

SOCIAL MEDIA AS A MARKETING TOOL IN THE MUSIC INDUSTRY

Case: ACE Revolutions

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Abstract <p>The idea for this research was given by the Finnish record and entertainment company ACE Revolutions. The young company is planning to expand its services and products into the German market via the Internet. With the help of Social Medias ACE Revolutions wants to create a virtual platform that allows the interaction between the company and its customers and prospects. The objective of this research is to identify and analyze the most suitable Social Media platform for the record company in order to realize their idea. In addition to that, the focus will also be drawn on the features and tools this specific platform has to offer.</p> <p>The results of the research are based on existing primary and secondary data, mainly provided by national (German) and international research companies and by experts in the field of Social Media and Web 2.0 applications. Furthermore, an exploratory research approach was used to gather more detailed information on a specific Social Media platform, which seemed most suitable to the company.</p> <p>The results of this research include the presentation of one particular Social Media platform which the company could make use of in order to enter the German market. In addition to that all relevant features and tools offered on that platform are presented in greater detail. Due to the confidentiality agreement no further information can be mentioned at this point.</p>		
Keywords Social Media, Germany, Web 2.0, Exploratory research, Viral Marketing, Online promotion strategy, Music Industry		
Miscellaneous Chapters 5-8 are confidential until the 31.12.2014. They shall also not appear on the Table of Contents.		

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1 INTRODUCTION

“The internet is becoming the town square for the global village of tomorrow.”

Bill Gates

Within an exceptionally short time, the World Wide Web has undergone an enormous change. It has moved away from its static “click and read only” web pages to a more interactive and collaborative platform. People connect to the Internet not only in order to gather information from various web pages anymore but they also want to contribute actively to discussions and share their own opinions and experiences. The focus has shifted to what is called the “user-generated content” (UGC) and social networking. Virtual platforms allow users from all around the world to interact freely with each other, share content such as pictures, music and video files at any given time within a split of a second. Metaphorically speaking, borders have disappeared and the world has turned into one large village where people are only one or two mouse-clicks away from each other. This phenomenon was given the name Web 2.0¹, a more sophisticated follower of the web 1.0, which stands for “an evolution in the way people are using technology” (Ryan & Jones 2009, 14).

In the center of the Web 2.0 we find the so called *Social Media* platforms. Generally speaking, Social Medias are primarily Internet and mobile based tools that help sharing and discussing information among users. They have become increasingly popular and have contributed greatly to the shift of power in the market from companies to consumers. Today, customers prefer to collect information of specific products and services via the Internet before making the actual purchase. Only within a couple of minutes they can review different companies and compare their offers and sales prices. The newly gained flexibility of customers leads to a lower bargaining power of companies. Therefore, firms have to adapt quickly to those

¹ The term Web 2.0 was firstly used by Tim O`Reilly on a conference in 2004 in order to describe the new trends of the applications and features of the World Wide Web. (O`Raily 2005)

changes in the market and start adjusting their research methods and marketing strategies on the Internet.

More and more companies have realized the urge to act and started using Social Media platforms as a new Marketing channels in order to reach their target customers. Recently, the trend has shifted away from utilizing the *push strategy*, where companies send one and the same message to as many users as possible, towards the *pull strategy*, that focuses more on the needs and wants of a special target group (Kotler, Wong, Saunders & Armstrong 2005, 744).

Especially the Music and Entertainment industry has undergone a significant change since the introduction of Social Medias. The vast majority of artists and bands have created their own web pages in order to promote their music and to inform their supporters all around the world about current and upcoming happenings. Social Medias offer a great variety of features and tools to their users. One only has to decide on which tool to use. Unfortunately, it is not always easy to make the correct decision and to choose the appropriate tool. Consequently, one of the most crucial questions many artists ask themselves is: which Social Media shall we use in order to communicate with our followers and fans in the easiest and most effective way?

The Internet is, figuratively speaking, overflowing with information and data, a rather high percentage of it being false or incomplete. An artist therefore needs to provide a platform to his or her supporters, which is easy to access and use and where they can receive information at first hand.

The main focus of this dissertation is aimed exactly on this specific problem.

