

Case Study: Local Music Marketing in the digital age

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Abstract

The purpose of this work is to analyse the current marketing tools in use by Oy EMI Finland Ab. Furthermore this work sets the results of this first analysis in connection with the business context, the current music industry in which the whole actions take place.

The theoretical part includes the analysis of the frameworks of the 7 P's, the 4 C's and their connection to the music industry. I also take a closer look at communication strategies which apply to the music industry.

The practical analysis part sets then the theoretical frameworks in connection with the case company Oy EMI Finland Ab. I take a closer look at the marketing actions as well as the business development side. Additionally I describe the marketing actions connected to the third studio album by Haloo Helsinki! as an example for the marketing actions performed by Oy EMI Finland Ab.

Recommendations concerning the marketing of music can be found at the end of this thesis.

Keywords: Music Marketing, qualitative research

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1. INTRODUCTION

In this chapter I will first of all take a closer look at how the music industry is build up and what the main characteristics of the music industry in general are. Furthermore I will explain in this chapter where the main focus of this thesis is, as well as what methods are used throughout the whole thesis.

1.1 Introduction to the music industry

One can say that music makes out an enormous part of today's every-day life as well as it did in the past. According to Robert Burnett music is the language that connects a large segment of young people, due to the fact that music involves emotions, no matter whether those emotions are connected to experiences, dreams or hopes, those emotions are an important fact what a music marketer always has to consider when marketing music, since it enables to the marketer to communicate with the audience on a different level.

But the music industry has changed noticeable since the 1990s. Although the three main parts of the industry (music recording, music licensing and live music (Wikström, 2009)) have not changed too much in the fact of their existence, the dynamics of the market to which the music is offered have changed as well as many other facts inside the industry. The market is no longer a market which can be predicted and controlled easily but it is a market with “high connectivity and little control, music provided as a service, and increased amateur creativity” (Wikström, 2009). This is due to the fact that the internet developed remarkable since the 1990's and this way social media services as well as other emerging programs for the audience are influencing and forming partly the landscape of the whole music industry because those inventions brought up new ways of entertainment with which the music industry has to compete.

Those new technologies do not only influence the marketing and distribution of music but also the thinking and perceiving of the music by the audience; just as Wikström has mentioned, the music industry is no longer a product based industry but a service industry, which provides more the experience which is connected to the music than just the music itself.

This change in technology which is mentioned above has improved the audience's access to music. An access without any borders, though this change “has also damaged the rights holders' ability to control the distribution of their songs on the internet” (Wikström 2009) as well as the control over other activities connected to a new release. Where a lot of independent labels and other creative individuals found their chances in the new landscape by using “user-generated content” (Wikström, 2009) a lot of players in the music industry still struggle with the problem of piracy.

Furthermore also the consumption of music has changed a bit, since lately a lot of music games emerged which give the audience a clearly different experience connected to the consumption of music.

Additionally I think it is important to understand why the music industry is often referred to as the copyright industry (Wikström, 2009) since this term names also the core legislation on which the industry is based and which makes it possible to “licence the use of the content and those personalities to consumers and businesses” (Wikström, 2009). Below you see a definition of the copyright by the legal dictionary:

“A copyright is a legal device that gives the creator of a literary, artistic, musical, or other creative work the sole right to publish and sell that work. Copyright owners have the right to control the reproduction of their work, including the right to receive payment for that reproduction. An author may grant or sell those rights to others, including publishers or recording companies. Violation of a copyright is called infringement.”

The definition above names from my point of view the main point where the conflict in the digital age arises. It is the right to control the reproduction and due to those vanished borders which I mentioned already an author can't control the reproduction¹ any longer. And violation of the copyright, piracy, is a serious threat to the music industry.

According to all those changes and characteristics that I mentioned already the way of marketing itself has of course also changed. Marketing via social media became an essential part of the overall marketing process but also considering the traditional tools such as the radio promotion, there took a change place. Some years ago a single was brought to the radio channels and about two months after the “radio-day” one was able to buy the song from a record store. Nowadays in the age of iTunes and similar services the song is most likely in those online stores available as soon as it reaches the radio stations². Especially at Oy EMI Finland Ab this is a common business procedure with the local artists.

