Examining Internet and E-Commerce Adoption in the Music Records Business
A case study of the Ghana’s HiLife and Gospel songs

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ABSTRACT

Context: Information Communication Technologies (ICT) and its related applications are increasingly penetrating all spheres of individual, organizational, and societal aspects of everyday life in the developing economies and Africa as well. The Internet is emerging as an important technology for commerce and business. The employment of Internet based technologies and applications in music service both in online sales and marketing of music records and digital music service is significantly altering the approach that traditional commerce is done. It eliminates all geographical bottlenecks, allowing the establishment of virtual outlets and presence throughout the world, and permits direct and instant foreign market entry to less known artistes and music records businesses.

Objectives: In this study, I investigate the state of internet and e-commerce adoption in the music record business in Ghana. I seek to find out the reasons for the adoption of e-commerce platform within the music industry and to assess the challenges confronting the adoption of e-commerce.

Methods: We conducted a Literature Review to get an overview of the music industry as a whole, and also to describe the diffusion of e-commerce technologies in music services. We use qualitative research approach to collect data and to identify reasons for the adoption of e-commerce platforms primarily among consumers and retailers of the music services. We conducted interviews with musicians and managers of record companies were conducted to ascertain their reasons for using or non using e-commerce technologies, and identify prospects and challenges confronting its adoption within the industry.

Conclusion: The evaluation from musicians, consumers and other key players indicated their willingness to go for the e-commerce platforms in music service delivery. However, they are challenged by poor infrastructures, unsettled issues of monetization of music contents coupled with high digital gap among the citizenry. Prevailing government efforts contribute nevertheless in closing the digital disparity among the populace, and Telecom and ISPs improvement in service delivery give an outlook of full realization of the goal of e-commerce adoption in the music industry in Ghana.

Keywords: electronic commerce adoption, internet, music, music record business
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CHAPTER ONE

1.0 Introduction

1.1 Background to the study

The music sector is among the fastest growing export sectors of the global service economy (UNCTAD, 2002). Graham, Burnes & Hardaker (2002) report that the global music market is worth approximately US$40 billion, and that it employs approximately 600,000 persons in the European Union alone. The music industry offers important new trading opportunities, and in many developing countries, the significant potential of music export earnings is increasingly recognized, in addition to employment creation and promotion of national culture (ECA, 2001). Furthermore, there are strong complementary links to other sectors, most notably tourism, hospitality and the entire multimedia spectrum. The importance of music as a cornerstone of cultural life in developing countries is well understood. UNCTAD (2002) reports that in long-established local culture, production of local popular music has grown from its roots. It has emerged in many countries in the developing world to become a significant economic industry through the wider spread of live music practice, local and national broadcasting, the establishment of a domestic recording industry and eventually, for some participants, access to the international music market through the internet.

Over the last decade, phenomenal technological advances in digital technologies and commerce have enabled the internet to become an efficient medium for accessing music – both by streaming or downloading it directly, and by acquisition of CDs and cassettes from online retailers (Graham et al., 2002). UNCTAD (2004) defines electronic commerce, or e-commerce, as referring to all aspects of business that is conducted over the internet. This includes all goods and services delivered over the internet, including music, as well as goods delivered in more traditional ways. E-commerce in the music industry creates the potential for disintermediating the traditional value chain of the sound recording industry, providing new opportunities for artists and music consumers to directly interact and trade in recorded music (UNCTAD, 2004).
For smaller producers and artists from the developing world with limited financial means, these developments represent major new trading opportunities. Internet-based electronic commerce provides indeed better availability of information, lower transaction, production and distribution costs, easier market entry, improved customer service and extended geographical coverage. As in trade in other types of services, it is expected that these will be translated into significantly higher profits owing to lower costs of production and increased introduction of innovative new products and services. Production of music for economic gain can indeed provide a relatively accessible avenue for individuals and groups to move into the cash economy. In turn, these will be expected to lead to increased economic growth and welfare for all concerned, and most of all for consumers.

Similarly, by communicating worldwide directly with the core audience via a website and regular e-mail newsletters, artists are gradually either to entirely bypassing record companies in the product route of their phonogram release – or at least improving their bargaining position with the companies. By self-financing the production and marketing via the internet, or by acquiring the necessary financing directly from the fans, artists are gradually retaining the copyright of the sound recording and thus ensuring higher returns per unit sold and greater control over the use of their recordings (Kretschmer & Wallis, 2000).

However, many challenges remain. The unregulated nature of the Internet environment has serious implications for trade expansion. Most significantly, piracy or illegal transmission of music without adequate copyright payments, or pricing policies, represents immediate challenges (Graham et al., 2002). The World Intellectual Property Organization (WIPO) is currently working on the harmonization and development of new international treaties in the area of international licensing in a new digital environment. However, the national treatment of copyright infringement over the internet remains uncharted (Picard, 2002).

In Africa, music artists have traditionally needed record company financing for the production, marketing and distribution of a sound recording. In many countries, small-
scale recording companies have sprung up over the years, serving local broadcasting networks and retail outlets. Since there is often no effective copyright regime in force, the costs to users have been quite small, and the returns to composers and performers of the music have been constrained (ECA, 2001). Even though technological innovation in the music industry in Africa is still at the embryonic stage, many artists have been able to substantially benefit from the internet as communication and marketing medium. Electronic commerce in the music industry therefore represents for African artists, a rare opportunity for technological leapfrogging and a portal into the new knowledge-based global economy to lower transaction costs of doing business, greater numbers of buyers, subscribers and sellers, larger purchases per transaction, integration into business cycles, business reengineering, larger catalogues and improved customer interactions.

However, for e-commerce to become an open route for the distribution of music in Africa, Graham et al. (2002) recommend that record companies and societies of artists and composers need to have complete confidence in the medium. Copyright laws should also be revised to inculcate e-commerce and internet streaming and downloading of music. ECA (2001) reports that the challenges confronting e-commerce in the music industry of Africa include small internet infrastructural base to support the course, poor telecommunication network capacity for music data transmission and reluctance of record companies to invest in the e-commerce sector for fear of going out of business. Others include weak copyright laws to protect stakeholders, high illiteracy in information and communication technology among the people and high rate of music piracy.

Ghana has many styles of traditional and modern music, due to its multiplicity of ethnic groups and its cosmopolitan geographic position in West Africa. The best known modern genre that originated in Ghana is highlife. Gospel music emerged from the highlife in the 1980s when many people were converted to Christianity. By the late 1990s, a new generation of artists discovered the so called hiplife. Hiplife basically is hip hop in the Ghanaian local dialect backed by elements of the traditional Highlife. Since the last decade, the Ghanaian music industry has witnessed a lot of technological innovations ranging from cassette recordings, audio CDs recordings, massive video
recordings and digital music. The industry is gradually transiting from over reliance on record companies to a situation where artists can have direct contact with the consumers to reduce bottlenecks and prices in the value chain of their music as well as maximise profits. This is made possible as a result of the advent of the internet as an efficient medium for communication and marketing of music.

Currently, several small and medium scale enterprises (SMEs) have entered into the music industry to showcase the rich Ghanaian music on the international front. Some recording companies, for fear of getting relegated from the music industry, have also begun online sales. This is boosting the sales of Ghanaian music especially hiplife and gospel both locally and abroad.

1.2 Problem statement
The adoption of e-commerce technology in the sale of music is perceived as a major boost to the development of the entire music industry. It is believed that the internet will open up the possibility of global reach and opportunities for market expansion without going through the major distributors. At the same time there are growing concerns about the increasing threat of piracy and the need for new legislation at the international level to ensure that full benefit is derived from these technologies.

While some industry specialists claim that the internet will redefine the entire global music business, others are less optimistic about its real chances of replacing the traditional music markets (Kretschmer, Klimis & Wallis, (2001)). Successful international licensing over the internet will largely determine the outcome of the debate. In either case, few dispute the emerging importance of e-commerce in this sector and the need to prepare for the new digital economy, including those in the developing world, where this sector is yet to take the central stage.

Music record marketing in Ghana is gradually shifting from the traditional record companies and their distribution channel to internet base. This gradual drift is attributed to perceived opportunities artists and other stakeholders intend to benefit from. The shift
towards e-based sale of music products however, does not correspond with the rate at which internet infrastructural expansion is taking place in terms of expanding the coverage and capacity to handle large volumes of audiovisual data efficiently. Borzekowski, Fobil & Asante (2006) report that about 2.5 million approximately (11%) of the people of Ghana have access to the Internet, and that internet coverage increases annually by an average of 13.7 percent. The implication is that many local fans are likely to be cut off from the sale of music recordings while small capacity of the local ICT infrastructure is likely to frustrate prospective buyers. There is therefore the need to examine the prospects and challenges on the move towards e-commerce.

1.3 Research objectives
The general objective of this research is to examine the prospects and challenges of the adoption of e-commerce in music records.

The specific objectives are to better understand the:
1. state of e-commerce adoption in music record business in Ghana
2. challenges confronting the adoption of e-commerce in the music business in Ghana

1.4 Research questions
The study seeks to find answers to the following questions:
1. What are the reasons for the adoption or non adoption of e-commerce in the music industry in Ghana?
2. What are the prospects of e-commerce in the music business in Ghana?
3. What are the obstacles and risks confronting the adoption of e-commerce by the music business in Ghana?

1.5 Rationale for the study
The music industry is an essential sector of the society as it helps to promote the culture, hospitality and values of the country and at the same time tourism. Consequently, any
technological change that is likely to have significant impact on this industry is worth researching into. Similarly, the adoption of e-commerce as a medium of exchanging goods and services is a critical technological innovation that is taking the central stage in global business.

The findings of this study could arouse policy makers to prepare policy guidelines and laws to regulate activities in music e-business. It will also give a clear direction as to how e-commerce in the music industry should be handled to benefit all stakeholders while preserving the culture and values of Ghanaians as well as sustain its strength in promoting tourism and the hospitality industry. Similarly, the findings of this study will benefit academicians and will serve as a foundation for further studies.

1.6 Scope of the study
The study focuses on all stakeholders in the industry of hiplife music style and gospel songs. Hiplife is defined as hip hop in local dialect backed by elements of highlife. Gospel song is any song that shares in the values of the Christian religion. Stakeholders include musicians, producers, distributors and consumers of hiplife and gospel music.

1.7 Limitation of the study
The study is constrained by time and financial resource. The tight work schedules of record companies and music artists made it difficult to have lengthy interviewing sessions.

1.8 Research Approach
The study adopted the qualitative method research design as its primary approach to collecting and analyzing data. According to Johnson & Onwuegbuzie (2004), qualitative method research design is a type of research approach in which the research is not presented as representative but as offering people’s reflections or perspectives on an issue or experience. It is traditionally conducted via interviews or observations. Data is analyzed by themes drawn from respondents’ descriptions. It is also referred to as ‘interpretive’ and ‘grounded’ research approach.
1.9 Population
The study population comprised the musicians, record companies, retailers and consumers. These actors were selected because they play significant roles in the music industry. In other words, these actors form a chain from music composition through its marketing to consumption.

1.10 Data collection
The study employed survey data collection method. According to Biemer & Lyberg (2003), survey method is used to study the sample of individuals from a population with a view towards making statistical inferences about the population using the sample. The survey method was used because it was less costly and ensures standardisation of measurements. However, De Leeuw (2005) argues that the survey method relies too much on participants’ perceptions rather than reality.

Questionnaires were designed and administered to managers of record homes, retailers, and consumers of music record labels since they were easier to locate and also constituted 80% of the sample size gathered for the study. The instrument was structured into four sections. The first section was on the background characteristics of the respondents, second section was on the reasons for the adoption of e-commerce in the music record business, the third section was on the prospects of e-commerce in the music business and the forth section was on the challenges confronting the adoption of e-commerce in the music business.

The background section considered issues such as sex, age and educational level of respondents. The section on the reasons for the adoption of e-commerce in the music record business captured issues such as reduction in transaction cost, bringing innovation in the sales of music and having access to the global market. Issues considered under the prospects of e-commerce in the music business include the more record companies subscribing to e-commerce, improved security system to reduce pirating and building infrastructure to support e-commerce. The fourth section considered issues such as
increasing music pirating, poor telecommunication infrastructure to support e-commerce and less popular among the consumers.

Both closed-ended and open-ended questions were used in the instruments. However, majority of the research items were closed-ended questions. The closed-ended questions were used to guide the respondents in the selection of answers, whereas the open-ended questions were used to seek the views and reasons for issues.

Interview schedules were used as the instrument to collect data from the musicians or artistes, the remaining the respondents’ group of our study. We made use of telephone interviews. The use of telephone interviews for the musicians was due to their busy schedules and difficulties in locating them.