In cooperation with the Finnish record company ACE Revolutions, I have analyzed and researched this topic in greater depth. The record company, which has just found its way into the market, would like to build up a Social Media platform for its supporters in Germany. Already familiar with the Social Media platforms in Finland, the company would now like to expand to the yet unknown German market in order

to locally promote their services and artists. The main focus of this research is on the one hand on the identification and categorization of already existing Social Media platforms in Germany, and on the other hand to figure out which one of them would be the most suitable for the record company and how they can actively use it for their purposes. With the help of the research done, I hope to provide the company with sufficient information on the most popular Social Medias used in Germany to accomplish an easier entrance into the market.

The music and entertainment industry is one of the most dynamic and fastest changing one existing. Companies and artists have to keep up with the pace and try to follow actively the newest trends, such as the use of Social Media platforms. Since the strong interaction with Social Media platforms is a rather novel trend, it has not been researched much until today. Personally speaking, I would like to discover the new features and tools the Web 2.0, including the Social Medias, has to offer. The correct usage of those tools cannot only be beneficial for companies but also for any other user of the Internet.

The new Web 2.0, and especially its usability as a tool for marketing, needs to be explored. This study on social marketing platforms in Germany only forms the beginning.

2 ACE REVOLUTIONS – A COMPANY PROFILE

ACE Revolutions – Art and Content Entertainment is a small sized event and music production company, which has its roots in Jyväskylä, Finland. The company was founded in 2007 by two Team Academy students named Sampo-Ilmari Tuhkalehto and Juho-Heikki Korhonen.

The company's main focus is on independent music artists and bands which are rather new in the music industry and therefore yet very much inexperienced. Their primary goal is to help those clients promote their music and increase their popularity on a local or even national scale. ACE Revolutions distinguishes itself from other "ordinary" record companies by offering more than just "manufacturing and selling" services to its customers. The company has created a sales package that, additionally to those two primary services, also includes management, merchandizing and marketing services. Furthermore, ACE Revolutions helps organizing and promoting events for their clients which can be of musical or any other entertainment related nature. The two owners wish to support their customers in any possible way; hence they refer to their overall company strategy as the "360degree approach" (Tuhkalehto 2009).

Since its foundation in 2007, the company has organized various events for private enterprises and contracted four Finnish rock bands. In the future ACE Revolutions is planning to expand its services to the German music market.

Both the German and the Finnish Music Industry show great similarities and seem to be rather homogeneous. The two founders see this as a great opportunity and hope to quickly gain a foothold in the German market. In the last years various Finnish Rock bands such as Apocalyptia, The Rasmus and HIM have sold many hundred thousands of CDs in Germany and filled hundreds of concerts halls. Customers all around Germany are more aware of Finnish music than ever before. The gate to the market has, figuratively speaking, been opened for ACE Revolutions already.

ACE Revolutions' marketing strategy

For the last two years the event and music production company ACE Revolutions has been using the so called *Guerrilla Marketing* approach to promote and advertise their services and music bands. According to Jay Conrad Levinson, the "father" of Guerrilla Marketing, the term refers to a "body of unconventional ways of pursuing

conventional goals. It is a proven method of achieving profits with minimum money” (Levinson 2009, Guerrilla Marketing).

This marketing approach is very suitable and beneficial for ACE Revolutions for two reasons. Firstly, ACE Revolutions is a rather new company with only very little starting capital and other resources. The Guerrilla Marketing approach does not require much investment and still reaches many customers at once.

Secondly, the Guerrilla Marketing approach is using an “unconventional way of pursuing conventional goals”. As already stated in the previous chapter, the music and entertainment industry is one of the most dynamic ones existing. Companies have to develop new marketing strategies and innovative ways to reach and convince their end-customers. Only a simple advertisement in the newspapers or in the radio is by far not enough in these days. Bands and record companies must show creativity in order to be able to compete with their rivalries. The Guerrilla Marketing strategy can be seen as a very proactive and effective way of marketing one’s products or services with only a minimum of investment.

