Vida Locash no longer produces any physical records, and out of all communicational activity Hansson estimates that 75 per cent is done over the Internet and 25 per cent using traditional media. One of the reasons for this is that the availability of statistics on the Internet allows for better follow-up on results than for example traditional channels such as TV. At one
point in the interview, Hansson describes both Radio and TV as a 'lottery' saying that you can never be sure of its effectiveness. Since a few years back, La Vida Locash has stopped releasing physical records and now only releases its music digitally. Personal relationships with people in the media is described as important and useful for the company's promotion. Due to his background as a journalist and therefore knowing the nature of the media, Hansson feels he has an advantage in maintaining these relationships. La Vida Locash still consider traditional media to be important for their communicational efforts but Hansson describes this type of promotion as more of a routine not involving that many challenges. However, he still highlights the fact that you can't make a journalist write about your music, the music also needs to carry quality. Although still accepting its importance, Hansson feels that traditional media isn't as powerful as it once was and thus its significance as a marketing channel has decreased. Previously, a larger part of La Vida Locash’s communication was done through traditional media, but because of these changes, online channels have become more significant. Even though La Vida Locash primarily targets a younger audiences, there has been occasions of promoting artists for a slightly older audience. In these cases Hansson describes traditional media such as newspapers and radio as being of a higher importance than usual.

Hansson describes La Vida Locash as being an Internet-based company already from it's conception, and therefore he does not see any drastical changes in the way they have promoted their artists and music during the last ten years. The main challenge has instead been to always make sure that they stay at the forefront and adapt to the changing online environment. La Vida Locash has allways seen music as something that should be free, the people employed and the artists signed come from a generation that has grown up with Internet and file-sharing. For this reason Hansson says the label has never had any problem adjusting to the changing structure of the record industry and they have never intended to try and work against it.

Hansson believes fewer people listen to radio and watch TV and in this sense, promoting music to blogs is more effective as blogs are dependent on content to survive and at the same time attract the right target audience for the music. La Vida Locash uses a large network of blogs which is constantly updated and used to home in on different target audiences depending on what artist is being promoted. The label is also very conscious of keeping a high profile in social
networks such as Twitter, YouTube, Facebook and Myspace, updating constantly. Hansson describes this as: 'Life is like a PR-machinery’, highlighting the importance of always letting people in on what the label is doing in the here and now. However, there is no frequent blogging by La Vida Locash or it's artists. One collective website is used for promoting La Vida Locash and its fleet of artists, in order to create publicity not just for the artist but for the label as well. Hansson thinks this gives strength to the brand as fans regardless of what La Vida Locash artist they listen to are attracted to the site, giving the label more exposure and strengthening its brand.

In the same way as RMH an effort has been made in order to connect different social media on the website (see appendix 4). A possibility for fans to sign up for a voluntary newsletter is also offered, and a digital music shop is present on the web site.
5. Analysis

This section provides an analysis of our findings against the background of the theoretical frame of reference.

5.1 Communication

As argued by Kotler et al (2008) the internet has caused companies to do less broadcasting and more narrowcasting in their promotion, meaning that they have moved away from mass marketing and have become more segmented. All of the smaller record labels interviewed have due to their niched genre of music and small size always been very narrow in terms of their promotion. As an example Daphne Records use the same narrowcasting as they did ten years ago, by sending records to relevant media channels and placing adverts in relevant magazines. However, nowadays they also utilize their web site more extensively. Serpentine also uses the method of narrowcasting by sending records to specific media outlets. As blogs have become increasingly popular on the internet over the years, both RMH and La Vida Locash have started using them to communicate their music to their specific target audiences. La Vida Locash have in addition to this systematically mapped out a network of blogs enabling them to know which ones to use depending on which specific target group they wish to reach. This is a good example of how the Internet can be used for more narrow and targeted efforts.

According to Pickton and Broderick (2005) the communications environment is changing due to new media channels emerging on the internet as well as the fragmentation of traditional media. This is also supported by the views of Yngen (2010) who points out that promotion in the past was more straight forward and conducted through fewer channels due to their effectiveness and measurability. Evident from our results is that promotion for smaller record labels is now done through a larger number of channels. This is because as well as still using traditional media channels, online alternatives are now also being used. RMH uses the services of an agent to manage a lot of their promotion through traditional media while La Vida Locash handles this on their own. Hansson at La Vida Locash sees promotion through traditional media as uncomplicated and as more routine than anything else. In its infancy, a larger part of La Vida
Locash’s promotion was done through traditional media but their online activities have become more significant due to traditional media’s decrease in influence, Hansson says. RMH and La Vida Locash put a significant amount of resources into their promotion over the Internet, spending several hours a day maintaining their online presence.