But as already mentioned the problem of piracy is still a severe one. The International Office of IFPI³ tries with the help of the different states' governments to fight against piracy and therefore proposed already several treaties.

¹ For example fan videos on youtube

² See the data from the Haloo Helsinki! Case

³ International Federation of the Phonographic Industry

1.2 Methods used in this thesis

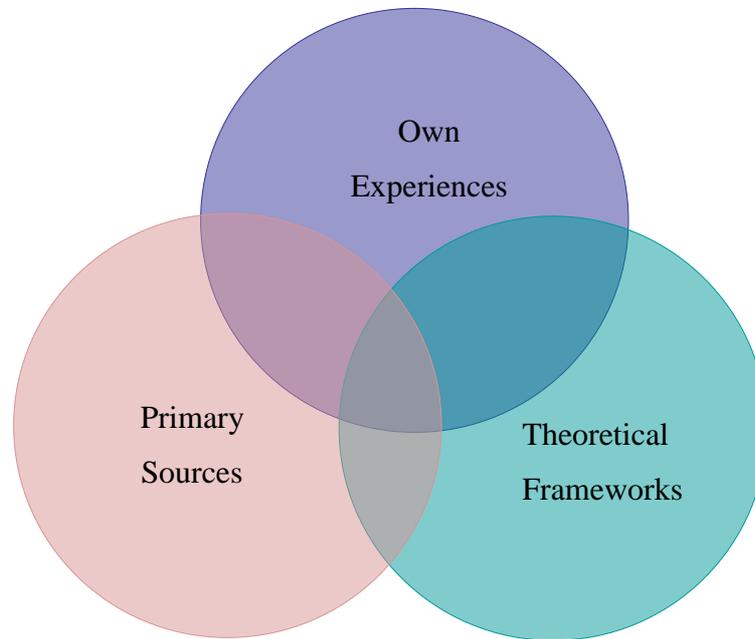


Figure 1: Triangle view as a tool for this thesis

This work is based on a qualitative research, so this work aims to provide a deep understanding of the environment in which the marketing actions are executed by Oy EMI Finland Ab. This work is using a triangle view which consists as shown in the figure above of three parts, which are the following ones: first of all the theoretical material and knowledge gained throughout my studies is used in this thesis.

Secondly the thesis is based on primary sources, e.i. music business related material, this point includes the material provided to me by Oy EMI Finland Ab as well as other music related material. Thirdly I will take my own experiences which I gained through my internship at Oy EMI Finland Ab as a base for this work.

For the further analysis of the marketing actions I will use a case study, which is the third studio album by Haloo Helsinki!. The case study enables me to directly compare the frameworks with the practice of music marketing.

1.3 Objective and limitations of the thesis

The overall objective of this thesis is the present possible improvements of the marketing methods in the existing marketing process of a local release handled by Oy EMI Finland Ab. The Nordic Countries have the characteristic of being innovative concerning the tools for marketing new products as well as the labels' catalogue (Chris Ancliff, General Counsel, Warner Music Group, 2010) and therefore I analyse the existing methods in use and their relation as well as their benefit in relation to the current situation of the music industry and based on those results I give some recommendations.

In the thesis I analyze the existing marketing mix for a local release by Oy EMI Finland Ab with the help of a case study. This includes applying the theoretical frameworks to the practice as well as including an analysis of the business development side. This is due to the fact that the music industry is a fast changing one, and therefore one needs to consider always the latest developments. The theory will serve as a base for this work to which I will refer in the practical part of this thesis.

This work is limited to the outgoing marketing messages and marketing part inside the music business value chain, which is shown in pink colour in the graphic on the next page. These marketing actions that I will analyse will be the ones of a local release, e.i. how to target right in order to maximize the awareness of a new release among fans and prospects/customers. This thesis does not discuss the problem of piracy, nor does it consider the internal processes at Oy EMI Finland Ab. The result of this thesis is the recommendation but it does not include the implementation of the recommendations.



Figure 2: General value Chain

Source: emeraldinsight, adapted from Sibelius Academy 1998

2. THE COMPANY

This chapter provides a short description of the company for which this thesis is carried out.