In case of ACE Revolutions, the Guerrilla Marketing strategy is applied in the following ways: Within the area of Jyväskylä and its neighboring villages, ACE Revolutions is making use of self designed posters and stickers in order to communicate with current customers and prospects. Not only are the services of ACE Revolutions advertised on those posters and stickers, also upcoming concerts and CD releases of the bands they have contracted are promoted in that way. Locations with a high frequency of people are preferred such as Train stations, city centers and shopping malls. In addition to that, also locations where music loving people like to spend their leisure time such as record stores, pubs and clubs are of great value to the company. The posters and stickers are not necessarily distributed by the members of ACE Revolutions themselves but rather by their *street team*. The term *street team* describes a group of people who like to help promoting a company’s products or services, or in this case an artist’s music (Tuhkalehto 2009).

Those people volunteer to market their favorite company or music band because they are convinced of the quality and the services that are offered to them by this particular company/artist and they want other people to experience the same. A well structured and proactive street team is considered pure gold in the music and entertainment industry, since it is not only a costless marketing approach for a company but also the utilized power of *mouth-to-mouth* promotion is impressively strong.

The drawback of using posters and stickers to promote one's products and services is that it only provides little interaction between customer and company. ACE Revolutions only spreads one specific message to a large mass, but does not give them the chance to answer and to interact with them. It is a one way street where the sender sends a message to as many receivers as possible without giving them the opportunity to reply. Since ACE Revolutions greatly depends on its customer's feedback and ideas, the company has built up a web page on the Internet. With only a few mouse clicks, customers can access a platform where it is possible to interact with other fans or the company itself. Customers and fans are encouraged to express their personal opinion and to ask questions or simply share experiences with each other and the music record firm in a purposed-build forum. Very enthusiastic followers also have the possibility to send a private message to the management of the company if they want certain content to remain unpublished openly.

In addition to that ACE Revolutions provides its customers with all relevant information on the company's history, for instance, on their products and services as well as on ongoing and future happenings. All contracted music bands are promoted on the web page and free video clips and songs are available for downloading. Recently, the management of ACE Revolutions has realized its idea to offer fans a weekly virtual chat experience, where they can communicate with one of the company's owner, Sampo-Ilmari Tuhkalehto, in real time. The interaction between the company and their fans is of high priority to the founders of ACE Revolutions.

According to Sampo-Ilmari Tuhkalehto (2009), this interaction forms the backbone of their business, since without it the company would not create any sales and revenue. Their personal web page is not the only online marketing tool the company takes advantage of in the World Wide Web. Since its foundation, ACE Revolutions has made great use of various Social Media platforms, one of them being the *IRC Gallery*, which has its roots in Finland, and another one being *Facebook*, a more international version which shall help promoting the company's products and services on a global scale. Like in the real world, the company has volunteers which help promoting ACE Revolutions on those Social Media platforms as well. The *virtual* street team updates information, sends invitations for groups or events to other friends, and adds pictures of the company's products or contracted bands, for example. There are many different ways in which the street team can help the company promoting their services online. This kind of online marketing approach is called *viral marketing* and is defined as "the internet version of word-of-mouth" (Kotler et al. 2005, 149). The main goal is to create such a catchy and interesting content that a user will want to forward it to his/her friends.

One of ACE Revolutions' main strengths is the way they organize and communicate with their street team in real-life and in the virtual world. The management is anxious to keep close contact to those volunteers and to give them the feeling that what they are doing is beneficial and helpful to the company. For the future, ACE Revolutions wishes also to establish a street team in Germany which would help them promote their services mainly in the virtual music world, via local Social Media platforms.

3 MARKET RESEARCH

In the previous two chapters it was already en passant mentioned what ACE Revolutions' intentions are for the near future: The Company wants to enter the

German (music) market by using local Social Media platforms.

To formulate one's targets for the time to come is *a* very important step in a company's' strategic planning process, since it shows where the management sees itself in the future, but it is by far not the only one. Another very crucial step focuses on the "how" a company is going to reach those goals and on the "what" is required in terms of resources to support the course of action. In order to get an answer to the "how" and the "what" a company must conduct a so called *market research*.

According to the European Society for Opinion and Marketing Research, short ESOMAR, the term market research stands for:

"The systematic gathering and interpretation of information about individuals or organizations using the statistical or analytical methods and techniques of the applied social sciences to gain insight or support decision making" (ICC/ESOMAR: International Code on market and social research 2008, 5).