La Vida Locash points to the usefulness of online marketing in terms of the possibilities attaining statistics and feedback compared to traditional channels. Uddén at Daphne records has expressed doubts about paying for advertisements in magazines due to its immeasurability. The fact that measurability is something which is valued by these labels goes hand in hand with Kotler et al.’s (2008) theory that effective communications programmes must enable feedback collection.

5.1.1 Promotion mix / Integrated marketing communications mix

We have already established that all of the record labels that were interviewed use promotion in one shape or another to reach their target audience. The only company not to blend different techniques in its own efforts is Serpentine, which focuses entirely on achieving good public relations through sending their records out to the traditional media. However, using the broader integrated marketing communications mix perspective we see that the company also actively communicates with consumers through the packaging design of their records. Also one should bear in mind that as other communicational efforts are left in the hands of the artists, these might well as a whole communicate a message using a wide range of tools, including those which Serpentine assist, such as printing flyers etc.

None of the interviewed companies use personal selling in a strict sense and Daphne is the only company to use advertising consistently, while La Vida Locash prides itself on never having spent a penny on it. And, the only account we have of sales promotion is that of Daphne previously using point of sale visual displays in the shape of posters at record shops. Daphne is also the only company conducting any traditional direct marketing and this in the form of communicational flyers. Instead most of the companies’ efforts are centred on public relations and certain kinds of online promotion. This is contrary to Kotler et al.’s (2008) theory that most
resources for consumer marketing communication are spent on advertising and the least is spent on public relations (for online promotion see below at 5.1.3).

As said, a large part of the interviewed companies' communicational efforts centre around managing public relations. All of the companies send their music to people in key positions at various media outlets with the hope of gaining publicity in the form of positive reviews or airtime. RMH is the only label which employs an external promoter to manage its promotion through traditional media. This promoter also provides positive publicity through organizing press releases.

Although Hansson describes La Vida Locash as an Internet-based company it should be noted that he makes considerable efforts to maintain his relationships with influential people in the traditional media in order to get favourable publicity, pointing to the usefulness of his history as a journalist (for an example of how La Vida Locash uses PR, see appendix 5).

In order to maintain a high public profile and good public relations for RMH artist Adam Tensta when his hit single gained momentum a lot of focus was put on making sure he appeared in as many public circumstances as possible making exposure they key objective in the labels promotion. Both RMH and La Vida Locash are also conscious about getting good publicity through prominent bloggers. When it comes to Product placement La Vida Locash stands out as most active in pursuing this, always using its music in other productions as much as possible. They also associated their artist Kocky with clothing chain MQ through an advert which featured the artist and his music in order to gain a wider publicity.

As our findings show, considerable time and effort is put into public relations techniques that might not be financially expensive, but as Pickton and Broderick (2005) point out are still costly in terms of working hours.

When Gunnarsson describes that ‘everything RMH does is promotion’, and Hansson says ‘life is like a PR-machinery’, this goes hand in hand with DeLoziers theory that a company communicates through all its actions, not just those that are considered to be specifically
communicational in the traditional meaning of the word. Therefore all of the companies can be said to use packaging to communicate through the design of their record sleeves, be it in physical or digital form. This is also true for logotypes and the image and style of the artists.

5.1.2 Push and Pull strategies

As argued by Kotler et al., (2008) a company's promotion is influenced by whether they decide to use a push strategy, a pull strategy or a mix of both to reach their customers with their products. Pull seems to be the predominant strategy amongst the labels interviewed. All four companies use pull strategies to some extent where as only two employ push strategies. Daphne is the most reliant on its distributors for promotion. There has been one example of sales directly to customers through email, creating more 'pull', but this was discontinued. Instead, much of Daphne’s promotion has been left to its distributor and retailers of its music, pointing to more of a push strategy for the company. As the number of physical record shops have rapidly decreased and moved online Daphne still leaves part of their promotion to retailers but instead of sending out posters to retailers they now use their website to redirect customers to the online record shops. Daphne indirectly uses a pull strategy in that it sells off records to its artists that they in turn promote directly to fans of their music. RMH and La Vida Locash show tendencies of using more of a pull strategy in their promotion, although RMH still relies on its distributors for its physical records for promotion as well. Both labels are very active in building their label's brand not necessarily putting all effort into just promoting its music and artists. As a result, much concentration is put into gaining a lot of exposure and the promotion of the brand is integrated in the promotion of its music. For the labels that are highly active on the internet we have found that the need for third party distribution is of less importance. Of course, if third party distribution channels are not used, this makes the use of any push strategies pointless. Logically, these companies are instead focusing on pull strategies. This is contrary to Kotler et al. ’s (2008) view that consumer-goods companies are now shifting towards focusing more on push strategies. However, as push strategies are pointless if no third party distribution channels are used, the use of pull strategies are only natural, and therefore this contradiction to theory is not particularly noteworthy.
5.1.3 Online Marketing