Oy EMI Finland Ab has been founded in 1972 as part of EMI Music which belongs to the EMI Group. The EMI Group consists of the EMI Music side and the EMI Publishing side.

Oy EMI Finland Ab managed to build up a catalogue of local music which covers almost all genres. This has been achieved through consistent success and the constant will of being a leader and partner of first choice for digital releases.

From May until November 2010 I carried out my internship at Oy EMI Finland Abm in that time the share of the overall airplays of Oy EMI Finland Ab has constantly been about 14% - 15%. And the overall market share of Oy EMI Finland Ab for the year 2010 was 12,77% (ifpi), and therefore Oy EMI Finland Ab is the fourth biggest record company in Finland.

3. MARKETING FRAMEWORKS

The music industry is in its basics very similar to any other industry. Therefore I will use in this work two main marketing frameworks in order to highlight certain facts in the case study. These two frameworks are described in the following part.

First of all I will take a closer look at the framework of the 7 P's, and its relation to marketing of music, e.i. the importance of the different points as well as the situation how it is now at Oy EMI Finland Ab. In my opinion the 7 P's framework is the more appropriate framework in comparison to the 4 P's, since the music industry is a service based industry. Music isn't any longer just the product (e.g. CD format) on which it's distributed. Especially fans long for the experiences that come with the music.

Secondly I will concentrate on the framework of the 4 C's. That framework is based on the customer's view, this way of thinking can help to meet more the customers' wishes and demands more precisely, though the flexibility is limited since the product is a rather fixed one. On the other hand again it is especially in service industries, such as the music industry, crucial to meet the customers' demand at the right time.

Additionally I will take then a closer look at the framework of a communication strategy. In connection with that point I will take into account how the Finnish music market is build up.

3.1. The Framework of the 7 P's

The marketing framework of the 7 P's to which is often referred in marketing literature, is based on the framework of 4 P's which contains the original marketing mix parts, e.i. Place, Price, Promotion and Product. Since the framework of the 7 P's is an add-on to the original framework it contains the four components named above plus three components, e.i. Process, People and Physical Evidence. In this part I will explain them in more detail especially in the context of the music industry. In chapter 9 I will explain the connection between the framework and the practice at Oy EMI Finland Ab.

Place

In general refers this point to the distribution system through which a company delivers their service or product. Usually the theory refers to two main distribution channels, the direct (directly from manufacturer to consumer) and indirect one (from manufacturer via wholesalers/retailers to the consumer).

Concerning the music industry it is important to ensure that an artist is heard and seen by the right audiences, so the place is a crucial part of the music marketing mix. From my point of view this is part of the marketing mix became even more crucial in the digital age where one has to consider upcoming online trends and new emerging services which might be helpful for record sales.

Promotion

The Promotion P generally refers to different channels a company can use for their promotional actions, this may include printed ads as well as any online channel.

As in every other industry also in the music industry are certain channels more common to use than others.

According to the article "the marketing mix (musical)" (2011) the following tools are some of the most common tools for promotion in the music industry:

- Word of Mouth – the word of mouth (WoM) method is the most common one for new comer who but I think this method might be also useful for well established artists. Especially in the digital age the costs for a WoM campaign can be considered as very low but if it's a successful campaign the out-pay can be pretty high. This is due to the fact that people share their opinion and to this usually are feelings added and thereby the music promoted gets more value for the people who are sharing their opinion.
- Radio – also this tool can be useful for established and non-established artists, especially nowadays where a lot of internet radio stations. So basically I would say, that also here the well established national as well as commercial radio stations are more the tool for the established artists, and the independent radio stations are the one which favour the smaller artists.
- Television – Television is a tool which has to be seen from two sides, it's a great source of revenue for any artist, since almost every program has some kind of synchronised music. So from that point of view television is a remarkable tool, but on the other hand I think that the television as a pure promotion tool has lost a bit of its power. This is not only due to the fact that the program which is broadcasted has changed, just considering MTV the program has changed more towards reality shows than pure music broadcasting. Even though the TV channel “Voice” still broadcasts mainly music they are not broadcasting from 6pm until 1am, in that time Voice is replaced by “TV Viisi” so in the prime time Voice can't broadcast and promote music and therefore I think pure music television is rather a tool concerning the revenue than for the promotional use of a band. Nevertheless television can of course also function as a promotion tool if artists or their music is placed into the right TV shows such as Pop Idol, Dancing with stars or similar ones, which might be helpful for the promotion of artists by for example including their live performance into the show.