In short, a well conducted market research provides a company with sufficient and accurate data on specific topics, such as markets, customers or industries, which help reaching reasonable managerial decisions. Hence, the outcome of a market research partly determines a company's overall strategy (the "how" and the "what"), including the marketing.

The term market research is commonly interchanged with marketing research, even though some experts wish to draw a distinction, in which *market* research is concerned specifically with markets, while *marketing* research is rather focusing on marketing processes. Nevertheless, for the sake of an easy comprehension, both terms will be used equally in this thesis.

A market research approach for ACE Revolutions

As it can be seen, a well planned and implemented market research is of absolute necessity for ACE Revolutions before the company can start realizing its future goal to virtually enter a foreign music market. A successfully conducted research will provide ACE Revolutions with valuable information on the market environment, for example, and its customers, what in return will influence the company's overall entrance strategy. Besides, ACE Revolutions gets a clear picture on what financial and non-financial resources might be needed during the process.

As one may imagine, the field of research to be done in case of ACE Revolutions is a rather large one. On the one hand we have the entire German Music market which needs to be analyzed and categorized, and on the other hand there is the German Social Media landscape which requires further research.

As for this thesis, the field of research has been limited adequately so that the focus is only drawn on certain aspects of the Social Media landscape in Germany.

In the following paragraph the main objective of this research will be defined in depth and related research questions will be presented. Furthermore, it will be explained what particular research method was made use of and how relevant data was being collected.

3.1 Objectives of the research & research question

The main question which shall be answered with this research is:

Which German Social Media platform shall ACE Revolutions make use of to promote and sell its services to the yet unknown foreign market and to connect to current and future buyers? [Main research question]

To find an answer to this research question is the main objective of this very dissertation. The outcome of the research shall provide ACE Revolutions not only with the big picture on how the German Social Media landscape is structured in general, but it shall also illustrate clearly which platforms would be most suitable for the company to use when entering the market. A detailed plan of all tools and features offered by those Social Media platforms will help the company identifying the advantages and disadvantages of the relevant platforms.

Nevertheless, in order to answer the main research question, further aspects have to be taken into consideration.

- (1) For ACE Revolutions it is also important to know *how* people in Germany are using the Internet and *for what* purpose. An overall analysis of the general web behavior of German Internet users is of importance; one very crucial aspects of it being the Social Media platforms. In this way ACE Revolutions can see which Social Media platforms have already found its way to the German market and how well those are integrated in an Internet users' life and daily virtual operations.
- (2) In addition to that, the research will focus on how Social Media platforms can be grouped according to their characteristics and features. A general structure of the Social Media landscape in Germany shall provide a clear picture of how the landscape roughly looks like.
- (3) By analyzing the Social Media platforms in greater depth, it will be possible to identify the most suitable platform for ACE Revolutions needs and wishes, one of those being to increase the interaction between the company and its customers and followers in Germany. Once the most suitable platform is found, all tools and features offered on this Social Media will be analyzed in more detail in order to uncover their full potential and possibilities for the company.

3.2 Research methods

The number of Social Media platforms on the World Wide Web has rapidly increased during the last four to five years. Many new platforms, which offer novel features and more flexibility to its users, go online every day. The fast changing landscape of the Social Media platforms make it rather difficult for researchers to find adequate and relevant information on that particular topic. For instance, if an analysis on Social Media platforms was published only two years ago, there is a high probability that the facts presented will be out of date by now already and are hence not useful for any further research anymore.

In addition, not very many studies have been undertaken to learn more about the characteristics and the structure of Social Medias in general. If someone is looking for information related to this topic it can most likely be found directly on the Internet rather than in books. Some professionals who are specialized in Web 2.0 features and applications follow the development of Social Media platforms very closely. Those professionals usually like to share their opinions and theories on their own blogs or other Social Media platforms. Every time a new trend has come into being, they are the first ones to “talk” (write) about it and to analysis it.