1.11 Organization of the study
The study is organized into five chapters. The first chapter introduces the background to the study, the problem statement, the research objectives and questions, the rationale and scope of the study. The second chapter reviews literature on relevant theories for the study, and presents concepts and issues on e-commerce and music. Chapter Three is dedicated to the methodology. It describes the processes by which the study was carried out to obtain its findings. It includes a description of the music industry, study design, study population, sample and sampling techniques, instrument design, method of data collection and data management.
Chapter Four focuses on results and discusses the findings. Interviews data is analyzed and discussed in light of the research objectives. The final chapter will summarize the study findings and provide conclusion for the entire study and give recommendations on how e-commerce could enhance the sale of music records.
CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction
This chapter reviews literature on the theories and concepts related to electronic commerce and music. It includes a theoretical framework, concept of e-commerce, accessing music through the internet, overview of the music industry, challenges confronting e-commerce in the music industry, technical change and the music industry, diffusion of e-commerce in the music industry of developing countries, Challenges confronting e-commerce in the music record industry, and background of Ghana’s music.

2.1 Theoretical framework
I present here two theories: the innovation diffusion model and the transaction cost theory. These theories seek to provide explanations to why, how and the rate of technological spread such as the introduction of e-commerce in the music industry which is aimed at reducing cost and time, promoting convenience and flexibility in accessing music. The innovation diffusion model is used to explain the study because the infusion of e-commerce in the music industry is perceived as technological innovation aimed at modernising and promoting the music industry. Diffusion of innovation is a theory that seeks to explain how, why, and at what rate new ideas and technology spread through cultures and industries. Rogers (1983) defines diffusion as the process by which an innovation is communicated through certain channels over time among the members of a social system. The origins of the diffusion of innovations theory are varied and span multiple disciplines. Rogers (2003) proposes four main elements that influence the spread of a new idea:

1. Innovation – an idea, practice, or object that is perceived as new by an individual or other unit of adoption,
2. Communication channels – means by which messages get from one individual to another,
3. Time – speed with which an innovation is adopted by members of a social system,
4. Social system – a set of interrelated units that are engaged in joint problem solving to accomplish a common goal.

That is, diffusion is the process by which an innovation is communicated through certain channels over time among the members of a social system. According to Wejnert (2002), diffusion of innovations between individuals progresses through five stages:

1. **Knowledge** – the individual is first exposed to an innovation but lacks information about the innovation. During this stage of the process the individual has not been inspired to find more information about the innovation.

2. **Persuasion** – the individual is interested in the innovation and actively seeks information/detail about the innovation.

3. **Decision** – the individual takes the concept of the change and weighs the advantages/disadvantages of using the innovation and decides whether to adopt or reject the innovation.

4. **Implementation** – the individual employs the innovation to a varying degree depending on the situation. During this stage, the individual determines the usefulness of the innovation and may search for further information about it.

5. **Confirmation** – the individual finalizes his/her decision to continue using the innovation and may use the innovation to its fullest potential.

If the innovation is adopted, it spreads via various communication channels. During communication, the idea is rarely evaluated from a scientific standpoint; rather, subjective perceptions of the innovation influence diffusion. The process occurs over time. Finally, social systems determine diffusion, norms on diffusion, roles of opinion leaders and change agents, types of innovation decisions and innovation consequences.

Rogers (2003) defines an adopter category as a classification of individuals within a social system on the basis of innovativeness. Rogers suggests a total of five categories of adopters in order to standardize the usage of adopter categories in diffusion research. The adoption of an innovation follows an S-curve when plotted over a length of time. The categories of adopters are:
1. Innovators – innovators are the first individuals to adopt an innovation. Innovators are willing to take risks, youngest in age, have the highest social class, have great financial lucidity, are very social and have closest contact to scientific sources and interaction with other innovators.

2. Early adopters – This is the second fastest category of individuals who adopt an innovation. These individuals have the highest degree of opinion leadership among the other adopter categories. Early adopters are typically younger in age, have a higher social status, have more financial lucidity, advanced education, and are more socially forward than late adopters. More discrete in adoption choices than innovators.

3. Early majority – individuals in this category adopt an innovation after a varying degree of time. Early majority tend to be slower in the adoption process, have above average social status, have contact with early adopters, and seldom hold positions of opinion leadership in a system.

4. Late majority – Individuals in this category will adopt an innovation after the average member of the society. These individuals approach an innovation with a high degree of skepticism and after the majority of society has adopted the innovation. Late majority are typically skeptical about an innovation, have below average social status with very little financial lucidity, they are in contact with others in late majority and early majority, and have very little opinion leadership.

5. Laggards – Individuals in this category are the last to adopt an innovation. Unlike some of the previous categories, individuals in this category show little to no opinion leadership. These individuals typically have an aversion to change-agents and tend to be advanced in age. Laggards typically tend to be focused on “traditions”, likely to have lowest social status, lowest financial fluidity, be oldest of all other adopters, and are in contact with only family and close friends, with very little to no opinion leadership.

The transaction cost theory, on the other hand, deals with asset specificity, overall cost advantage, the threat of opportunistic vendor behavior, and the complexity of the transaction (Bahli & Rivard, 2003). This theory was adopted because the introduction of
e-commerce in the music industry is aimed at reducing cost and time, promoting convenience and flexibility in accessing music. The theory aims at reducing costs of manpower, supplies and maintenance. The transaction cost theory (TCT) perspective is useful in examining the contributions to transaction costs, and how these might be reduced. With TCT, a more conventional economic approach is used whereby organizations may buy from the market, or develop in-house, but the decisions are based on the relative cost, cost of production, and cost of the transaction of the exchange (Kern, Kreijger & Willcocks, 2002).

The unit of analysis in TCT is transaction, which occurs when a good or service is transferred across a technologically separate interface (Bahli & Rivard, 2003). Transactions costs arise for ex-ante reasons (drafting, negotiating, and safeguarding agreements between the parties to a transaction) and ex-post reasons (quibbling, haggling, establishment, operational and bonding costs). Decision-makers weigh up the production and transaction costs associated with executing a transaction within their firms versus the production and transaction costs associated with executing the transaction in the market. In commerce, TCT is used to reduce operational costs that arise through increased manpower and outlets in the attempt to extend markets to the international level (Khalfan, 2004).

2.2 The concept of e-commerce

Electronic commerce, commonly known as e-commerce, is about doing business electronically. E-commerce involves buying and selling products or services over electronic systems such as the internet and other computer networks. It is based on data processing and transmission, including text, sound and video. According to Christens & Tedlow (2000), e-commerce encompasses many diverse activities including electronic trading of goods and services, online delivery of digital content, electronic fund transfers, electronic share trading, electronic bills of lading, commercial auctions, online sourcing, public procurement, direct consumer marketing and after-sales service. The amount of trade conducted electronically has grown extraordinarily with widespread Internet usage.
E-commerce is spurring and drawing on innovations in electronic funds transfer, supply chain management, internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern e-commerce typically uses the World Wide Web at least at one point in the transaction's life-cycle, although it may encompass a wider range of technologies such as e-mail, mobile devices, smartphones and telephones as well.

A large percentage of electronic commerce is conducted entirely in electronic form for virtual items such as access to premium content on a website, but electronic commerce involves mostly the transportation of physical items in some way. Chaudhury & Jean-Pierre (2002) states that online retailers are sometimes known as e-tailers and online retail is sometimes known as e-tail. Almost all big retailers are now electronically present on the World Wide Web.

Electronic commerce that takes place between businesses is referred to as business-to-business (B2B). B2B can be open to all interested parties (e.g. commodity exchange) or limited to specific, pre-qualified participants (private electronic market). Electronic commerce which involves individuals selling to individuals is referred as consumer-to-consumer (C2C). This often takes the form of an electronic version of the classified ads or an auction. Electronic commerce that takes place between businesses and consumers, on the other hand, is referred to as business-to-consumer (B2C). This is the type of electronic commerce conducted by companies. Online shopping is a form of electronic commerce where the buyer is directly online to the seller's computer usually via the internet. There is often no intermediary service involved, and the sale or purchase transaction is completed electronically and interactively in real-time. However in some cases, an intermediary may be present in a sale or purchase transaction, or handling recurring or one-time purchase transactions for online games.

Chaudhury & Jean-Pierre (2002) indicate that electronic commerce is generally considered to be the sales aspect of e-business. It also consists of the exchange of data to facilitate the financing and payment aspects of business transactions. E-commerce has
grown in importance as companies have adopted pure-click and brick and click channel systems. The distinction between pure-click and brick and click channel system adopted by companies is as follows:

- Pure-click companies are those that have launched a website without any previous existence as a firm. It is imperative that such companies set up and operate their e-commerce websites very carefully. Customer service is of paramount importance.
- Brick and click companies are those existing companies that have added an online site for e-commerce. Initially, Brick and click companies were skeptical whether or not to add an online e-commerce channel for fear that selling their products might produce channel conflict with their off-line retailers, agents, or their own stores. However, they eventually added internet to their distribution channel portfolio after seeing how much business their online competitors were generating.

### 2.2.1 Accessing music through the Internet

According to Kretschmer, Klimis & Wallis (2001), the internet provides two main ways by which music can be accessed. The first is via downloading of files, an activity which may be authorized (if the source is the owner of the rights in the music, who is making it available for downloading for appropriate payment or free of charge) or unauthorized (if the transfer occurs without the rightsholder's knowledge or approval). A particular case of the latter is so-called peer transfers (peer-to-peer) where users swap files amongst themselves via email, Bluetooth devices and transferring data from one computer to the other.

The second means of accessing music on the internet is by streaming. This may be non-interactive, i.e. as “webcasting”, where consumers can listen to music via the web but without being able to choose. This form of transmission is similar to broadcasting by radio. Alternatively, streaming may be interactive, whereby users can choose what they consume, in the same way as they can choose discs in a record store. Downloaded files can be stored on a personal computer’s hard drive, or can be transferred to a personal “music locker” on a remotely accessible server.
Kretschmer et al., (2001) report that transmission and storage of music files on the internet has been greatly enhanced by the introduction of MP3, a compression program which reduces the size of digital audio files, making them quicker and easier to distribute and store. Unlike earlier formats, MP3 does not require dedicated sound reproduction equipment to enable the consumer to listen to the music. Moreover, MP3 files do not require advanced facilities for their transmission; they can be sent to and from computers and accessed on the internet via ordinary narrowband telephone lines.

2.3 An overview of the music industry

The music industry is an aggregation of activities of several actors playing specific roles to produce the music product. These include music composers and publishers, recording companies, record manufacturers, wholesalers and retailers.

![Figure 1: Traditional relationship among actors in the music industry](image)

Composers enter into a contractual relationship with a music publisher, who, in return for a percentage of the author rights revenues, tries to optimize the exploitation of the composer’s work. According to Rutten (1997), one of the ways is by getting compositions recorded and released on CD, thereby generating income form mechanical through value addition and eventually performing rights. Alternatively, composers sometimes form their own publishing companies, thus retaining complete control of their own copyrights. In some cases, promotion is sub-contracted to other publishers. The contractual relationship of the composer with the music publisher is exclusive. The reward system is based on the laws that establish intellectual property rights in each jurisdiction.
Recording artistes sign an exclusive contract with a record company and get paid on royalty basis. Royalties are negotiable. Relatively new artists seldom succeed in negotiating high royalty rates (Bagehot & Kanaar, 1998). Krasilovsky and Shemel (2000) argue that the record companies usually have the strongest position in these negotiations because there are many more artistes looking for recording contracts than companies willing to sign artistes, which is the case in most of the developing economies and Ghana is no exception. However, in some cases, the demand for the product of some artistes is in high enough that they can negotiate with more than one company. This gives them control over their contract. Often recording artistes negotiate an advance on royalties when they sign the contract. If their album starts selling, mostly of the investment made by the company are recouped from the artists’ royalties. According to Kretschmer, Klimis and Wallis (2001), costs made in connection to the debut album, which have not been recouped from sales, are transferred to the eventual earnings from the second album.

Record companies channel the creativity of composers and musicians into a marketable sound recording. Artist and repertoire (A&R) managers, employed by record companies, form the interface to the creative community (Picard, 2002). They spot talents and coach them through the recording process. Part of that process involves selecting and commissioning music repertoire, and selecting studios and technical personnel. Promotion, marketing and physical distribution are mostly done by the same company.

Record companies add use value to the product of the recording industry (Negus, 1998). They capture the creative performance of composers and musicians on a digital recording device. They also provide creative and commercial input through the A&R manager, as well as through the producer who may not be employed by the company, but hired for a specific album. Furthermore, the record company can be directly responsible for manufacturing the records, for promoting and marketing of the music and the artistes, and for physically distributing on the product. Physical distribution is taken care of by different companies, depending on the kind of distribution concerned. Wholesalers perform an intermediary role by integrating the products of many suppliers for the convenience of music retailers. Retailers are the recording industry’s interface to the customer.
However, the internet presents a fundamentally different business environment. Instead of marketing different forms of content through different distribution channels, the internet portends the integration of service environments, and potentially a new structure for the media industries. One of the key assets in this new structure is access to the customer. To reach out to the digital consumer, media industries have to build relationships with internet service providers and portals that originate in the telecommunication, computer software, and cable industries (Wallis, 2001). But these industries have now significant financial power to acquire media assets of their own.