- Audience participation – In my opinion this tool got more and more importance with the digital age, where labels are no longer able to control the distribution of the music. Such a audience participation has been tried already by several big artists such as Radiohead⁴ or Nine Inch Nails⁵ and throughout my research I noticed that various other people refer to the audience participation as well. Also considering other creative industries such as the film industry promote their products while making the customer a part of the promotion itself so for example the movie “Rango⁶” has been promoted also via facebook games.
- Newspaper and magazines – This tool can be very efficient as well, especially when considering that each demographic has their own magazines, so it is very easy to market a band to the right audiences.
- Social media – this is probably the tool that came up very recently in the early 2000's but still it's from my point of view the most important or one of the most important tools. This is because music plays in most of people's life an important role, it is usually connected to emotions and/or memories. So creating additional emotions through social-media-marketing-campaigns by creating a direct relationship between the artists on their fans can be very useful.

Of course these tools mentioned above can not be used totally isolated from each other, so for example the social-media tool is closely linked to the audience participation idea and a well created relationship between the artists and their fans can of course automatically enhance a good WoM campaign.

⁴ They ran a competition and asked their fans to make own remixes of their song “Nude”

⁵ NIN released in 2008 some songs from the album *Ghosts I-IV* which fans were able to use for remixes and upload them again onto NIN's web-page.

⁶ Release date for the US market 4th of march 2011

Price

The price is an important tool, it can attract potential customer by making the customer perceive a certain value of the product/ service, but also it can decrease sales when the customer feels that there are not enough benefits included into the product/service that is offered.

Of course pricing is not only connected to how a customer perceives a product but also the average market price takes a role in the pricing process itself.

Connected to the last point the music industry prices are much more flexible compared to other industries and generally set by the retailer. Those retailers then usually add their mark-up percentage.

But this flexibility also has a downside for the industry itself since especially the download prices are very low though a lot of companies tried to force the prices up again to maintain their level of profit.

Though the prices in the music industry are very flexible compared to other industries, usually the PPD (Published Price to Dealer) is used, especially in contracts to clarify the royalties an artist receives.

Product

In general the product point refers to the product with all its benefits and features. Concerning the music industry the product can be associated with the physical CD or the mp3s which are available in several online stores, such as iTunes, furthermore merchandise and any other music related products count as well for the revenue. The biggest part of those music related products make the revenue through the fees paid to the licensor.

People

This point refers in general to all the people included in delivering the service to the final customer. Concerning the music industry, this is the point where a record company has the least influence on at least when it comes to the step between the retailer and the customer itself. But also concerning the distribution of songs to the radio stations the influence is limited this is due to the fact that for example radio stations (which is still one of the main tool in music marketing) usually aim for high audience rating, so that they can ask higher rates from advertising sponsors. Then again this leads to the fact, that program directors of several radio channels select those records “that will appeal to the widest possible audience” (Wikström, 2009).

Process

In general this point describes the processes that deliver a certain service and how efficient those actions that deliver the service are performed. As already mentioned the focus of this work is on the marketing actions, so I do not take a look at other processes which are needed to get the service/product onto the market.

Physical Evidence

The Physical Evidence P is closely linked to the “Place P” and refers in general to the atmosphere in which a product or service is delivered. It is important that the customer feels comfortable when purchasing. This way the customer is also with their purchase satisfied and thereby the chances of a return of the customer increase.

3.2.The Framework of the 4 C's

As already mentioned introduction this framework is focused on the customers' view and therefore replaces the original 4 P's with the 4 C's which are explained in the following part. In brackets the original P is shown.

Consumer Needs and Wants (Product)

This point refers to the wants and needs of potential customers. Concerning the music industry one need more to address the wants than the need, since needs are by their definition finite but wants are infinite (Julie Chance, 2003).