In the sense that all its communicational efforts on behalf of its artists are done offline in traditional ways, Serpentine records can be seen as a so-called ‘brick-and-mortar’ company. None of the companies are truly ‘click-only companies’ as they all use traditional communicational activities as well as online tools. This makes them so-called ‘click-and-mortar’ companies with varying degrees of online activities. Neither RMH nor La Vida Locash are spending much financial resources on online marketing. However, just as with public relations, they are both investing considerable amounts of time in their efforts. This is comparable to Pickton and Broderick’s conclusion that although online promotion in a direct way often is cost free; it can become costly indirectly through the hours spent on doing it to stand out amid the clutter. On the other hand, as opposed to financial strength, time is something that these smaller companies have access to, alluding to Pickton and Broderick’s idea that the Internet might be ‘levelling the playing field’.

In the same way as Daphne, La Vida Locash uses only one common website for all of its artists, with outspoken objective of building their own brand image as well as their artists. Notably none of the interviewed companies uses e-mailing lists, with Daphne, RMH and La Vida Locash all pointing to its ineffectiveness and the negative connotations this can invoke. However, La Vida Locash uses permission based e-mail marketing by offering the possibility for fans to sign up for a voluntary newsletter on their web site. RMH and La Vida Locash make extensive use of Social Networks in their online promotion. Both labels keep a high profile on several networks at once, updating these several times daily to give themselves as much exposure as possible. La Vida Locash use of Web TV in order to get attention is a good example of viral marketing with the aim of creating a word-of-mouth effect. In a sense, many of the public relations techniques mentioned earlier that are used by the companies carry viral aspects, as they are done in an online environment with the purpose of creating a word-of-mouth effect.
5.2 Managing innovation

As argued by Tidd and Bessant (2009) managing innovation is about entrepreneurship and exploiting opportunities and how well companies adjust to innovation has a direct impact on their market and financial performance. When it comes to managing the innovation of the Internet different trends can be distinguished among the record labels interviewed in terms of how they have adjusted their promotion to an online environment. Daphne records use of the internet for promotion is limited but is increasing - it has recently spent a significant amount of resources in launching a brand new website for the company. Uddén claims he still needs to acquire more knowledge about computers and the Internet before he can start using it properly and one of the main challenges for Daphne’s promotion in the future will be adjusting to the online environment, he says. Previously poster advertising in record stores was used by the label, however this has stopped as the number of physical record stores has diminished. Instead a new web site is used with links to online record retailers. In a way this highlights how Daphne has been forced to adapt to the changed environment the Internet has brought. Instead of traditional advertising at the point of sale they now have to deal with customers that actively can seek out information on their own. However, the company still focuses on a push strategy for its products, leaving a lot of the promotion to its distributors.

Hansson claims that La Vida Locash has never tried to counteract the impact which the internet has had on the record industry and but has always strived to work with its development. The label has taken advantage of the increasing number of blogs by using them in their promotion and has over the years created a network of blogs which they update constantly. RMH and La Vida Locash make very extensive use of the internet and both labels keep a very high profile in as many social networks as possible. To maintain this exposure a lot of time is spent on updating profiles on the sites but the main challenge, according to both representatives, lies in being attentive of the next big social network as this environment is constantly changing.

There seems to be correlation between the style of music and the level of online activities, with these two companies focusing entirely on modern popular music in contrast to the others. Connected with this are the companies’ target groups, with both RMH and La Vida Locash
obviously targeting people more inclined towards modern popular music unlike Serpentine and Daphne. There could be alternative explanations for this such as certain labels lack of knowledge about how to use the Internet for communicational purposes and this is exemplified by Uddén at Daphne who expresses a desire to acquire more knowledge about how to use the Internet.