The infusion of e-commerce in the music industry is gradually creating disintermediation within the supply chain. Disintermediation is the removal of intermediaries in a supply chain, i.e. reducing middlemen in the distribution channel. Thus, instead of going through traditional distribution channels, which had some type of intermediate (such as a distributors, wholesalers and retailers), composers may now deal with customer directly through the internet. One important factor is a drop in the cost of servicing customers directly (Graham, 2008).

2.4 Technical change and the music industry

Technical change has always been in the forefront of the music business and new technologies revived the music industry: for example, in 1983, the launching of the Compact Disc (CD) revived the stagnating sales of the record industry of the late 1970s. Worldwide acceptance of CDs as the most popular format for music transmission paved the way for robust growth of the industry in the 1980s (Wallis, 2001). Koskinen-Olsson (1999) explains that the recurrent application of digital technology to the music business revolutionized music production in 1982 with the introduction of yet another new technology – MIDI (Musical Instrument Digital Interface) - which enabled limitless variations in the production of music via electronic manipulation in mixing, dubbing, sampling and recording. This new process permitted major savings on costly sessions with live musicians (Schoefield, 1999).
Another important development that affected the evolution of the music industry was deregulation and liberalization of the media and telecommunications markets. Ahlgren (2000) argues that the opening up of the market enabled hundreds of new cable and satellite operators to enter the media business and increased demand for content, including the music product. The 1980s saw a massive proliferation of media channels, radio and TV stations, and new broadcasting channels that contributed to the emergence of a global youth culture (Wallis, 2001).

Profound structural shifts associated with these changes took place in the global music industry in the 1980s, such as the increased concentration of assets and control by only a few of the major record companies accompanied by the demise of the medium-sized record companies (Schoefield, 1999). This process led to the emergence and domination of corporate media giants with global scope and potential (Wallis, 2001). Simultaneously, however, opposite trends – towards decentralization – occurred with the entry of many new small-sized independent specialist music companies into the market. All these have contributed to increase in demand, with potentially significant implications for the development of the audio-visual sector in the developing world.

Yet another important technology-led development that affected the market structure of the global music industry was integration of musical materials into new formats (for music TV, film, video games, advertising, electronic equipment, games, etc.) that created and developed new multi-media products, which blurred the boundaries between traditional industries and products (Ahlgren, 2000). This rapid pace of technical change continues unabated in the 21st century with the application of compression technologies, the MP3, the Napster, and the global acceptance of the Internet, all of these new technologies have a wide-reaching impact on the global music business.

2.5 Diffusion of e-commerce in the music industry of developing countries

The large majority of developing countries, particularly LDCs (Least Developed Countries) are still on the fringes of the new digitally based technological and productive paradigm. However, they will not be able to compete globally unless they are brought
into the internet culture (Ihonvbere, 2000). E-commerce could provide these countries with a portal to the new knowledge-based economy. For many developing countries, including LDCs, UNCTAD has identified electronic commerce and music as an important new trading opportunity that provides one of the fastest means of penetrating global markets. This implies circumventing the traditional, prohibitively costly, hitherto impenetrable distribution channels in markets of developed market economies (DMEs).

According to Chaudhury & Jean-Pierre (2002), e-commerce transactions cannot only reduce transaction costs in trading, but also circumvent the traditional obstacles identified with exporting for many developing countries (owing to cartelized distribution, high entry costs, various business and tax regimes and other informal barriers to entry, such as high retailing and marketing costs). E-commerce offers the possibility of improving company competitiveness and reaching, communicating and interacting with global consumers at greatly reduced cost. This is truer for music than for many other activities, particularly since music, like the internet, is global in character and can be easily transmitted in a narrow-band environment (Kern et al., 2002). This option is currently possible and within the reach of most developing countries.

The belief that the internet and e-commerce can bring new and attractive opportunities to developing nations is reflected in the fact that most large industrial companies in developing countries already use the internet. What is even more surprising is that a rapidly growing number of small and medium-sized enterprises are also adopting the internet to support their business activities (UNCTAD, 2004). In spite of this, there is still a considerable lack of awareness of the relevance of electronic commerce. Most of the firms that do not have a connection to the internet cite the lack of perceived relevance of the internet to the particular business as the main reason for not being online (UNCTAD, 2004).

In addition to private sector initiatives, Governments in most developing countries are actively developing programs aimed at supporting the digital economy (Borzekowski et al., 2006). The music industry offers one such opportunity for the development of an innovation-based competitiveness strategy for a number of developing countries, with
small markets and unique trading disadvantages associated with their small market size (Borzekowski et al., 2006).

2.6 Challenges confronting e-commerce in the music record industry
E-commerce in the music industry is confronted with a number of challenges. These include rampant piracy, strategy of major labels, legal complexities, elimination of digital rights management and difficulties in monetizing online contents.

2.6.1 Rampant piracy
Despite a decade of aggressive attempts by the industry to reduce illegal downloads and peer-to-peer file sharing and preserve what remained of the old model, the biggest challenge facing the industry is still the fact that consumer attitudes towards paying for music have been forever changed, especially amongst the ever-important younger demographic (UNCTAD, 2004). This places tremendous pressure on industry players to provide the consumer with an experience that exceeds that which can be achieved illegally and for free. Andersen (2001) suggested that the solution likely lies in packaging music with other products and services that consumers expect to pay for, such as subscription services, mobile phone service, internet connections, ringtones, concerts, merchandise, etc., and taking advantage of improvements in broadband speed and access to provide security features that cannot be replicated for free.

2.6.2 Strategy of Major Labels
Despite numerous attempts to cut out the labels as middlemen, and the potential damage they have done to their relationships with the public after years of suing their customers, the major record labels still have tremendous clout in determining the fate of the various new distribution models and emerging companies (Andersen, Kozul-Wright & Kozul-Wright, 2000). While backing by the major record labels by no means guarantees any degree of success, opposition from the labels is an obstacle that is extremely difficult to overcome. That being said, many of the larger players today began without the blessing of the labels, but once they became too big to ignore the labels were willing to make a deal.
2.6.3 Legal Complexity
According to Andersen, Kozul-Wright and Kozul-Wright (2000), many national copyright laws were written when the only form of music distribution was printed sheet music and as such, obtaining the proper licenses from all relevant content owners is extremely complex. Given the relative youth of the digital music industry, music laws are being written and applied haphazardly and have been difficult to interpret. International differences make it even more difficult to offer consistent products on a global basis. Developing a business plan in this environment is extraordinarily difficult.

2.6.4 The End of Digital Rights Management
The recent decisions by the labels to finally eliminate digital rights management for many applications represent a landmark change for emerging growth companies in the music space. This greatly reduces a longstanding barrier by allowing compatibility of content and devices across platforms. By decoupling content and devices, consumers can now download a song from their choice of providers and listen to that song on their choice of devices.

2.6.5 Difficulties in Monetizing Online Content
It has been extremely challenging for content owners across all digital media sectors to monetize online content. Some consumers therefore take advantage of the situation to access online contents without paying the required amount. As a result, online models that do not have credible mobile strategies will continue to struggle. According to Borzekowski et al. (2006), poor online infrastructure in some countries also relegates some section of the people to benefit from online sales and activities.

2.7 Prospects of e-commerce in the music industry
E-commerce in the music industry is creating new opportunities and attracting new actors. Established companies are adapting their activities to new conditions, by working in new ways or by incorporating tasks earlier carried out by other actors. A number of
different lines of development have been observed, which offer new opportunities to the
development of the music industry.

According to the Swedish Agency for Innovation System (2001), e-commerce in the
music industry is providing more people with access to technology for recording,
processing and reproduction of music. Collaboration over the Internet in creating music
has become a marketed phenomenon. Music is marketed and sold on websites, either on
existing web dealers’ sites or sites run by the composer, possibly in collaboration with the
artiste. More narrow music genres are finding their audience globally and perhaps
enabling hitherto relatively unknown composers to make a living.

As music today can be digitally distributed, it has become easier for the record companies
to create the infrastructure necessary for retailing (Swedish Agency for Innovation
System, 2001). The primary incentive for the record company to become a retailer is the
possibility of taking control of the new whole distribution chain. The record companies
are currently selling and distributing music files either through their own websites or
through collaborative agreements with other companies hosting online sales websites.
Many of the previously mentioned business models revolve around this experience.
However, the next frontier for the developing models is to take the experience to mobile
devices without frustrating consumers. Now that consumers have accepted that cell
phones are also music players, the market for mobile music has dramatically expanded.

Consumers have proven that they are indeed willing to subscribe or pay for new products
and technologies that enhance the music experience or provide new uses for music
(Tapscott, Ticoll & Lowy, 2000). The tremendous initial growth of the ringtone services
is one example. The development of modern applications to access music through the
internet is also helping to boost industry growth. Applications that enable users to use
their mobile phone to identify and tag any song they hear in public or on the radio and
immediately purchase the song are boosting people’s interest in online music purchase.
Most streaming services also offer the ability to purchase tracks either with their own e-
commerce model or with links to others. However, most e-commerce models have not
offered streaming services, likely out of fear of cannibalization as well as licensing
requirements. It is therefore perceived that as streaming catches on with a broader audience, the e-commerce players will offer both.

2.8 The Challenge facing Africa in e-commerce

Although a number of e-commerce activities are emerging in most African countries, its growth has been slow for a variety of reasons, including low levels of internet penetration and limited communication infrastructure (UNCTAD, 2004). The internet is the driving force for the growth of e-commerce. This means that Africa’s potential growth is limited by the lack of infrastructure (connectivity) and equipment.

Many Africans are still unaware of the opportunities offered by e-commerce. The African private sector consists mostly of small, medium, and micro-sized enterprises (SMEs) and the informal sector. These businesses are widely seen as a potential engine of growth in the information economy.

E-commerce offers huge potential to SMEs, including potential strategic benefits such as possibilities of creating new industries, developing new content and chances to find or create employment as well as, bridging the huge digital gap that exist currently. However, companies and the private sector in Africa have not been active initiators of e-commerce. For example, a survey in Ghana (part of a Ghana SCAN-ICT study) revealed that about 65 percent of ICT companies do not have a presence on the internet and 84 percent reported that they were not involved in e-commerce (UNCTAD, 2004).

In Morocco, according to the Ministry of Industry, Trade and Telecommunications, the proportion of businesses that use the internet grew from 20 percent to 42 percent in 1999 but only 8 percent of businesses in all sectors currently use the internet for placing orders online (UNCTAD, 2004). A similar study on Mozambique shows that e-commerce and e-business do not formally exist in Mozambique. According to UNCTAD (2004), major obstacles include lack of suitable legal framework and security instruments, inadequate banking systems, poorly developed telecommunications infrastructure, especially beyond urban areas, and high rates of illiteracy. Twenty companies out of 66 surveyed have
websites and this low proportion by world standards was considered a barrier for e-commerce and e-business development.

2.9 Policy approaches to enhance e-commerce in Africa

One key reason for slow development of e-commerce in Africa is that there is not an overall policy framework (with the exception of the five countries mentioned namely South Africa, Egypt, Tunisia, Morocco and Algeria) covering aspects such as technical, economic and political. UNCTAD (2004) recommends that policy considerations when creating an enabling environment in Africa should include:

- Encryption and decryption techniques provide authentication, authorization, confidentiality and integrity to services, increasing the security of ecommerce transactions. They are necessary, for instance, for processing credit card information and online ordering.

- Digital signatures and electronic contracts are relevant, for instance in cases of dispute between trading partners in an e-commerce transaction.

- Certification authorities secure electronic transactions and act as trusted third parties to verify information about parties. African certification authorities must take part in the international framework for supporting ways to link certification mechanisms and the mutual recognition of different certification authorities.

- Consumer protection: in an electronic market place it is not easy for consumers to identify and localize suppliers so it is necessary to promote protection mechanisms.

- Electronic payments: online payment using credit cards is a missing component of the African business environment, which is often cash-based. Electronic payments will involve central banks and other trade and financial institutions.

- Copyright and intellectual property rights: Legislation on copyright and intellectual property rights on the Internet is still in its infancy, and uncertainty about such legislation contributes to inhibiting business investment.

In addition, policies need to address infrastructure development, which is vital to the developing electronic commerce. Infrastructure that can play an important role for
businesses includes cost-efficient communication technologies such as broadband, satellite connections and Voice over Internet Protocol (VOIP). It is only possible to implement and operate e-commerce initiatives if there are modern banking and insurance firms operating, and these do not exist in some African countries. It is also important to raise awareness and to offer training programs that target the business community in particular and the public in general.