Since blogs and web pages of experts are rather frequently updated, unlike books which are very inflexible due to the long writing and publishing-process, they are the ones which have been used the most in the collecting process of secondary data of this research. Nevertheless also books and journals as well as reports of research companies, which are specialized in statistics and data collection, form an essential part of the overall data which will be presented shortly.

However, due to the overall challenges in the information seeking process and the limitation of readily available secondary data, I have decided to make use of the

so called *exploratory research* design in order to collect more valuable and reliable primary data.

According to Malhotra & Birks (2003), the exploratory research is the most appropriate method to use when the information needed, for ones research, is rather loosely defined and difficult to access. The main objective of an exploratory research is to provide insight and understanding of the nature of marketing phenomena and less on proving specific hypotheses. Therefore, the research process is not very strictly structured and rather flexible compared to other research methods. The exploratory research uses research questions, which can and mostly likely will be adjusted and reformulated during the data collection and analyzing process due to the researchers' constantly gaining insight and know-how on the topic. Researchers are alert to new ideas as they proceed, and once an interesting finding is made the course of direction may be changed (pp. 62-65).

To summarize, the exploratory research gives the flexibility needed in order to conduct a reliable and beneficial research for ACE Revolutions. Especially when it comes to analyzing the German Social Media platforms it is of necessity to *actively* make use of the platforms oneself in order to see what features and applications are offered by the provider. The Internet is like a second virtual world. If one wants to know how it is like, one has to explore it by himself and not just read about it in a book. Only when web pages and platforms are actively used by someone the advantages and disadvantages of the pages can be found out.

Therefore, this research is utilizing both, openly available *primary and secondary* data from books, reports and Internet web pages, and the exploratory research method which shall help identifying and clarifying the features and applications used on Social Media platforms.

4 WEB 2.0

If one wants to understand what Social Media truly means, and how it could become such an important tool in an Internet users' life, one has to know where it comes from and what triggered it. Therefore, the following chapter will have a closer look at the technological factors which enabled the transition of the World Wide Web from Web 1.0 to Web 2.0. In addition, it will be discussed what effect the new Web 2.0 had on Internet users and how it influenced customers behavior and company's daily operations.

4.1 The World Wide Web in transition – technological background

The transition of the World Wide Web has strongly been influenced by the constant improvements and evolvments in the field of technology. One can say that the newly gained technical know-how functioned as a kind of trigger and helped initiating the transition of the World Wide Web. Especially the computer and communication industry has greatly benefited from those recent changes and developments.

An example of this is the rapid development of silicon chips, which form the heart of any technical device such as computers and laptops. Scientists and engineers have managed to decrease the size of those silicon chips and simultaneously increased the storage space for data on it. This, in return, has a great effect on the speed and performance of the computers and laptops we use today. Users can run more sophisticated programs at the same time, save more data in form of files, pictures and movies, and enjoy a higher image resolution.

In addition, the overall size of the devices has been reduced and customers can now also purchase so called minicomputers, which perform just like any other laptop, but are approximately half of the size and the weight of it.

The cell phone industry has also been able to take advantage of these technical improvements. Cell phone manufacturers have launched new devices that are smaller in size and equipped with extra functions and features. Cell phones look and perform more and more like computers that allow users to connect to the Internet, play videos, listen to music and take pictures which can be sent to friends or be published on an Internet web page later on. They are not only technical devices anymore that let you make phone calls or write SMS. Cell phones have turned into little entertainment platforms which enable better communication with our surrounding in many different ways.

As a result of the fast pace in which the computer and communication technology develops, companies have to adapt more rapidly to new trends and movements than in the past. The market is becoming increasingly competitive and firms have to launch new products in a much shorter time in order to keep up with their rivalry. Consequently, the number of products available on the market has increased; customers find more variety and wider ranging selling prices. Computers and other high-tech devices have become more affordable for customers, what resulted in higher sales figures and a broader coverage of computers and laptops, worldwide (Ahlqvist, Bäck, Halonen & Heinonen 2008, 24-26).

The figure below illustrates how the number of Internet users has grown within the last 15 years. Table 1 is based on the results of the Miniwatts Marketing Group, an international research company.