6. Conclusions

The purpose of this study has been to, through a case study, analyse how the Internet is affecting smaller independent record labels' communicational efforts, and if these companies are dealing differently with this technological change.

We see tendencies of communicational efforts directed towards fans of popular music genres being more focused on the Internet than those of other genres and from this we can draw the conclusion that there are indications of the extent of online communication varying depending on the target group of the label. However, even for labels not too concerned with online promotion, we see tendencies of the Internet having an indirect effect on their promotion, for example decreasing the effectiveness of using sales promotion in physical record shops. For those labels that keep a high online presence, communicational efforts are being adapted to a more active consumer. Even in other cases where the online presence is not as high, we see tendencies of adjustment to this change of the role of the consumer.

Our research indicates that smaller independent record labels are spending less money than time on online promotion. The online environment is quickly changing and this has required those smaller independent record labels active on the internet to stay up to date, mainly through updating their network of contacts and being attentive of the next big online trend. The labels that use the internet extensively for marketing communications are constantly adjusting and being attentive of its developments. The number of social networks are increasing and with it the presence of smaller independent record labels. Social networks have become central to the online promotion of smaller independent record labels and the amount of time spent to maintain these is steadily increasing. And, as time rather than financial muscle is required on the Internet perhaps
this explains how these smaller companies’ manage to compete with major labels, with the success of Adam Tensta at RMH perhaps being the best example.

Even with online promotion increasing, traditional media channels are still far from being replaced. Instead we see that labels still maintain many of their activities involving traditional channels, often parallel to increasing their online activities. This means that the number of communication channels used is increasing, possibly requiring even more effort from labels in the future to stay visible in more than one place at the same time. On this point it could be said that if accepting the Internet as a part of everyday society, it becomes only natural that various online as well as offline communication channels affect and interconnect with each other.

Finally the research has shown that for the smaller independent record labels focusing on the genre of popular music, the primary objective of their communicational efforts is not to sell records. Rather, due to the Internet’s negative effect on record sales, the objective is to gain revenue from alternative sources, such as live concerts and merchandise.

In summary, the Internet is affecting the communicational efforts of some more than others, be it directly or indirectly. Those labels that have a high online presence also spend a substantial amount of time keeping up to date with changes in the online environment as well as gaining as much exposure as possible, whilst still maintaining the use of traditional media channels in their communication.

6.1 Suggestions for further research

During the course of the research many interesting topics for further research have been found and discussed. Having acquired more knowledge of how smaller independent record labels use the Internet to promote themselves, we feel that it would be possible and interesting to conduct large scale survey with the same research problem. This would give a larger base of results for analysis and conclusions. Also, it would be interesting to use the same research problem on the four major record labels to see if there is a difference in how the Internet has affected their communicational efforts, bearing in mind their size, organisation and financial situation.
References

*Literature and chapters in books*


**Articles**


**Newspaper articles**


**Web sites**


**Speeches**


**Interviews**


**Case study interviews**

Hansson, T., 2010, founder and owner of La Vida Locash, 6 May 2010, Stockholm. Personal interview.


Appendices

1. Plan of interview questions

Intervjuplan

Hej! Innan vi börjar intervjun vill vi veta om det är okej att vi spelar in vår konversation och har vi tillstånd att använda ditt namn i våran uppsats?

Bakgrund

Kan du berätta lite om dig själv och din bakgrund inom musikbranschen?

Kan du berätta om din roll i företaget?

Hur länge har du arbetat på skivbolaget?

Kan du berätta närmare om skivbolagets verksamhet?

Hur länge har ni funnits?

Inriktar ni er på någon specifik musikstil?

Hur många anställda har ni och hur stor är eran omsättning?

Kommunikation

Hur marknadsför ni er?

Kan du ge några konkreta exempel?

Har detta förändrats med tiden?

Kan du ge några konkreta exempel på hur det såg ut för 10 år sedan?

Vilka skillnader ser ni i er marknadsföring idag jämfört med för tio år sedan.
Hur har den förändrats under tidens gång?

Kan du ge några konkreta exempel på hur er marknadsföring såg ut för tio år sedan?

Skulle du kunna beskriva själva marknadsföringsprocessen vi lanseringen av en artist? Ett album? En låt?

Hur har denna process förändrats med tiden?

Kan du ge några konkreta exempel på hur det såg ut för 10 år sedan?