Much still needs to be done to encourage e-commerce in Africa. Key steps include the rapid development of human resources, greater attention paid to e-literacy among citizens and activities to build capacity, particularly to provide a skills base among SMEs for e-commerce. Governments should encourage business start-ups and incubation projects that advance this activity, including through public-private partnerships, and to pay particular attention to getting women engaged in e-enterprises.

2.10 Background of Ghana’s Music

Ghana has many styles of traditional and modern music, due to its multiplicity of ethnic groups and its cosmopolitan geographic position in West Africa. The best known modern genre that originated in Ghana is Highlife. Ghana is home to numerous ethnic groups that can broadly be divided into northern and southern. In the time of the Songhai Empire, the Mossi Kingdoms, the indigenous Dagomba, and the Mamprusi states, ethnic migrations have included northern music styles in a larger Sahelian category (along with Burkina Faso, Mali, Senegal, northern Nigeria and Niger). Peoples of this region base musical composition on a line of melody, a voice, stringed, wind, thought there is polyrhythmic composition with a variety of drums, xylophones and bells.

As with other Gur and Mande groups in West Africa, a long history of griot praise-singing traditions exists among the various groups in Northern Ghana. Music in the northern styles is mostly set to a minor pentatonic scale, and melisma plays an important part in both melodic and singing styles.

The fertile, forested southern coastal region is inhabited by ethnic groups speaking Kwa and Gbe languages. These people were isolated from the Sudanic influences that
dominated the north. Their music is in the Niger-Congo tradition, associated with social or spiritual function and relies on complex polyrhythmic patterns played by drums and bells as well as a harmonized song. An exception to this rule is the Akan tradition of praise-singing with the Seperewa harp-lute, a now dying genre which had its origins in historic influence from the griot traditions of the Mande empires to the north-west.

During the colonial era, Africa's Gold Coast (Ghana) was a hotbed of musical syncretism. Rhythms from across West Africa, especially gombe and ashiko from Sierra Leone, Liberian guitar-styles like dagomba, mainline and fireman, Fante osibisaba, European brass bands and sea shanties and Christian music, were all combined into a melting pot that became highlife.

While pan-Ghanaian music had been developed for some time, the middle of the 20th century saw the development of distinctly Ghanaian pop music. Highlife incorporated elements of swing, jazz, rock, ska and soukous, and saw its first inroads into the culture of its neighbors in West Africa and across the rest of the continent. To a much lesser extent, Ghanaian musicians found success in the United States and, briefly, the United Kingdom with the surprise success of Osibisa's Afro-rock in the 1970s.

Dance highlife evolved during World War II, when American jazz and swing became popular with the arrival of servicemen from the United States and United Kingdom. After independence in 1957, the socialist government began encouraging folk music, but highlife remained popular and influenced from Trinidadian and Congolese music.

By the late 1990s, a new generation of artistes discovered the so called hiplife. The originator of this style is Reggie Rockstone, a Ghanaian musician who dabbled with hip-hop in the United States before finding his unique style. Hiplife basically was hip hop in the Ghanaian local dialect backed by elements of the traditional Highlife. The over 60 percent of the general populace- who are generally the youth- patronize this music genre. Producers responsible for steering this genre to what it is today were Zapp Mallet, Jay Q, Panji Anoff, Hammer of The Last Two, Morris Da' voice, Richie Mensah, Appietus and Killbeatz.
CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the methodology of the study. It describes the processes by which the study was carried out to collect, analyze and present the data. It includes the research design, research strategy, sample and sampling procedures, data collection methods, instrument design, field challenges and data analysis.

Research methodology is an essential phase of research work. There are following research approaches namely as: Quantitative, Qualitative and mixed methods (Creswell, 2002).

- Quantitative: In this approach, researchers use postpositive claims to develop their knowledge. By postpositivism, researchers think after positivism, challenging the truth and recognizing that we can not be fully “positive” about knowledge claims when studying human behaviors and actions. Strategies to inquire and collect data through survey and experiment are within the quantitative approach of research design (Creswell, 2002). Strategy of inquiry via experimental design is done to test or verify theories or explanations, and the study conducts its statistical analysis by looking at the performance, attitude, and observe its data collected.

- Qualitative: In this approach, researchers make knowledge claims on the basis of constructivist perspectives. Constructivism refers to a philosophical point of view which considers that knowledge about real world phenomena can be constructed from the perception of human actors engaged in the studied phenomena. Individuals or participants may have diverse subjective meanings and interpretations of experiences of work in which they are engaged. For qualitative approach strategies to inquire are case studies, ethnographic and ground theory, etc. (Creswell, 2002)
Mixed: In this approach the researchers make knowledge claims on the basis of pragmatic grounds. By pragmatism, knowledge claims arise out of actions, situations, and consequences rather than those antecedent conditions as in postpositivism. The pragmatists look to the “what” and “how” to research is based on its intended consequences-where they want to go with it. It involves collection of qualitative and quantitative data sequentially (Creswell, 2002).

3.2 Research design

This study employs a qualitative research approach. In selecting this research approach, I seek to understand what was happening, to gather multiple insights, and to ask questions about internet and e-commerce level of adoption by music recording and marketing companies. Similarly, three are three considerations that accounted into the decision of this research approach and these are: the research problem, the personal experiences of the researcher, and the audience (Creswell, 2003). Additionally, this research approach is also helpful in helping the researcher understand the preference of the music genres understudy be it digitalize music or online music, compared to having song tracks on disks or tapes by the key players i.e. consumers and record companies. This we will do via the administration of questionnaires to consumers and record companies to ascertain their preference, and having interview sessions with musicians, thereby getting a clearer view of the phenomena of the e-commerce adoption within the music industry of Ghana of which further investigations will be conducted.

3.3 Research Strategy

Research strategy is seen as the plan that the researcher uses to carry out the study in order to answer the research questions (Saunders et al., 2007). Similarly, according to Yin (1994), research strategy explains how the researcher collects and analyses data gathered. He furthermore emphasized that the type of research strategy to be used by the researcher depends largely on the research purpose i.e. exploratory, descriptive or explanatory study.
The type of research strategy to use depends significantly on three essential factors namely: the type of research questions asked, the control the researcher has over behavioral events or patterns and the degree of focus on contemporary and historical events. According to Yin (2003), the most important among these factors is the type of research question asked hence the type of research strategy used for the research work is linked to how the research questions are posed.

There are five principal strategies for conducting research and they are as follows: Experiments, Survey, History, Analysis of Archival Information and Case Studies. Each of these strategies has a different technique of collecting and analyzing empirical evidence and can be used for exploratory, descriptive and explanatory research study purposes (Yin, 2003). More often than not, case studies are considered appropriate for exploratory phase, surveys and histories fit the descriptive phase whiles experiments provides the only means of doing explanatory or causal inquiries (Yin, 2003).

Based on the research questions we have put together, survey research strategies suit the purpose of the thesis. It provides possibilities for accessing information from a large numbers of respondents and yields a more general view of the phenomenon under study. It enables the researcher to bring to light insights and deeper understandings about Internet and e-commerce adoption among music record business players.

3.4 Sample and sampling procedure
Miles & Huberman (1994) observe that studying everyone and/or everything everywhere is totally impossible. This actually makes sampling a vital requirement for researchers. It is not possible to collect and gain data from all available sources to solve research problems and find the solutions. Consequently, sampling techniques provide methods to collect the amount of needed data by considering data from a sub-group rather than from a possible cases, events or elements (Saunders et al., 2007).

The sampling frame for the study constituted musicians who do gospel and hiplife songs, managers of record companies, operators of music retail shops and consumers of these music genres. Stratified sampling technique was employed for the study. According to
Neuman (2006), stratified sampling method is used to select samples in situations where the population is heterogeneous but has definite strata or classes which are homogenous. As a result, the sampling frame was grouped into five strata. These were hiplife musicians, gospel musicians, managers of record companies, operators of retail shops and consumers of hiplife and gospel music.

Ten (10) hiplife musicians, ten (10) gospel musicians, five (5) record companies, five (5) operators of retail music shops and twenty (20) consumers were sampled for the study. This implies that the total sample size for the study was fifty (50). The names of the musicians and an introductory letter indicating the purpose of the study were submitted to the Musicians’ Association of Ghana to get their contacts.

3.5 Data Collection Method

According to Blaxter et al (2001) research always includes gathering and analysis of data. In the same way, Denscombe (2000) added and upheld that there are four main methods for collecting data and these are:

- Interviews
- Questionnaires
- Observations and
- Documents

He advanced this point stating that interviews were suitable when there is the need to gather detailed data from very few respondents. Interviews are the best when data is based on privileged understanding of the subject matter, and that the information to be gathered is from key players (Denscombe 2000).

For the purpose of this research, respondents especially music consumers were surveyed to ascertain their music genre preferences since we seek to gather our data from the lovers of the gospel and hiplife songs considering the numerous music genres. This was done using closed-ended questions: “‘How often do you enjoy music made in Ghana’- Often or
Not” and if the respondents answers in affirmative then we proceed with the second question: “Which of the music genres do you listen more often” – Traditional songs, Burger Highlife, Contemporary Highlife, Reggae, Afro Pop, Gospels, and Hiplife songs”. From this survey exercise, our data for the research study is gathered primarily with the help of questionnaires, see Appendices A and B and by interview sessions with musicians, see Appendix C.

3.6 Instrument design

3.6.1 Survey

Survey is used to get information from a number of people relatively in short time and cost effective as compared to other methods such as Interviews and Observations. According to Biemer & Lyberg (2003), survey is used to study the sample of individuals from a population with a view towards making statistical inferences about the population using the sample. One of the advantages of survey is that respondents rarely try to please the researchers. Moreover, this technique provides open time for respondents so they can think and answer the questions; they are not bound to complete the survey in one setting (Covey, 2002). We used the survey to collect feedback from music consumers to determine their frequencies in listening to music made in Ghana. The second purpose was to know their preferences with respect to the numerous music genres in circulation.

3.6.2 Questionnaire

The main purpose of the questionnaire is to identify issues and problems faced by consumers of music records especially hiplife and gospel songs while familiarizing with digital music via Internet and e-commerce technology. The questions in the survey were basically designed to know about the needs, preference, reasons and challenges of using and adopting internet and e-commerce technologies in music consumption. The second purpose is to know how they use internet and e-commerce technologies, their abilities in use this new phenomenon of digital music services, as well as the mode in assessing this
digital music. It will help to know the inclination of general music lovers and consumers towards global trends and technology advances within the music world.

3.6.2.1 Questionnaire Design

In the designing phase of questionnaire we included easy, simple and short questions that were understandable by music consumers. Both closed-ended and open-ended questions were used in the design the questionnaire. However, majority of the research items were closed-ended questions. The closed-ended questions were used to guide the respondents in the selection of answers, whereas the open-ended questions were used to seek the views and reasons for issues. The questionnaire can be found in Appendix (A and B).

3.6.2.2 Piloting Questionnaire

Before sending the questionnaire to the sample, I conducted a piloting of questionnaire. This was basically to ensure that common errors and mistakes were eliminated, and that there were no uncertainty surrounding the questions and that the questions were easily understandable. It aided me to make changes and remove errors in a few questions. This I did by administrating the prepared questionnaires on colleagues and staff members. Soon after the piloting was completed, I updated the questionnaire removing all grammatical errors as well as seeing to order of the questions appeared, to make the questionnaire more suitable. After reviewing the questionnaire was distributed to the selected music consumers to collect data.

3.6.3 Interview

Interview is a commonly used method to collect of qualitative data. There are three types of interview as discussed in Hove and Anda (2005).

- **Structured Interviews**: This type of interview contains well prepared and specific questions by the interviewer.

- **Unstructured Interview**: It contains open-ended questions as compared to structured interviews.

- **Semi-structured Interviews**: These interviews contain mixture of specific and open-ended questions. This type of interview is also called focus interview.
As the study assessed the music records, we conducted semi-structured interviews to collect data about the use of digital music, adoption of e-commerce and prospects of e-commerce for music record business from recording companies and musicians. This inquiry method provided us opinion and detailed discussion from the interviewees by allowing us specific and open-ended questions.

3.6.3.1 Objective of Interview

I conducted Semi-structured Telephone Interviews to inquire about adoption of e-commerce in digital music. To answer Research Question Numbers 1 and 2, i.e. What are the reasons for the adoption of e-commerce in the music industry in Ghana? and What are the prospects of e-commerce in the music business in Ghana?, it is important to find out the reasons and the prospects for the adoption of e-commerce in the music industry of Ghana.

3.6.3.2 Designing of Interview

Precisely, we requested for twenty music artists, i.e. ten gospel artistes and ten hiplife artistes to be interviewed from the Musician Association of Ghana (MUSIGA). Due to the tight schedules of all these artistes, we agreed on telephone interviews. All the artistes were interviewed, but some of the interviewing sessions were very brief due to their busy schedules and difficulties in locating them.