Convenience (Place)

This C replaces the Place's P, and I think in the digital age it is essential to think more of the convenience for a customer than where to place a physical outlet. One might think that especially concerning the music industry (as well as other creative industries) the internet's role is on the one hand more a threat than an opportunity since people share files via p2p-networks (peer-to-peer networks) but on the other hand I think if the flow of information is right via legal systems one can minimize those illegal actions to a minimum.

Cost to the Consumer (Price)

This point refers to the costs that occur to the consumer until their needs and wants are satisfied. So it does not only include the price that is required to purchase the service or product but also the costs that a consumer has to chose one service or product over another one.

Communication (Promotion)

In general this point is connected to any interaction between the organization and the customer. When communicating with prospects or customers, one has to recall that it is more likely that a customer/ prospect with a high level of information will purchase the product than a prospect/ customer with a low level of information.

3.3. Communication Theories

Marketing communication is such a broad subject, that I will just name some very basic and fundamental principles here. As already mentioned I think that a music marketer should rather think of the wants of a consumer than of the needs of a consumer. This is why I will refer in this chapter to wants instead of needs.

According to Varey (2002) marketing communication can be seen from two sides; on the one hand marketing communication can be seen as the expression sent out by the business to the chosen target group, connected to this view is the importance of understanding first the target group and then afterwards to try to be understood by the target group.

On the other hand marketing communication can be seen as the impression, so how people perceive their environment. This second view includes also the fact how people learn from each other and what they value.

So to sum up this first principle it is important that the “expressive communicative activity is clear” (Varey, 2002) and the impressive communicative activity is enabled.

The table on the next page shows the five basic effects of communication. In my opinion the creation of a customer's want is always needed, in the case of Haloo Helsinki! there is of course already an existing fan base. They might have already the want for purchasing the new release, but it is extremely important to make the existing customer as well as potential new customers completely aware of the upcoming product. And therefore the creation of the want is crucial to the business.

Considering the role of social media in nowadays marketing processes I think social media is a very effective tool to enhance the two-way communication and “the basis of experts’ standpoint, two-way communication would intensify the attitude toward specific objects“ (Shen Chen, Russell Ching, Hsien-Tung Tsai, Yi-Jean Kuo, 2008)

For this work we have the fact given, that Haloo Helsinki! is a known band in Finland. They are just about to release their third studio album “III” in so far we can say that brand awareness has already been created and buyer are able to “recognize or recall” (Rossiter and Percy, 1985) the brand within the category.

The third basic named by Rossiter and Percy is from my point of view the most difficult one concerning the music industry. Usually artists as well as the labels where they are signed at, have to be concerned every time when they release a new album whether it can have the same success as the previous one, or whether the market has changed already that dramatically that the new product is recognized but it doesn’t meet the need of the time anymore.

The brand purchase intention is from my point of view the step which follows automatically once the need is successfully recognized by the customer. From my point of view this stage can be also rather short and end directly in the last stage the purchase of the song or similar actions. Considering the options for purchasing a song or taking similar actions please see the sub-point “physical evidence” at 4.7.

TABLE 1
The Five Basic Communication Effects Defined

| | |
|-------------------------------|---|
| (1) Category Need: | buyer's perception of requiring something (a product or service) to remove or satisfy a perceived discrepancy between the current motivational state and the desired motivational state |
| (2) Brand Awareness: | buyer's ability to identify (recognize or recall) the brand within the category in sufficient detail to make a purchase |
| (3) Brand Attitude: | buyer's overall evaluation of the brand with respect to its perceived ability to meet a currently relevant motivation (brand attitude consists of an "emotional" or affective motivation-related component which energizes brand choice and a "logical" or cognitive belief component which directs choice toward the particular brand) |
| (4) Brand Purchase Intention: | buyer's self-instruction to purchase the brand or to take purchase-related action when the need arises |
| (5) Purchase Facilitation: | buyer's perception of other marketing factors (the "4 P's") that hinder or stimulate purchase |

Table 1. The five basic communication effects defined

Source: Rossiter and Percy, 1985

4. MAIN CHARACTERISTICS OF THE FINNISH MUSIC MARKET

The Finnish market in itself is different to probably almost all other markets in this world. It is an extremely small market with a market size of 5.2 million. Additionally to this characteristic it is also important to realize that Finns tend to favour the local products. In 2010 about 60% of the music bought were local products (Chris Ancliff, General Counsel, Warner Music Group, at the music producer seminar on the music fair 2010 in the Helsinki exhibition center)