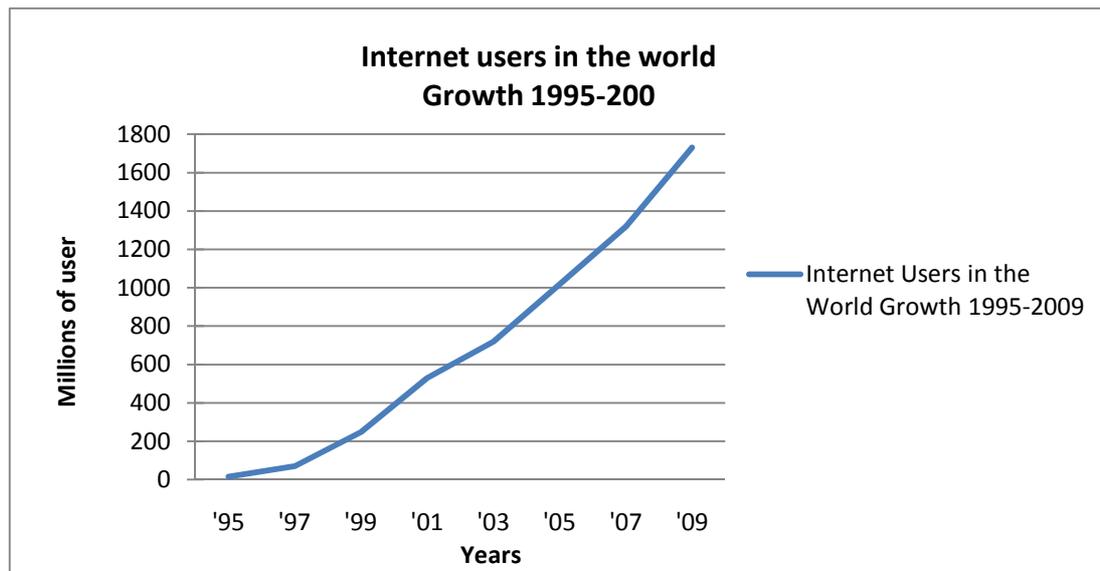


FIGURE 1. Graph – Internet users in the world: Growth 1995-2010

As can be seen clearly from the graphic, the number of Internet users follows almost an exponential growth. According to a study conducted by the international market research enterprise named Forrester Research Inc. (2009), the total amount of Internet users in 2013 is estimated to be more than 2.2 billion people.

The rapid adaption of the Internet has not remained unnoticed by the telecommunication industry. Telecommunication companies have started to adjust their Internet providing services in order to meet the demand and satisfy the needs of their customers. Not only have they expanded their overall Internet coverage rate, especially in the suburbs and the country side, but they also have largely increased the speed of data transfer. Customers can subscribe for high speed Internet connection and connect to it via either cable or wireless LAN. Especially the usage of the wireless LAN has become very popular among the Internet users during the last two to three years. People enjoy the freedom of not having to carry a cable with them at all times in order to connect to World Wide Web. They can now just simply connect to it via Wireless LAN and are freed of the limitation of a stationary computer at home or at the office.

4.2 How people have started using the new technology

This recently gained flexibility in connection with the new achievements in the field of computer technology have contributed significantly to the transition of the World Wide Web, if not even triggered it. The new World Wide Web, also referred to as Web 2.0, is all about how people use the new technologies available in order to communicate and interact with each other on a virtual level. One can basically share thoughts and ideas with peers and relatives over the Internet without any local or timely limitations simply by using a web enabled cell phone, laptop or even minicomputer.

Many people have taken advantage of this technological development and started to become more and more active on the World Wide Web. Users not only want to read information from web pages anymore but they also want to actively contribute to ongoing discussions and conversations. Especially the so called forums, which actually have been around since the introduction of the Internet, have never enjoyed such great popularity as they do today. In general, forums can be seen as virtual platforms which allow users to exchange personal opinions, information and experiences on a specific topic such as travelling or cooking. Nowadays, users can find forums and web pages on any topic imaginable.