3.6.3.3 Composing Appropriate Interview Questions

There are three main criteria for composing suitable interview question. (Rubin, 2005)

- **Relevance:** Interview questions should be related to the research study and should have probability of obtaining specific kind of data such as a definite trend or pattern in work or product experience.

- **Selection of Interviewee:** Selection of appropriate interviewee is important. Selection of wrong interviewee can lead to wrong results even the question asked is a relevant interview question.
• **Easy of Response:** Interview questions should be relatively easy to answer and should not embrace or create burden on interviewee.

Interview questions for which the respondent needs information from other resources should be avoided. These types of questions make the interviewee uncomfortable and even may result wrong answer or unanswered.

Interview schedules were used as the instrument to collect data from the respondents. However, telephone interviews were conducted for the musicians. The use of telephone interviews for the musicians was due to their busy schedules and difficulties in locating them. The instrument was structured into five sections namely:

- The first section was on the background characteristics of the respondents,
- The second section was on the general Internet perceptions, technological advancements and reasons for the adoption of e-commerce in the music record business,
- The third section was on the factors influencing Internet adoption and level of e-commerce adoption in the music business,
- The forth section was on the prospects of e-commerce in the music business and
- The fifth section was on the challenges confronting the adoption of e-commerce in the music business.

The background section considered issues such as the artistes’ music life and how long he/she has been in the music industry, his experience and challenges, his/her general view of music consumption and record acquisitions in the industry. The section on the general Internet perceptions, technological advancements and reasons for the adoption of e-commerce in the music record business captured issues such as internet usage and records’ information, internet and products’ competitiveness, transaction cost and marketing trends and sale of music records, advertisements and the level of acceptance from the consuming public. Issues considered under the factors affecting Internet
adoption and the level of e-commerce adoption in the music business include the perceived benefits, online purchasing and payment platforms and processes, skills consumers needed in subscribing and downloading digital music, unconvincing benefits to record firms and distributors, internet connectivity and penetrations and e-commerce platform development, pricing structure. The fourth section considered issues under the prospects of e-commerce in the music business include the willingness of record companies to subscribe to e-commerce, security system to reduce pirating and building infrastructure to support e-commerce, governmental and other stakeholders. The fifth section considered issues such as increasing music pirating, poor telecommunication infrastructure, inadequate Internet Service Providers (ISPs) to support e-commerce and the challenges faced by the consumers.

3.7 Field challenges
Some of the challenges encountered during the data collection exercise were difficulty in getting the contact with the musicians, reluctance of some of the respondents to comment on the issues in the research instruments and difficulty in getting access to the managers in record companies.

3.8 Data analysis
Data Analysis is what actually unlock the data or information hidden in its raw state and transforms it into something with value and meaningful. Data analysis is also a phase where ideas are confirmed by statistical reality. It also means the researcher decides what and which meaning to be attributed to the expressions, be it gathered through the interview conducted or questionnaire sampled and its implication to that effect; and how it relates to the topic being investigated (Denscombe, 2000).

The data was first edited to check for consistencies and grammatical errors. It was analysed with the use of Statistical Product and Service Solutions (SPSS) version 17. Frequency tables and charts were used to present the findings of the study.
CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the results and discussion of the field data. It includes the background characteristics of the respondents, reasons for the adoption of e-commerce in music record business, prospects of e-commerce in the music business and the challenges confronting the adoption of e-commerce in the music business.

4.2 Background characteristics of the respondents

The background characteristics of respondents are essential to explain the differences in the perceptions and attitudes of people towards the adoption of a new technology. As a result, the study examined the category of respondents (in terms of their role in the music industry), gender, age and educational level of the respondents. Forty percent of the respondents were hiplife and gospel musicians, ten percent were operators of retail music shop, and an extra ten percent were managers of record companies, whereas forty percent were consumers of these music genres.

Majority (68%) of the respondents were males, whereas 32 percent were females. This implies that the music industry of Ghana is dominated by males. The reason is that hiplife music has always been fully dominated by male artistes. Similarly, the retail music industry in Ghana is dominated by men. Thirty-one percent of the respondents are aged below 30 years, 39 percent are aged between 31 and 40 years, 17 percent are aged between 41 and 50 years, 9 percent of the respondents are aged between 51 and 60 years and 4 percent are aged above 60 years. The implication was that the study focused more on the active and economically active age cohorts of the Ghanaian society. This is because these categories of people have the economic power and the skills to support the music industry. The mean age of the respondents was 37 years with a standard deviation of 4.2.
Figure 1: Educational level of respondents

Source: Field survey (2011)

Figure 1 shows that 6 percent of the respondents have never had formal education, 24 percent have basic education as their highest level of educational attainment, 41 percent have had Senior High School education and 29 percent have had tertiary education.

From Table 1, 30 percent as against 70 percent of the consumers admitted to accessing digital music online. The implication is that majority of consumers’ access music through the traditional distribution channel. The study further examined the frequency of accessing online music among consumers who access digital music through e-commerce. This is presented in Table 1. Table 1 indicates that 50 percent of the respondents who access online music more frequently access music online, 33.3 percent frequently access online music, while 16.7 percent access online music less frequent.
Table 1: Frequency of accessing online music, effectiveness in accessing digital music online and preferred access to music

<table>
<thead>
<tr>
<th>Categories</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessing online music</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>8</td>
<td>40.0</td>
</tr>
<tr>
<td>No</td>
<td>12</td>
<td>60.0</td>
</tr>
<tr>
<td>Frequency of accessing online music</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More than 10 songs in a week</td>
<td>4</td>
<td>50.0</td>
</tr>
<tr>
<td>Between 5 and 10 songs in a week</td>
<td>2</td>
<td>25.0</td>
</tr>
<tr>
<td>Below 5 songs in a week</td>
<td>2</td>
<td>25.0</td>
</tr>
<tr>
<td>Effectiveness in accessing digital music online</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very effective</td>
<td>5</td>
<td>62.5</td>
</tr>
<tr>
<td>Effective</td>
<td>2</td>
<td>25.0</td>
</tr>
<tr>
<td>Less effective</td>
<td>1</td>
<td>12.5</td>
</tr>
<tr>
<td>Format for accessing online music</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADSL</td>
<td>5</td>
<td>62.5</td>
</tr>
<tr>
<td>Mobile network</td>
<td>3</td>
<td>37.5</td>
</tr>
<tr>
<td>Preferred access to music</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free online</td>
<td>6</td>
<td>30.0</td>
</tr>
<tr>
<td>Online with payment</td>
<td>2</td>
<td>10.0</td>
</tr>
<tr>
<td>Buying CD</td>
<td>7</td>
<td>35.0</td>
</tr>
<tr>
<td>Borrowing CD and make duplicate</td>
<td>5</td>
<td>25.0</td>
</tr>
</tbody>
</table>

Source: Field survey (2011)

In assessing the effectiveness in accessing digital music online, 62.5 percent of the respondents who access online music described it as very effective, whereas 25.0 percent described it as effective and 12.5 said access to the digital music online was less effective. In addition, 62.5 percent of the respondents who access online music accessed it through ADSL, whereas 37.5 percent accessed it through mobile network.

The study further found that 30 percent of the consumers prefer to get access to music through free online, 10 prefer online with payment, 40 percent prefer buying CD, while
25 percent prefer borrowing CD and make duplicate. The implication is that majority of consumers want free access to music i.e. whether online or on CD. The data also shows that some segment of the consumers have preference to accessing music online. This might be due to flexibility in its usage in terms of making duplicates and converting to other formats.

4.2 Reasons for the adoption of e-commerce in the music record business
This section is essential to assess the challenges Internet and e-commerce technologies seeks to address in the traditional channel of marketing music. Issues that were considered under this section include preference to the use of Internet and e-commerce in the music industry, expanding the market base of the local music and reducing transaction cost in trading musical products.

Table 2: Preference to the use of e-commerce in the music industry

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiplife musicians</td>
<td>8 (80)</td>
<td>2 (20)</td>
</tr>
<tr>
<td>Gospel musicians</td>
<td>6 (60)</td>
<td>4 (40)</td>
</tr>
<tr>
<td>Record companies</td>
<td>1 (20)</td>
<td>4 (80)</td>
</tr>
<tr>
<td>Retailers</td>
<td>1 (20)</td>
<td>4 (80)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16 (53)</strong></td>
<td><strong>14 (47)</strong></td>
</tr>
</tbody>
</table>

Source: Field survey (2011)

n = musicians, managers of record companies and retailers

From Table 2, majority (53%) of the respondents preferred the use of Internet and e-commerce in the music industry and 47 percent indicated otherwise. In addition, 80 percent of the hiplife musicians and 60 percent of the gospel musicians preferred the use of e-commerce in the music industry, whereas majority (80%) of the managers of the record companies and 70 percent of the retailers did not prefer the use of e-commerce in the music industry.
Some of the reasons given for the preference of the use of e-commerce in the music industry include getting direct access to the market, reducing friction in the marketing chain and reducing the monopoly of the record companies. On the other hand, reasons for the non preference to the use of e-commerce in the music industry include reducing the importance of the record companies, posing threat to retail music business and not having good infrastructure to support e-commerce in the music industry.

**Table 3: Using e-commerce in the sale of music**

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiplife musicians</td>
<td>7 (70)</td>
<td>3 (30)</td>
</tr>
<tr>
<td>Gospel musicians</td>
<td>4 (40)</td>
<td>6 (60)</td>
</tr>
<tr>
<td>Record companies</td>
<td>0</td>
<td>5 (100)</td>
</tr>
<tr>
<td>Retailers</td>
<td>0</td>
<td>5 (100)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11 (36.7)</strong></td>
<td><strong>19 (63.3)</strong></td>
</tr>
</tbody>
</table>

Source: Field survey (2011)

n = musicians, managers of record companies and retailers

From Table 2, 36.7 percent of the respondents use e-commerce in the sale and purchase of music, whilst 63.3 percent did not. Majority (70%) of the hiplife musicians used e-commerce to sell their music and 30 percent as compared to 60 percent of the gospel musicians used e-commerce to sell their music. Majority of the hiplife artists use e-base sale of music because they want to be compared to the international hip hop stars. On the other hand, all the sampled record companies and the retailers did not use e-commerce in the sale of music.

This implies that the record companies and retailers were not engaged in the e-commerce business. Some of the enterprises responsible for e-commerce in the music industry include EmpireTree entertainment, BiGxgh, GhanaMusic, GhanaWeb, MP3raid and MP3 skull. Thus, these are ICT enterprises which compress and sell music on the internet. Similarly, the presence of digital music services such as MTN Loaded, Vodafone Live, DJs Only, Jamster, Just Music, Music Station, Ghanamusic.com, Nokia Music,
Omusic.com, Pick n Play, Rhythm Online, and ThatGig have shaped the digital music evolution in Ghana. The sale of music is calculated by the number of songs from a particular musician that is streamed or downloaded from the internet over a period of time.

The study, however, found that the adoption of e-commerce in the music industry is largely targeted at the international market, especially Ghanaians living outside the country. This was due to the poor infrastructural support in terms of efficient electronic payment system, reliable internet services and full coverage of internet services among others.

Figure 2 shows that 12 percent of the respondents strongly agreed that the reason for the adoption of e-commerce in the music industry was to increase the volume of sales, 37
percent agreed, whereas 9 percent were neutral. Conversely, 28 percent of the respondents disagreed that the reason for the adoption of e-commerce in the music industry was to increase the volume of sales and 14 percent strongly disagreed. Some of the reasons cited for how the adoption of e-commerce could increase the volume of sales include increasing the market base, improving access to music and ensuring selective purchase of particular tracks from an album. However, reasons why some of the respondents disagreed include increasing pirating of music and reducing the effectiveness in monitoring marketing and sales performance of music records compared to the traditional distribution channel where the reactions to the music record could be ascertained. For instance, if it is realized that distributors and retailers of music records acquire more of a particular album from the production house or promoter and consumers were not reacting positively to them. It may be because of the price per album being high, more live performances by the artistes to boost awareness or there was the need for more commercials or adverts to be done to market the records but in the e-commerce platform for sales, one will need more scientific works or simulation tests to determine the behavior of consumers towards the record before coming out with solutions to rectify the anomaly, and these recording firms and retailers are not prepared to venture into due to their limited financial resources and the market time space.