Though there has been for a long time a backwards trend as it still can be seen (table 2) in the total sales figures from 2009 to 2010. But there has been a slight upwards trend again last year. Especially the vinyl sales have increased remarkable. This can be explained with the “trend of nostalgia”, music fans are returning to the vinyl because their sound is fuller and there is more space for artwork. Additionally needs to be noticed that all the single sales are downloads, since singles are no longer distributed in physical form, so one can see that more people use the service of music online stores and from my point of view this indicates, that people are willing to pay something for music and that there is a rather big market potential out there if the value offered is the right one for the price asked.

| Year | Singles | Other | Vinyl | DVD | CD | Total |
|------|---------|--------|--------|---------|-----------|-----------|
| 2008 | 105 646 | 36 605 | 13 688 | 328 251 | 5 845 260 | 6 329 464 |
| 2009 | 66 547 | 27 653 | 15 747 | 302 106 | 4 862 660 | 5 274 713 |
| 2010 | 80 429 | 6 287 | 27 515 | 284 065 | 4 961 025 | 5 359 321 |

Table 2: Yearly sales figures 2008-2010 for Finland

Source: IFPI Finland

| | Trade Value 2009 | Trade Value 2010 | 2010/2009 Growth % |
|---|-----------------------------|-----------------------------|---------------------------|
| Mobile Download Streams | 252 | 588 | 133,3% |
| Bundled Subscriptions Income | 73 347 | 2 621 744 | 3474,4% |

Table 3: downloads and bundle subscriptions 2009-2010

Source: IFPI Finland

According to IFPI Finland figures, there has been a drastic increase in bundled subscriptions income this is due to the fact that lately some new services emerged. Such bundled subscriptions services are mainly such services like Spotify. I think the table 3 shows very clearly how much potential the Finnish market still has in terms of increasing the revenue for the labels.

According to Wikström the problem of making revenue with music lies in the fact that the audience basically expects the music to be for free and available at any given point of time. So recalling the fact that I just mentioned I really think that services such as Spotify are at least partially the key for the future.

Also a case study conducted in Sweden and mentioned in the “Digital Music Report 2011” by IFPI found out that physical sales would be 72% higher if there would be no piracy.

So from my point of view the result of that research just supports the statement by Wickström that the audience expect the music to be for free.

5. THE GENERAL MARKETING PROCESS AT OY EMI FINLAND AB

First of all there is the product, e.i. the song. As soon as the product is known the responsible marketing person can already gather some ideas for the marketing actions. Though the schedule depends on the fact when the master of the song, which is going to be the first single, is ready. The ready version will be sent to radio stations as well as to the digital outlets. Depending on this the responsible marketing person can then make a first draft of the marketing plan. There is a certain template existing which includes parts which can be seen from point 11.2.

Additionally to this marketing plan template there are also other tools existing such as the music key, which are accessible through EMI's intra-net. With the help of those tools the responsible marketing person can get different kind of information such as the information about the target group addressed by a certain band.

Then usually twice a week are the marketing meetings held at Oy EMI Finland Ab; one concerning the local artists and one concerning the foreign artists. At those meeting everyone from the marketing department as well as the business development side and the country manager are updated of the latest changes in the marketing plans and actions for the artists who is dealt with at the moment.

6. FRAMEWORK OF THE 7 P'S IN CONNECTION WITH OY EMI FINLAND AB

In this chapter I use the general framework of the 7 P's as it is described as well as the connection to music industry which I draw in 3.1. are now put into the context of the marketing actions done by Oy EMI Finland Ab.

Place

Oy EMI Finland Ab is using both distribution systems; the indirect channel is basically the whole distribution channel via their retail partners, such as Anttila, iTunes or Äx Levykauppa. And the direct distribution channel is via www.music.fi EMI's own music online store, though this online store is based on a co-operation with Bullhead Oy.

Already by mentioning the retail partners above it becomes clear that the indirect distribution channel includes physical as well as digital products where as the distribution via www.music.fi consists purely of physical products.