Every day a massive amount of new content is created. Figuratively speaking the World Wide Web is over flooding with information and data. This again makes it increasingly difficult for users to find relevant and topic related information. Some specific given data on the Internet may not even be true or is eventually incomplete since the person who wrote it may not be an expert in this field. Everyone can contribute to conversation, no matter what kind of intellectual background he or she has. Therefore it has become more important for Internet users to filter the information they receive and to categorize it. Unnecessary and disturbing

advertisement can be blocked for example with the help of especially created software.

4.3 How music companies take advantage of the Web 2.0

Experts have learned that people primarily go online in order to find information on a certain topic or issue. Especially when people are planning to purchase a product or service, they like to collect information from websites of companies who offer what they are looking for. Additionally to that, they like to read about other people's opinion on that particular product or service before they go to the store and actually purchase it. To know that one has made sufficient research before purchasing a product affirms ones decision when actually making the sale. Erik Qualman, an American author and Social Media expert, claims that about 78% of the people on the Internet rather trust the opinion of their peers than the words of a company. Only 14% percent of the Internet users would truly believe in sales pitches and in what advertisements and marketing director are promising (Qualman 2009).

As can be seen from this statistic, forums and communities are of great importance to users and immensely influence their decision-making process when buying a product or service. Companies need to be aware of this rather recent trend and adapt to it more quickly. Not only do companies need to have a website on the Internet in order to present the business they are in and their products/services. They also need to start *interacting* with their current customers and prospects. Companies slowly begin to realizing that the Internet is not a threat to their business but a unique opportunity to extend their customer base and to strengthen the relationship to them. At bottom, customers can provide the company with valuable information if they would only listened to what those have to say. It is a costless market analysis on how customers value a company's product and what they would like to see being improved and changed (Ahlqvist et al., 6).

The power of customers on the World Wide Web has steadily increased during the last years and lead to new and innovative marketing strategies of companies. Rather than to push out the advertisement for one particular product to all users available, companies have started to utilize the *pull strategy* and to focus more intensively on specific target groups and their needs and desires. Purposed-built advertisements and marketing campaigns shall help to receive a higher rate of response from customers and prospects.

The field of promotion and marketing is not the only one that has been strongly influenced by customers. Almost all parts of a traditional supply chain have been affected or even been eliminated by the power of online consumers.

Particularly the music and entertainment industry has undergone an impressive transformation within the last years. The vast majority of artists and bands have created their own web pages in order to keep their supporters informed about ongoing and future happenings. Since most artists have followers from all around the world, this seems to be an excellent way to keep in touch with them and to strengthen their relationship with each other.

Many fans and followers are not only visiting the web page of their favorite music bands to receive information at first hand; they also purchase CD's and other merchandize materials over their web sites or the Internet in general. Intermediaries, which traditionally have been in between the producer and the end-customer such as hard ware stores and CD shops have become obsolete and were therefore cut out of the whole process. The supply chain has gotten shorter what in return is of great benefit to the artists themselves and the customers, since the original mark-up has been reduced and the resulting sales price minimized (Tuomala, 27-28 & 33-34).

Moreover, Internet users even have the possibility to customize the product they are about to purchase according to their preferences. So for instance does a customer not have to purchase a whole music album of an artist or music band anymore, but

can rather decide individually on the song he/she would like to buy. One click on a given link and a music track can legally be downloaded for little money.

This example nicely illustrates how customers have gained more power over the supply chain of a music record company, especially the part focusing on content aggregation. *Self-customization* is the key-world in this respect. The concept needs to be understood and applied by every music record company which aims to be successful in the market.

Besides all that, many artists and record companies have also started to make use of Social Media platforms to promote their product, sell their services and to keep in touch with followers and fans. Social Media platforms such as forums have already been mentioned en passant in the previous chapters. In the following one the topic Social Media will be discussed in greater detail and it will be clarified what the term precisely means and in which form it can be found on the Internet, meaning which types there are existing.

Before moving on though, a short summary of this chapter in form of a table will be provided. This table is based on the results of a research done by Damian Ryan and Calvin Jones, two experts who have analyzed how consumer and Internet users' behavior has changed due to the transformation of the World Wide Web. They in return have taken parts of this table from an analysis done by the marketing research enterprise called Forrester. The headings of each sub item in the list below are taken from their book "Understanding Digital Marketing": Marketing strategies for engaging the digital generation (Ryan et al., 16). The explanation of each sub item on the other hand has been summarized by me.