Figure 2 further shows that 10 percent and 30 percent of the respondents strongly agreed or agreed that the reason for the adoption of e-commerce in the music industry was to increase flexibility in accessing music, and 13.3 percent were neutral. However, 33.4 percent and 13.3 percent of the respondents disagreed or strongly disagreed, respectively. Some of the respondents added that the adoption of e-commerce in the music industry will allow consumers to access music from their homes: whereas other indicated that majority of the consumers do not have requisite knowledge in e-commerce and ICT to support such phenomenon within the economy, which has more to do with Internet and e-commerce awareness among her citizenry.
Figure 3: E-commerce helping to gain access to global market and increase popularity of songs
Source: Field survey (2011)
n = musicians, managers of record companies and retailers

Figure 3, shows that 16.7 percent of the respondents (producers, artists and retailers) strongly agreed that the reason for the adoption of e-commerce was to have access to the global market, 40 percent agreed and 6.7 percent were neutral. This agrees with Ihonvbere (2000) that music from Less Developed Country could not compete effectively with others from the Developed countries unless they found access to the global market. On the other hand, 23.3 percent of the respondents (producers, artists and retailers) disagreed that the reason for the adoption of e-commerce in the music industry was to gain access to the global market, while 13.3 percent strongly disagreed.

Similarly, 6.7 percent of the respondents (producers, artists and retailers) strongly agreed and 16.7 percent agreed that the reason for the adoption of e-commerce in the music
industry was to increase the popularity of songs among the consumers, respectively, while 13.3 percent were neutral. However, 40 percent and 23.3 percent of the respondents disagreed and strongly disagreed that the reason for the adoption of e-commerce in the music industry was to increase the popularity of songs among the consumers, respectively. The implication is that majority of the respondents did not subscribe to the fact that the reason for the adoption of e-commerce in the music industry was to increase the popularity of songs among the consumers.

From Figure 4, 23.3 percent of the respondents (producers, artists and retailers) strongly agreed and 30 percent agreed that the reason for the adoption of e-commerce in the music industry was to reduce transaction cost in trading and 10 percent were neutral. This implies that majority of the respondents believe that the reason for the adoption of e-commerce in the music industry was to reduce transaction cost in marketing and sales.
This confirms the assertion of Chaudhury and Jean-Pierre (2002) that the use of e-commerce in the sale of music aims at reducing the bottlenecks and their associated costs in the traditional music distribution channel. Conversely, 23.3 percent and 13.3 percent of the respondents (producers, artistes and retailers) disagreed and strongly disagreed, respectively that the reason for the adoption of e-commerce was to reduce the cost of trading.

Similarly, Figure 4 shows that 23.3 percent and 30 percent of the respondents (producers, artistes and retailers) strongly agreed and agreed, respectively that the adoption of e-commerce in the music industry was to promote local music at the international stage. However, 30 percent and 16.7 percent of the respondents (producers, artists and retailers) disagreed or strongly disagreed the adoption of e-commerce in the music industry was to promote local music at the international stage, respectively.

![Figure 5: E-commerce bringing innovation in the sales of music and improving competitiveness in the music industry](image)

Figure 5: E-commerce bringing innovation in the sales of music and improving competitiveness in the music industry
From Figure 5, 20 percent and 33 percent of the respondents strongly agreed and agreed, respectively that the adoption of e-commerce is bringing innovation in the sale of music, whereas 14 percent were neutral. This implies that the majority of the respondents believed that e-commerce was bringing innovation in the sale of music. However, 24 percent and 9 percent of the respondents disagreed and strongly disagreed respectively.

Figure 5 further shows that 20 percent and 30 percent of the respondents (producers, artists and retailers) strongly agreed and agreed, respectively that the adoption of e-commerce in the sale of music helps to improve one’s competitiveness in the music industry and 13.3 percent were neutral. On the other hand, 23.3 percent and 13.3 percent of the respondents (producers, artists and retailers) disagreed and strongly disagreed, respectively that the adoption of e-commerce in the sale of music helps to improve one’s competitiveness in the music industry.
Figure 6: Reasons for the adoption of e-commerce in the music industry
Source: Field survey (2011)
n = musicians, managers of record companies and retailers

From Figure 6, 30 percent of the respondents (producers, artistes and retailers) admitted to gaining revenue from the online sale of music, 16.7 percent admitted to adopting e-commerce to gain popularity in the industry, 30 percent have adopted e-base sale of music to expand their market, while 23.3 percent adopted online music sales for fear of losing sales in the future. This implies that some of the respondents (producers, artistes and retailers) have subscribed or will be subscribing to the digital music services with the hope that online sale of music will increase in the future and make the traditional channel of distribution unattractive due to the emerging preference of digital music by the consumers of these music genres, who are the youth, over 60 percent of the general population. This might attributed to the gradual increase in the demand of online sale of music both within and outside the country. Similarly, expansion in the market for selling musical products was partly aimed at targeting Ghanaians and other people outside who have passion of Ghanaian music.

4.4 Prospects of e-commerce in the music business
This section examines the prospects of e-commerce in the music industry. This is essential to assess how actors in the music industry are willing to accept the use of e-commerce in the sale of music. The section includes issues such as a description of the future of e-commerce in the music industry, people’s willingness to subscribe to the use of e-commerce in the music industry and the development of more infrastructure to support the use of e-commerce in the music industry.
Table 4: Description of the future of e-commerce in the music industry

<table>
<thead>
<tr>
<th>Categories</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future of e-commerce services in the music industry</td>
<td>Good</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Poor</td>
<td>17</td>
</tr>
<tr>
<td>Continuous subscription to digital music services and the use of e-commerce platforms</td>
<td>Yes</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>15</td>
</tr>
<tr>
<td>More players subscribing to the use of e-commerce in the future</td>
<td>Yes</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>10</td>
</tr>
<tr>
<td>More people having interest in e-commerce in the future</td>
<td>Strongly agree</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Field survey (2011)

Table 4 shows that majority (66%) of the respondent described the future of e-commerce services in the music industry as good, while 34 percent described it as poor. Some of the reasons given to support the idea that the future of e-commerce in the music industry is good are related to the development of more technological tools to manage e-commerce. Indeed, there are governmental incentives and policies such as the construction of 230 Community Information Technology Centres (CICs) in all 230 constituencies in the country, which seek to create ICT awareness and usage among the businesses and the citizenry, and the implementation of the ‘e-Ghana project’, a project aimed at improving e-business capacity of several public sector agencies and strengthening public private partnership. Similarly, the government of Ghana is pursuing a “knowledge-based economy” agenda to make Ghana a preferred ICT destination for all. Proof of this, is the Ghana ICT for accelerated development (ICT4AD) policy, a National ICT policy which is a key developmental enabler and has also embarked on some initiatives or schemes to
provide a safe IT economy through the passage of a number of legislative instruments to safeguard development of the industry (Business & Financial Times, Sept. 2008). To this, four new legislations - data protection legislation, consumer protection, cyber crime and cyber security, document and archival systems are before the parliament of Ghana for onwards passage into laws and regulations (ibid), improvement of security in e-commerce to reduce pirating, expansion in telecommunication infrastructure to increase the market base and more people entering into the global world of ICT and Internet platform. It appears that Ghana is ready to take advantage of Internet, and its related facilities in order to maximize her national output from the services sector of the economy. Table 5 recaps the mobile and internet usage statistics for Ghana.

Table 5: Mobile and Internet usage statistics for Ghana

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>88,259</td>
<td>22,453,907</td>
<td>22,054.43%</td>
<td>24,658,823</td>
<td>91.06%</td>
</tr>
<tr>
<td>Internet</td>
<td>30,000</td>
<td>2,570,000</td>
<td>8,566.67%</td>
<td>24,658,823</td>
<td>10.42%</td>
</tr>
</tbody>
</table>

**SOURCES:** Ghana National Communication Authority (GNCA)

Ghana Statistics Service (GSS),

International Telecommunication Union (ITU)

On the other hand, reasons why some of the respondents believed that the future of e-commerce in the music industry is poor are:

- reducing sales due to pirating
- and competition with the traditional music distribution channel.

From Table 4, 70 percent as against 30 percent of the respondents reported of their continuous subscription and readiness to subscribe to the use of e-commerce in the music industry. The reasons assigned to the subscription to the use of e-commerce in the music
industry include remaining competitive, avoiding the total collapse of business, moving with technology and increasing sales of music. However, some of the reasons given for the non-readiness to subscribe to e-commerce in the music industry were reducing profitability of record companies, posing threat to retail music businesses and little knowledge in ICT.

Table 4 further found that 80 percent of the respondents believed that more players in the industry will subscribe to the use of e-commerce in the future, while 20 percent indicated otherwise. The reasons given to support are:

- more players in the industry will subscribe to the use of e-commerce in the future include more people joining by the day,
- more people showing interest in e-commerce, more people acquiring knowledge in ICT, continuous expansion of the telecommunication infrastructure in the country and gaining support from Ghanaians abroad.

This implies that the prospect of e-commerce in the music industry is good. Conversely, some of the reasons cited as to why people believe that few players will subscribe to the use of e-commerce in the future were:

- less technical knowledge in the use of e-commerce in the sale of music, e-commerce eliminating some players from the music industry
- and e-commerce hijacked by people outside the traditional music distribution channel.

Table 4 also shows that 24 percent and 32 percent of the respondents strongly agreed and agreed, respectively that more people will develop interest in e-commerce in the future and 12 percent were neutral. On the other hand, 20 percent and 12 percent of the respondents disagreed and strongly disagreed that more people will develop interest in e-commerce in the future.
From Figure 7, 22 percent and 42 percent of the respondents strongly agreed and agreed, respectively that more infrastructures need to be developed to support Internet connectivity and e-commerce in the future and 12 percent were neutral. However, 14 percent of the respondents and 10 percent of the respondents disagreed or strongly disagreed. Thus, majority of the respondents believe that more infrastructures in terms of strong telecommunication, ISPs, online digital music technology and services could be developed to enhance the adoption of Internet and e-commerce in the music industry. This may explain why the majority attested that the future of e-commerce in the music industry is good and were willing to subscribe to e-commerce platforms.

Figure 7 further shows that, 16 percent and 30 percent of the respondents strongly agreed and agreed, respectively that the sale of music will move towards e-commerce in the future, 14 percent were neutral, whereas 28 percent disagreed and 12 percent strongly disagreed.
disagreed. Some of the reasons cited were that more players were moving into the e-commerce business and gaining support from Ghanaians outside the country.

Figure 8 shows that 18 percent and 34 percent of the respondents strongly agreed and agreed, respectively that there should be laws and policies to regulate e-commerce service providers and businesses in the music industry and 14 percent were neutral. However, 24 percent and 10 percent of the respondents disagreed and strongly disagreed, respectively that there should be laws and policies to regulate e-commerce businesses in the music industry.

Figure 8 further shows that 14 percent and 36 percent of the respondents strongly agreed and agreed, respectively that security system in e-commerce will be improved to reduce pirating in the music industry and 16 percent were neutral. On the other hand 24 percent
and 10 percent of the respondents disagreed and strongly disagreed, respectively. The implication is that many of the respondents believe that e-commerce has a solution for increased pirating of digital music. Some of the security systems mentioned were installing codes to restrict the frequency of copying songs and security to ensure payment before downloading songs.

Figure 9: More record companies will subscribe to e-commerce in the future
Source: Field survey (2011)

Figure 9 shows that 20 percent and 32 percent of the respondents strongly agreed and agreed, respectively that more record companies will subscribe to e-commerce in the future while 16 percent were neutral. Conversely, 22 percent and 10 percent of the respondents disagreed and strongly disagreed respectively. Some of the reasons cited as to why more record companies will subscribe to e-commerce services and the digitalization of their albums were reducing in transaction and marketing cost, remaining competitive within the industry, avoiding eventual collapse of business like the cassettes’ businesses and moving along with technology. On the other hand, some of the reasons
given for why more record companies will not subscribe to e-commerce services were the likelihood of reducing the importance of record companies in the music industry and the likelihood of reducing their domination and control in the music industry.

4.5 Challenges surrounding the adoption of e-commerce in the music business

This section is important to ascertain the issues impeding the operationalisation of e-commerce in the music industry. The issues considered under this section include pirating, infrastructural support and monetizing online content of music.

![Bar chart showing responses to E-commerce increasing pirating and reducing sale of music](chart.png)

**Figure 10: E-commerce increasing pirating and reducing sale of music**

Source: Field survey (2011)

From Figure 10, 12 percent and 22 percent of the respondents strongly agreed and agreed, respectively that the adoption of e-commerce in the music industry will increase music pirating and 16 percent were neutral. However, 34 percent and 16 percent disagreed and strongly disagreed, respectively. The reasons given as to why e-commerce will increase music pirating include e-commerce not incorporated into the copyright law, weak
enforcement of the copy right law, poor internet security and increased rate of internet fraud.

Figure 10 further found that 10 percent and 24 percent of the respondents strongly agreed and agreed, respectively that the adoption of e-commerce in the music industry will reduce the sale of music and 14 percent were neutral. On the other hand, 32 percent and 20 percent of the respondents disagreed and strongly disagreed respectively.