Promotion

Based on my observations during the intern-ship I can say that in the case of EMI the channel for sending music to the radio channels is mainly digital via "PreAmp" the music sharing program developed by EMI, just the main magazines normally get a physical copy of a new release for a CD-rating, but obviously those promo copies are just a few, mainly the marketing of a new single⁷ happens via the digital way.

Furthermore there are also interviews with the artists and several magazines, TV-Channels or radio stations, those are organized by Oy EMI Finland Ab, or also competitions in magazines can promote an artist's and their new CD.

⁷ A single is always the main promo tool for a new album release

Price

The pricing at Oy EMI Finland Ab doesn't follow a strict pricing model. When pricing a local product the responsible persons take into account how well known the artist is, what target group is addressed and what the estimated sales are.

Concerning the Haloo Helsinki! album it is priced like the foreign artists, with the PPD⁸ “model” which I explained in point 4.3.

Product

For this work the product is reduced to the third studio album “III” by Haloo Helsinki!. The album is just physically and digitally released, the physical version of the album is the standard 1 CD format.

People

At Oy EMI Finland Ab the marketing in general is divided into two categories “Finnish artists” and “Foreign artists”. The responsible person for example arranges the radio campaigns, arranges interviews with the local magazines, radio stations or other media through which an artist can address their audience.

Since this thesis' main focus is on the outgoing marketing actions I do not take this point too much into focus.

Process

The focus of this thesis is on the outgoing marketing actions, so I won't analyse the internal processes, which are generally addressed by this point.

⁸ See chapter 4.3.

Physical Evidence

Concerning EMI's retailers, there is just a very little to influence. Basically the way to influence the atmosphere in physical stores, is by offering CD-stands to their retailers. On the other side throughout the direct distribution system EMI can influence its physical evidence, such aspects like web-page design, user interface and the most important fact of all, how reliable a web page seems. If a customer has to give personal information it is very important that the customer feels themselves being on a secure and reliable web-page (<http://ezinearticles.com/>).

Additionally I think it is important to recall that EMI has deals with iTunes, Nokia Ovi and other online as well as physical stores to distribute the products of EMI's artists. This fact is important to recall because especially concerning the online stores which have a brand recognition as well.

7. BUSINESS DEVELOPMENT OF OY EMI FINLAND AB

EMI's vision is to find the perfect partners for their artists. In this case EMI differentiate from some of their competitors, like the Warner Music Group for example, who try to offer all the services⁹ connected to the music industry to the artist. As already said Oy EMI Finland Ab tries more to find the perfect partner for their artists (especially on a local level). And considering for example Dallapé and Iron Maiden, it is very obvious that those two bands need total different services to satisfy and fulfil their needs. Iron Maiden and Dallapé are artists from two totally different levels, and so Oy EMI Finland Ab is rather aiming for a total experience for the artist than offering everything by themselves. This way Oy EMI Finland Ab tries to avoid one major threat that occurs to the artist when every service is offered from one single provider, which is the fact that in most cases the one service provider can't fulfil all the wishes and needs of the artist. Oy EMI Finland has like the other majors here in Finland a certain relationships to for example the big technology companies, such like Nokia or iTunes. With those companies Oy EMI Finland Ab has regular telephone conferences in which the information flow is two sided. One example what can result from such an ongoing information flow is the "Nokia comes with music"¹⁰ cooperation with The 69Eyes. That deal was a so called product bundling deal¹¹, that deal included a concert to promote Nokia comes with Music as well as visuals, such as videos, images and logo material (Appendix 11.1).

⁹ Such as merchandise or gigs

¹⁰ Nowadays known as Nokia Ovi

¹¹ Selling more than one product together

8. THE EXAMPLE OF HALOO HELSINKI!

In this chapter I take first of all a look at the main target group which is addressed by Haloo Helsinki! secondly I take then a look at the marketing plan and additionally to that I analyse in this chapter in how far the marketing plan meets the target audience in theory. Lastly I will analyze the role of traditional marketing tools versus the role of tools such as social media.