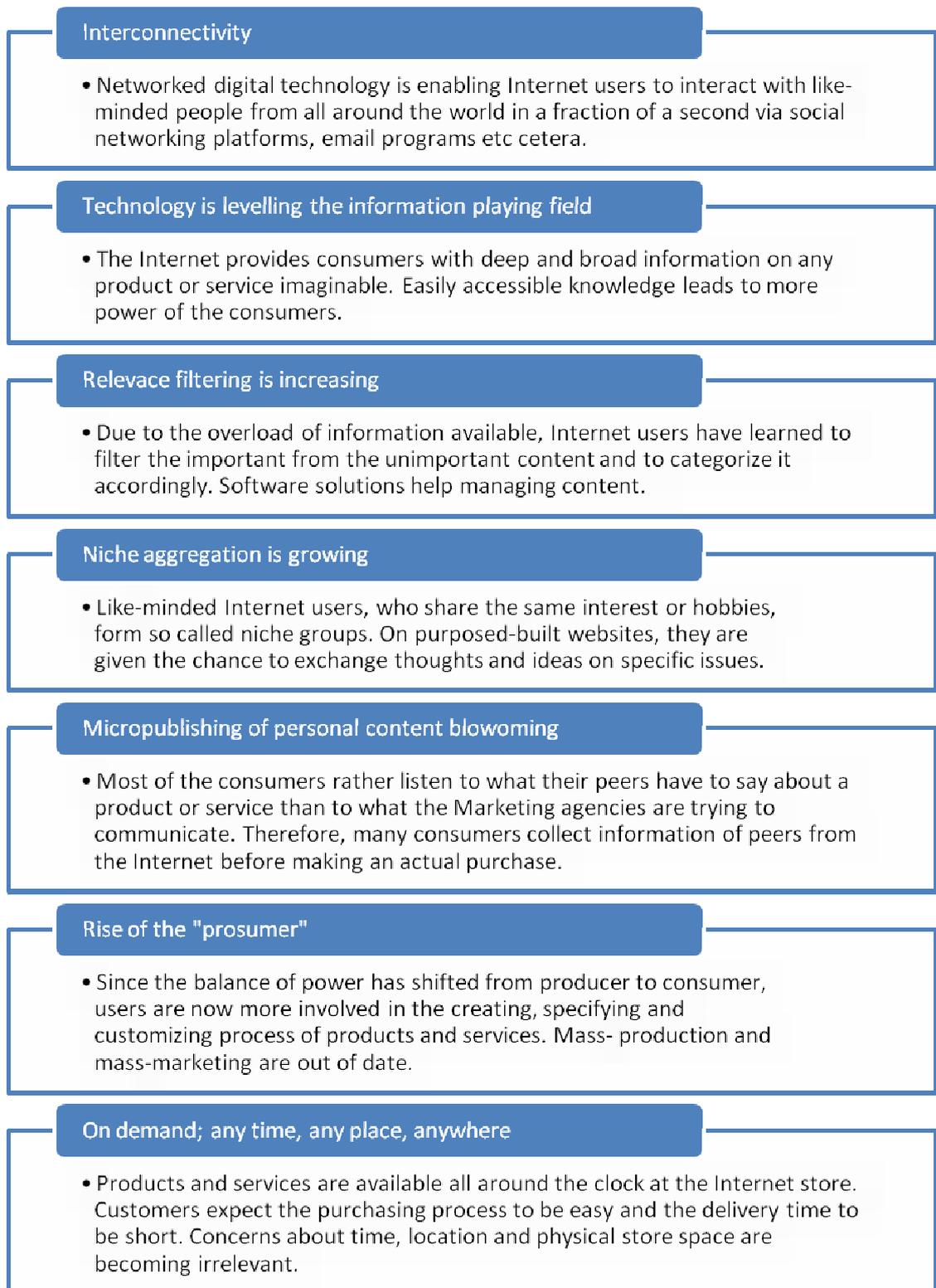


FIGURE 2. Summary of subchapters 4.2 & 4.3

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