Figure 11: E-commerce collapsing retail businesses, and reducing the importance of record companies
Source: Field survey (2011)

Figure 11 shows that 16 percent and 32 percent of the respondents strongly agreed and agreed, respectively that the adoption of e-commerce in the music industry is likely to collapse retail business in the music industry and 14 percent were neutral. Conversely, 26 percent and 12 percent of the respondents disagreed and strongly disagreed, respectively.
Reasons mentioned to support that e-commerce is likely to collapse retail businesses in the music industry include:

- hijacking the role of retailers
- and fear of breaking down the traditional music distribution channel.

As a result, some of the players in the music industry are reluctant to promote digitalization of albums and e-commerce.

Figure 11 further shows that 10 percent and 20 percent of the respondents strongly agreed and agreed, respectively that the adoption of e-commerce in the music industry is reducing the importance of the record companies and 14 percent were neutral. However, 34 percent and 22 percent of the respondents disagreed and strongly disagreed. Some of the reasons given for why the adoption of e-commerce is not reducing the importance of record companies were still controlling the music industry, majority of consumers accessing songs through the traditional distribution channel (on CD and cassettes) and likelihood of the record companies hijacking e-commerce in the music industry.
Figure 12: Poor telecommunication infrastructure to support e-commerce, and e-commerce becoming less popular among consumers

Source: Field survey (2011)

From Figure 12, 26 percent and 42 percent of the respondents strongly agreed and agreed, respectively that there is poor telecommunication infrastructure to support e-commerce adoption in the music industry, 12 percent were neutral, while 20 percent disagreed. The premises raised to support that there is poor telecommunication infrastructure to support e-commerce in the music industry include unreliable telecommunication services and poor telecommunication coverage as well as unstable power supply.

Figure 12 further shows that 20 percent and 38 percent of the respondents strongly agreed and agreed, respectively that e-commerce is less popular among the consumers and 14 percent were neutral. However, 20 percent and 8 percent of the respondents disagreed and strongly disagreed respectively. Issues raised to support that e-commerce is less popular among the consumers include:

- heavy competition from the traditional music distribution channel,
- poor telecommunication infrastructure to promote e-commerce,
- high e-illiteracy or digital gap among the consumers
- and receiving little promotion from the other players in the music industry.
Figure 13: Difficulty in monetising online music content, and less internet coverage in the country posing challenge to e-commerce

Source: Field survey (2011)

Figure 13 shows that 26 percent of the respondents strongly agreed that there is difficulty in monetizing online music content, 38 percent agreed, 16 percent were neutral, whereas 20 percent disagreed. As a result, majority of the respondents attested that the difficulty in monetizing online music content is a challenge to the adoption of e-commerce in the music industry. Some of the reasons stated were possibilities of undervaluing or overvaluing online music contents due to weak electronic payment system and low level of technology to manage it.

Figure 13 further shows that 20 percent of the respondents strongly agreed that less internet coverage and penetration in the country is posing a challenge to the adoption of e-commerce in the music industry, 44 percent agreed, 14 percent were neutral and 22 percent disagreed. The reasons cited to support that the less coverage of internet services poses a challenge to the adoption of e-commerce include:
• denying access to music streaming and downloads in some
• and reducing the local market base of e-commerce.

Figure 14: High e-illiteracy among the populace posing a challenge to e-commerce, and poor e-payment system poses challenge to e-commerce in the music industry
Source: Field survey (2011)

Figure 14 shows that 20 percent of the respondents strongly agreed that high e-illiteracy among the populace is posing a challenge to the adoption of e-commerce in the music industry, 36 percent agreed and 10 percent were neutral. On the other hand, 24 percent and 10 percent of the respondents disagreed and strongly disagreed respectively. Some of the reasons raised to support that high e-illiteracy among the populace is posing a challenge to the adoption of e-commerce include:
• limiting local patronage,
• reducing local sales of music
• and making e-commerce less popular among the consumers.
Figure 14 further shows that 30 percent and 44 percent of the respondents strongly agreed and agreed respectively, that the poor electronic payment system and online ordering process in the country poses a challenge to the adoption of e-commerce in the music industry and 8 percent were neutral. On the other hand 18 percent of the respondents disagreed. The main reason cited for why the poor electronic system was not posing a challenge to the adoption of e-commerce in the music industry was that e-commerce is targeted at the international market.


CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents a summary of the major findings of the study and gives its overall conclusions. The chapter presents also suggestions on how the adoption of e-commerce in the music industry could be enhanced to benefit all stakeholders. This is followed by implications for future research.

5.1 Summary of major findings

The section is organized according to the reasons for e-commerce adoption in music record business, and according to prospects and challenges confronting the adoption of e-commerce in the music business.

5.2 Reasons for the adoption of e-commerce in music record business

1. Majority of the musicians (85% of hiplife musicians and 60% of gospel musicians) prefer the use of e-commerce in the music industry. Invoked reasons are that it enables them to have direct access to the market, to widen their existing market and to reduce the monopoly of the record companies. Similarly, some interviewees stated that their quest to use the e-commerce technologies was premised on the governmental incentives, policies and projects on ICT awareness and usage of the youth (their targets), and the bridging of the national digital gap. Incentives and projects such as e-Ghana project, a project aimed at improving e-business capacity, e-money and e-zwich; e-zwich is the brand name for the National Switch and Smart card payment system. The e-zwich payment system is an innovative method for improving accessibility to banking and retail services in Ghana. The e-zwich system offers deposit taking financial institutions (i.e. Universal banks, Rural banks and Savings and Loans) a platform that enables them to interoperate., the construction of 230 Community Information Technology Centres (CICs) in all 230 constituencies in the country and the development of Ghana ICT for accelerated development.
(ICT4AD) policy, a National ICT policy, gives them much assurance of the readiness for the adoption of the Internet and e-commerce within the service sector and the music industry to be specific. However, (80%) of the record companies indicated to not prefer the use of e-commerce in the music industry because it poses threat to their monopoly and not having good infrastructure to support e-commerce in the music industry.

2. The adoption of e-commerce in the music industry is largely targeted at the international market, especially Ghanaians living outside the country. This is due to the poor infrastructural support in terms of efficient electronic payment system, reliable internet services and full coverage of internet services among others in supporting the subscription drives of the digital music services in the country.

3. A short majority (51%) of the respondents indicated that the reason for the adoption of e-commerce in the music industry was primarily to reduce transaction cost in marketing and sales of digital music. Thus, the adoption of e-commerce in the sale of music was aimed at reducing the bottlenecks and their associated costs in the traditional music distribution channel. Additionally, artistes and promoters are now engaging in strategic and commercial partnerships with Internet Service Providers (ISPs), the Telecom and Mobile Operators for the usage of their digital music as ringtones and adverts for monthly subscription fees paid by the wide consumer base. For instance, Ghana, Telecom operators like MTN, Vodafone, Airtel and Glo Communications offer these music services to the customers to subscribe to. The users of the music services need to dial-up to reserve short codes to subscribe and use the digital music track.

5.3 Prospects of e-commerce in the music business

1. Majority (66%) of the respondent described the future of e-commerce in the music industry as good with the reasons that more e-commerce technological platforms will be developed to manage e-commerce, internet security will be improved to reduce pirating and telecommunication infrastructure will be expanded to increase the local market base of online digital music. Similarly, respondents made mention of the
youths’ drive in bridging the digital gap, the government incentives, policies, and projects on ICT, the various commercial and strategic partnerships with Telecom Operators and the improving online and electronic payment systems like the fast emerging electronic cards like the visa cards, mobile money, and the e-zwich being embraced the general citizenry.

2. Majority (71%) of the respondents reported of their continuous subscription and readiness to subscribe to the use of e-commerce in the music industry was to remain competitive and be in tune with the technological trends, as well as, meeting the taste and preference of the youths who are now more with technological devices such as smartphones and other iPhone and Android devices with digital services, Similarly, growth in smartphone usage worldwide has also brought other numerous benefits to both players of digital music and consumers. Digital services offer mobile applications (apps) that notably increase the value of premium subscription offers, volumes of music downloads and marketing of digital music. Interestingly, music services packaged onto smartphones have been focused on developing markets such as the Asian and African markets, where mobile usage far surpasses fixed line or broadband Internet access (IFIP, 2011). Furthermore, some respondents viewed avoidance of the total collapse of business was one of main reasons pushing players towards some forms of technology.

3. E-commerce has good prospect in the music industry because more digital services such as ghanaplaylist.com, ghanamusic.com, myananse.net, and many more are having more people joining their platforms daily, more people expressing interests in their packages and some are purchasing digital music tracks via electronic emporium such as iTunes store. Correspondingly, the social network revolution which has hit the information and communication delivery medium positively had similarly impacted on the marketing and delivery of music records as well as, digital music. Social network sites such as youtube, Facebook, Twitter, Badoo, playsite.com and Indaba music provide online collaboration for musicians, online advertising and marketing of music tracks, albums and videos. Today, some Hiplife musicians in Ghana like Gasmilla and Jay Ghartey hit limelight and have become stars via
showcasing the works on the Facebook platform and this has increased the volume of record sales and given their words, a global access and market.

5.4 Challenges surrounding the adoption of e-commerce in the music record business

1. Some of the players in the music industry are reluctant to promote e-commerce due to the fear that it is likely to hijack the role of retailers, possibility of breaking down the traditional music distribution channel and likely to reduce the importance of record companies.

2. Majority (68%) of the respondents admitted that poor telecommunication coverage and unreliable telecommunication services in the country pose a challenge to the adoption of e-commerce in the music industry. In addition to this, inadequate Internet Service Providers (ISPs), unstable power supply, high cost of computer systems and network technologies for e-commerce on the electronic pathway were mentioned as inclining the growth of digital music revolution in the country.

3. Difficulty in monetizing online music content was identified as one of the challenges confronting the adoption of e-commerce in the music industry. Some of the reasons stated were possibilities of undervaluing or overvaluing online music contents due to weak drive for the electronic payment systems and low level of technology to manage it. Additionally, due to lack of developed legal framework and regulatory systems to govern the activities of digital music services and uncertain taxation rules facing the business outlooks were stated as hindering the prospects of e-commerce penetrations in the music record industry.

4. High e-illiteracy among the populace was also a major challenge confronting the adoption of e-commerce in the music industry. Due to prevailing high rate of digital disparity among the citizenry where information rich people get better than those in the information poor brackets in getting the electronic penetrations. E-commerce adoption needs to be tackled from the root source which is bridging the digital gap. This high e-illiteracy among the populace delimit the adoption of e-commerce and
thereby limiting local patronage of digital music, reducing local sales of music and making e-commerce less popular among the consumers.

5.5 Conclusions
The adoption of e-commerce in the sale of music is perceived as a major boost to the development of the entire music industry. It is believed that the internet will open up the possibility of global reach and opportunities for market expansion without going through the major distributors. However, there are growing concerns about the increasing threat of pirating and the need for new legislation at the international level to ensure that full benefit is derived from these technologies. The study we conducted aimed therefore at examining the reasons for the adoption of e-commerce in the music industry in Ghana, prospects of e-commerce in the music industry and the challenges confronting the adoption of e-commerce.

The study, however, found that the adoption of e-commerce was partly aimed to reduce the cost of transaction in music records marketing and sale, to gain access to the international market and to have direct access to the market. The future of e-commerce in the music industry in Ghana is good as an increasing number of people are showing interest in it, there is continuous expansion of the telecommunication infrastructure in the country, and there is gaining support from Ghanaians abroad. However, some of the challenges confronting the adoption of e-commerce in the music industry include poor telecommunication coverage and unreliable power supply and telecommunication services in the country, difficulty in monetizing online music content and high e-illiteracy among the populace.

However, support to the music industry is not encouraging at all, although the Ghanaian government is supporting the growth of the private sector and the service sector in general. A wonderful revelation was made by one of my interviewees narrating the incident that on two occasions where musicians were attending international performances, tourism shows such as the PANAFEST, a Pan African festival and fairs,
association had to pay the travelling bills of the government officials who were leading the delegation to the function. It had been the individual players in the industry who had been putting things together for the association to run on, more resources are therefore needed by the associations to effectively run and inculcate the ideas and concepts of e-commerce adoption among members.

Furthermore, the inadequate understanding of the need to adopt innovations, such as Internet and other electronic facilities prevent SMEs – such as recording firms – from using them to overcome existing performance gaps or exploit new opportunities. The inadequate understanding on how to implement and use the ICT applications averts the accomplishment of the strategic goal of efficiency, effectiveness and innovations which denies the recording firms this particular opportunity to improve competitiveness. Therefore, it is the duty of every nation especially those in the developing economies like Ghana to ensure that development of ICT becomes a priority in its development agenda.