Hur påverkas er marknadsföring av den korta produktlivscykeln som råder inom musikbranschen?

Hur har denna process förändrats med tiden?

Kan du ge några konkreta exempel på hur det såg ut för 10 år sedan?

Vad är målet med er marknadsföring?

Har detta förändrats med tiden?

Kan du ge några konkreta exempel på hur det såg ut för 10 år sedan?

Hur kommunicerar ni ert budskap till konsumenter och kunder? Kan du ge några konkreta exempel?

Har detta förändrats med tiden?

Kan du ge några konkreta exempel på hur det såg ut för 10 år sedan?

Hur gör ni för att dra till er uppmärksamhet?

Har detta förändrats med tiden?

Kan du ge några konkreta exempel på hur det såg ut för 10 år sedan?

Hur urskiljer ni er från andra i er kommunikation?
Har detta förändrats med tiden?

Kan du ge några konkreta exempel på hur det såg ut för 10 år sedan?

Vad avgör ert val av kommunikationskanal? Vilka faktorer spelar in?

Har detta förändrats med tiden?

Kan du ge några konkreta exempel på hur det såg ut för 10 år sedan?

Hur hanterar ni er relation till media?

Har detta förändrats med tiden?

Kan du ge några konkreta exempel på hur det såg ut för 10 år sedan?

Vad gör ni för att sälja mer musik?

Har detta förändrats med tiden?

Kan du ge några konkreta exempel på hur det såg ut för 10 år sedan?

Målgrupp

Vilka vänder ni er till?

Har detta förändrats med tiden?

Kan du ge några konkreta exempel på hur det såg ut för 10 år sedan?

Skiljer sig er marknadsföring beroende på vilken målgrupp det gäller?

Har detta förändrats med tiden?

Kan du ge några konkreta exempel på hur det såg ut för 10 år sedan?

Vidtar ni några specifika marknadsföringsåtgärder för existerande kunder/fans?
Har detta förändrats med tiden?

Kan du ge några konkreta exempel på hur det såg ut för 10 år sedan?

**Vidtar ni några specifika marknadsföringsåtgärder för potentiella kunder/fans?**

Har detta förändrats med tiden?

Kan du ge några konkreta exempel på hur det såg ut för 10 år sedan?

**Ekonomi**

Hur mycket resurser lägger ni på promotion i relation till er budget?

Har detta förändrats med tiden?

Kan du ge några konkreta exempel på hur det såg ut för 10 år sedan?

Hur fördelar ni de resurser ni avsatt för marknadsföring?

Har detta förändrats med tiden?

Kan du ge några konkreta exempel på hur det såg ut för 10 år sedan?

**Övriga frågor**

Hur står ni er på kommunikationsområdet jämfört med era konkurrenter?

Vilka utmaningar ser ni i sättet att marknadsföra er?

Vad anser du är viktigast när man vidtar marknadsföringsåtgärder?

Sett från ett 10 års perspektiv, vilka faktorer anser du har påverkat er marknadsföring mest?

Kan vi få återkomma?
2. Daphne Records web site (www.daphne.se)
3. Adam Tensta web site (www.adamtensta.com)

May 15 / Trondheim
Riks - Mabieletten.

May 24 / Stockholm
Maktrabarn - Berna.

May 28 / Umeå
Rådhustorget.

June 5 / Piteå
TBA.

June 10 / Norrtälje
Norrtälje Ungdomsgården.

June 11 / Stockholm
Café Opera.

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St. John's Dance - Are you infected?
May 14th, 2013 summer 3

Headbanging, spasms, uncontrollable body movements. The plague is spreading.
Right now it's contained to Scandinavia but reports have been coming in from
countries as far away as the Czech Republic and France. Soon there will be no
stopping it.

#areyouinfected?

St. John's Dance - Infected #7-8.
4. **La Vida Locash Web site** ([www.lavidalocash.com](http://www.lavidalocash.com))
5. How La Vida Locash uses PR

Det slutna begreppet klubb får i La Vida Locashs händer nytt liv.

BJUDPIZZA, färsk mixar och en övervåning på Landet fyllde av 20 åringer med en enorm kärlek till det uppdaterade dansgulvet. Men La Vida Locash är så mycket mer. Nästan ett små imperium, lett av Tobias Hansson. La Vida Locash är skivbolaget som sajnat Lo-Fi Fnk och nya snackisen Kocky. De är en videoblogg, och snart också ett klädmarke.


Och ibland gratis pizza.