The implication is that for stakeholders in the Ghanaian music industry to effectively harness the benefits from online sale of digital music, ICT infrastructure needs to be expanded to cover greater portion of the populace since e-commerce cannot give a financial gain over night. Thus, e-commerce in the Ghanaian music industry is still at the embryonic stage. I conclude that whereas more efforts are being put into upgrading infrastructural framework, such as the laying of the national fiber optic cable across the length and breadth of the country to increase coverage and improve quality of service by government and the respective stakeholders, much education and awareness on Internet and e-commerce adoption has to be made for the citizenry especially the industry players since that is the current tool for international business and by that, giving Ghanaian artistes and music needed exposure at the international stage.

5.4 Recommendations

1. Stakeholders' implication: The Musicians’ Association of Ghana should sensitize all players in the music industry on the contribution of e-commerce to the development of local music and how each stakeholder could position himself in order to benefit
from the innovation. This will enable all the stakeholders to join efforts to promote e-commerce in the music industry.

2. Expand IT infrastructure: Telecommunication operators should also expand their services to cover the entire country to enable people everywhere to access online music. This will help to instill confidence in e-commerce business stakeholders. It will also help to expand the potential market of e-business and other electronic facilities such as e-learning, e-culture in the country. Furthermore, the expansion of telecommunication in the country will help to improve electronic payment system in the country.

3. Security software diffusion: IT applications for the e-commerce businesses should develop to more enhanced features which will improve internet security and reduce online music pirating, identity theft and phishing. The Internet represents an insecure channel for exchanging information leading to a high risk of intrusion; therefore there is the need to look at browser security, network security, and operating systems on a whole in building up the enhanced system. The objective of these enhanced features will be to establish rules and measures to use against attacks over the Internet. This will instill confidence to adopt e-commerce in the sale of music. It will also help to promote e-commerce among musicians, record companies and retailers.

4. Advertise music websites: Businesses using the e-commerce to market music should advertise their websites among the general populace to promote their activities. The advertisements should have persuasive strategies that can make consumers have interests and understand the concepts of e-commerce. This will help to increase the sale of music through the internet at the local market.

5. Develop monetization solutions: Even though music is ranked second after games in deriving industry revenue from the digital space, it has successfully hit 3.6 billion downloads globally as of end 2011, which is an increase of 17% from 2010, according to IPFI. Stakeholders in the industry should consider finding a common ground for the monetization of online music content. Monetizing the contents could assure more players in the industry of fairness and boost their desire to adopt the e-commerce technologies thereby widening the market base and the revenue from
digital music. This will help to eliminate overvaluation and undervaluation of online music content.

6. Promote IT education: The government of Ghana should promote ICT training at all levels of education. This will help to increase the e-literacy and bridge the digital gap among the general populace. As more people get knowledge in e-literacy, the potential market for e-commerce in the music industry will also increase leading to the desire of more consumers to subscribe to the digital music services.

5.6 Implications for future research

This study extends previous Internet and e-commerce adoption to an under-researched part of the world, Ghana Music Industry. This study provides fruitful perspectives for future research.

- There is the need for a study involving a larger sample size drawn from a broader spectrum of industry players and firms to see if the findings reported in this study hold in other cases.
- Research consideration would be a comparative study of the determinants and the levels of e-commerce adoption among SMEs and other large firms not necessarily within the Music Industry
- A similar study can be carried out in the other segments of the service sector of the economy
- Investigate how ready businesses, government, governmental agencies and institutions or consumers in Ghana are for e-commerce.
- Examine how Internet can be used effectively and efficiently to open new distribution and retailing channels into the foreign markets.
- Examine how Internet and e-commerce adoption can impact the Business Model of organizations
- Investigate into the drivers to Internet and e-marketing adoption amongst SMEs in a developing economy.
References


Onwuegbuzie, A J & Leech, N L (2004): “Enhancing the interpretation of ‘significant’ findings: The role of mixed methods research”. The Qualitative Report, 9(4) (pp 770-792)


Appendix A: Survey Questionnaire

Survey Questionnaire
For Music Record Retailers

All information provided in this survey is confidential and will be used for research purpose only.

Section A: Background of Respondents

Q.1: Age of Respondent?
- [ ] Below 30 years
- [ ] 31-40
- [ ] 41-50
- [ ] 51-60
- [ ] Above 60

Q.2: Gender
- [ ] Male
- [ ] Female

Q.3: Educational Level/Qualification
- [ ] None
- [ ] Basic
- [ ] SHS/College
- [ ] Tertiary
- [ ] Other

Section B:

General Internet Perceptions

Q.1: Do you have access to the Internet? If yes, answer the following

Q.2: What is your perception about the Internet?

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Q.3: What are your perceptions about the use of the Internet for business activities?  
(Tick where applicable)

- The Internet can make my organization more efficient [ ]
- The Internet makes business like mine to be more effective [ ]
- Frequent usage of Internet can make my firm more competitive [ ]
- My clients are using the Internet to place order of music records [ ]
- The Internet is a reliable source of business information [ ]
- The Internet make communication and collaboration easy [ ]
- The Internet helps to get new customers and distributors [ ]

Reasons for using the Internet and e-commerce

Q.5: If yes, Please provide reason(s):
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Q.6: How do you agree to the following as the reasons for the adoption of e-commerce in the music industry?  
(Tick where applicable) Using

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<td>Increase sales volume</td>
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<td>Increase flexibility in accessing musical products</td>
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<td>Have access to the global market</td>
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<td>Increase popularity among consumers</td>
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<td>Reduce transaction cost in trading</td>
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<td>Promoting local music at the international stage</td>
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<td>Bringing innovation in the sales of music</td>
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<td>Improve one’s competitiveness in the industry</td>
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</table>
C: Prospects of e-commerce in the music business

Q.1: How will you describe the future of e-commerce in the music industry?

Q.2: Please provide reason(s):
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Q.3: Will you subscribe or continue to subscribe to the use of e-commerce in music?

Q.4: Please provide reason(s):
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   …………………………………………………………………………………………………
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Q.5: Will more players in the industry subscribe to the use of e-commerce in the future?

Q.6: Please provide reason(s):
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Q.6: How do you agree to the following as a description of the future of e-commerce in the music industry?
   (Tick where applicable) Using

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<td>More people will have interest in e-commerce businesses</td>
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<td>More infrastructure will be built to support e-commerce</td>
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<td>Sale of music will move towards e-commerce</td>
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<td>Laws and policies will be enacted to regulate e-commerce</td>
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<td>More security systems will be put in place to reduce pirating</td>
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<td>More retail firms will subscribe to e-commerce</td>
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</table>
Section D: Challenges surrounding the adoption of e-commerce in the music business

Q.1: How do you agree to the following as a challenge confronting e-commerce in the music business?
(Tick where applicable) Using

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<td>Increasing music pirating</td>
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<td>Reducing sale of music</td>
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<td>Collapsing retail business in the music industry</td>
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<td>Reducing the importance of record companies</td>
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<td>Poor telecommunication infrastructure to support e-commerce</td>
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<td>Less popular among the consumers</td>
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<td>Difficult to monetize online content</td>
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<td>Less internet coverage</td>
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<td>Poor electronic payment system</td>
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<td>High e-illiteracy among the populace</td>
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Q.2: Any additional comment: .................................................................
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Thank you
Appendix B: Survey Questionnaire

Survey Questionnaire
For Music Consumers

All information provided in this survey is confidential and will be used for research purpose only.

Section A: Background of Respondents

Q.1: Age of Respondent?
- [ ] Below 30 years
- [ ] 31-40
- [ ] 41-50
- [ ] 51-60
- [ ] Above 60

Q.2: Gender
- [ ] Male
- [ ] Female

Q.3: Educational Level/ Qualification
- [ ] None
- [ ] Basic
- [ ] SHS/ College
- [ ] Tertiary
- [ ] Other

Section B:

General Internet Perceptions

Q.1: Do you have access to the Internet? If yes, answer the following
Q.2: What is your perception about the Internet?

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Q.3: What are your perceptions about the use of the Internet for consumption of music? (Tick where applicable)

- The Internet can make my music easily accessible
- The Internet makes business like mine to be more effective
- Frequent usage of Internet can make my firm more competitive
- My clients are using the Internet to place order of music records
- The Internet is a reliable source of business information
- The Internet make communication and collaboration easy
- The Internet helps to get new customers and distributors

Reasons for using the Internet and e-commerce

Q.4: Do you use e-commerce in the purchase of your musical records?


Q.5: If yes, Please provide reason(s):

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Q.6: How do you agree to the following as the reasons for the usage of e-commerce in the music industry? (Tick where applicable) Using


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<td>Saves time</td>
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<td>Increase flexibility in accessing a wider range of musical products</td>
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<td>Speed-up of communication/response rates</td>
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<td>Lowering of cost (such as online payment)</td>
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<td>Reduction of Search and other related costs</td>
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<td>Easy and Fast transfer of digital music</td>
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<td>Reduce geographic constraints on participation in markets</td>
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<td>Avoid crowds and queuing</td>
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</table>
Section C: Prospects of using e-commerce in the consumption of digital music

Q.1: How will you describe the future of e-commerce and online assessment of music?  

Q.2: Please provide reason(s):

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Q.3: Which e-commerce or digital music services you have used?

☐ Ghanamusic.com ☐ Rhythm Online
☐ GhanaPlaylist.com ☐ Music Station
☐ MTN Loaded ☐ Saminilive.com
☐ Vodafone Live ☐ DJs Only
☐ Just Music ☐ Ghanamotion.com

Q.4: How do acquire online music downloads?  

Q.5: Will you subscribe or continue to subscribe to the use of e-commerce in music?  

Q.6: Please provide reason(s):

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Q.7: Will more players in the industry subscribe to the use of e-commerce in the future?  

Q.8: Please provide reason(s):

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Q.9: How do you agree to the following as a description of the future of e-commerce in the music industry?  (Tick where applicable) Using

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<tr>
<th>Issue</th>
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<tr>
<td>More people will have interest in acquiring music via the e-commerce platform</td>
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<td>More infrastructure are there to support digital music acquisition</td>
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<td>More will prefer to assess music online than through shops</td>
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<td>Laws and policies will be enacted to regulate e-commerce</td>
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<td>More security systems will be put in place to safeguard electronic payment mode and processes</td>
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<td>More retail firms will subscribe to e-commerce</td>
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**Section D: Challenges surrounding the adoption of e-commerce in the music use**

Q.1: How do you agree to the following as a challenge confronting e-commerce in the music business? (Tick where applicable) Using

1. Strongly agree  
2. Agree  
3. Neutral  
4. Disagree  
5. Strongly disagree  

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<td>Increasing music pirating</td>
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<td>Reducing sale of music</td>
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<td>Price of music records and tracks getting high</td>
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<td>Trust concerns</td>
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<td>Websites frustrations, slow connection and crashes</td>
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<td>Unwilling/Unable to provide payment card details</td>
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<td>Less internet coverage</td>
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<td>Shipping and handling problems</td>
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<td>High e-illiteracy among the populace</td>
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Thank you.
Appendix C: Interview Questions

Q.1: What kind of music do you do, why music, what got you into it?
Q.2: How long have you been in the music industry?
Q.3: Take me through with processes involved in composing, packaging, publishing, marketing of musical records.
Q.4: What are some of experiences gained over time in the industry?
Q.5: What are some of challenges confronted in the industry?

Q.6: Do you use the Internet and e-commerce technologies in the distribution processes, marketing or sales of your musical records?
Q.7: What channels of distribution did you use before using the Internet and its applications?
Q.8: What are some of the Internet applications and e-commerce technologies do you use? and what some of the benefits compared to Q.7?
Q.9: To what extent has these electronic commerce technologies enhance the marketing and the volume of sales of records?
Q.10: What is the level of acceptance of these technologies amongst consumers of your music and your fun base?

Q.11: Are your musical tracks, albums or records acquired electronically?
Q.12: How are these acquisitions made? --Order placements, Streaming only, Downloads
Q.13: Who manages the websites, and e-commerce platforms on your behalf?
Q.14: How do you manage activities like online purchases, pricing structures, the payment and delivery processes?
Q.15: Do these Internet applications and e-commerce technologies have user interfaces friendly enough for your fun base, music consumers and the general public? What are the feedback mechanisms?
Q.16: How do Recording firms, Distributors and Retailers deal with your Internet applications and e-commerce technologies?

Q.17: Do you think these electronic platforms are easier to use by other stakeholders like Recording firms, Distributors and Retailers and will enhance their willingness to use other electronic commerce platforms?
Q.18: Is it easy to handle errors and malfunctions while using these applications?
Q.19: What are some of the security mechanisms in place to ensure smooth and continuous usage of the platforms and applications?
Q.20: How do you deal with music piracy with these Internet applications and platforms?
Q.21: What are your opinions regarding Internet Connectivity and Penetrations in general, Telecommunication Infrastructures, and Government and Other Stakeholders involvements to enhance e-commerce platform development?

Q.22: Would you like to add something more?