8.1. Characteristics of the main target group

In the times of social media and similar technologies it is important to break down the demographics, in order to get a clear understanding of what size your target group is and what characteristics it has. This understanding is important to know the wants of that target group and so one can also get to know their own opportunities and what marketing methods one should use in order to reach the audience in a way that they can understand and progress the message that is sent out.

The biggest fan group of Haloo Helsinki belongs to the "Pop Idol Group"¹². The characteristics of that group are listed on the following page.

¹² Consumer segmentation done by Oy EMI Finland Ab

Pop Idol

- between 16 and 24 years
- interested into reality tv-shows
- follow releases and reads women magazines
- TV-advertising doesn't work
- Watch music television
- Search and follow artists from TV-performances
- Watch the prime time TV-programs
- follow the latest music news
- are customers of supermarkets and department stores
- Do not follow the artist's homepage
- iTunes, afternoon news magazines, radio

8.2. The Marketing Plan for the upcoming Haloo Helsinki! Album

In the following part you can see the original marketing plan in Finnish which was done by Oy EMI Finland Ab for the thirist studio album by Haloo Helsinki!. In 8.3. I discuss then the original marketing plan in English.

Artisti Haloo Helsinki!

Albumi: III

Julkaisu & hintakoodi: 02.03.2011

ICPN: n/a

Myynti: n/a

Albumisijoitus: n/a

Biisilista: Tammikuussa

Albumi kuunneltavissa:

iTunes:

1. Single : Kokeile Minua, radioille 10.1, ensisoitto ylex 5.1. digi julkaisu 7.1
2. Single n/a
3. Single n/a

Radiosoitto: n/a

Paras MC sijoitus: n/a

Listasija: n/a

Mainonta:

Äx paketti (nyt/rotta etc)

Cdon.com mtv3-tv kamppis 2 vkoa julkaisusta

Cdon.com bannerimainonta mtv3.fi-sivulla

Voicen kanssa keskustelut auki

Nrj viikon levy

Levykauppa äx, ennakkomyynti + ennakkokuuntelu nettisivuilla

Kauppiaat:

Kansi on

Ennakkotilauslinkit (cdon.com ja levykauppa äx)

Biisilista!

Promo sovittu:

Ylex ennakkosoitto 5.1.

MeNaiset –tästä alkaa vloppu, phoner 14.1

Koululainen, 25.1 klo 14 (paikka auki),->maaliskuu

Demi, 18.1 klo 12 phoner -> maaliskuu
Suosikki, huhtikuu (kansi)
MissMix, vielä auki idea ja päivä
Voice Tv, 8.2. klo 15 (paikka auki)
Metro FM, 2.2 klo 9.00
Summeri, 9.2
Videon enskari Voice tv 28.1 + iltalehti.fi 28.1
Haloo TV voice.fi
NRJ viikon levy
Ylex viikon levy, ehdotettu
Videon ensi-ilta voice tv 31.1
Videon online ensi-ilta 31.1 iltalehti.fi

To do promo:

Tv-ohjelmat

Press

radiot

Voice-ehdotuksia:

Akkari-ilta HH:n kanssa

Haloo TV – neljä osaa

Videon enskari

Tavastia materiaalia

Digital:

iTunes: ennakkotilaus, excludiisi,

Spotify: excludiisi, label ads

1.sg julkaisu 7.1

8.3. Clarification of the marketing plan

The marketing plan consists of the following main parts:

- advertisement
- promotion
- digital actions

The advertisement includes TV spots, banner on web-pages as well as package (T-Shirt + CD) which will be offered at the Äx record-shop furthermore the album will be presented as the album of the week at NRJ.

From my point of view this is a nice mix and tries to address also people not included into the “Pop Idol” target group, since according to the data provided by Oy EMI Finland Ab, TV advertisement doesn't work for this target group but still TV spots are used as one channel of communication.

The promotion part includes different articles in magazines which target audience is the similar to the one addressed by Haloo Helsinki!. I think especially those cases where it has been achieved that the cover-picture of the magazine represents already gives a link to the story inside, is a good tool, since it attracts already the existing fans, but also immediately makes regular buyer who are not fans (yet) aware of the article about the band itself which is inside the magazine as well as it makes them aware of the new CD.

The digital part includes the information about Spotify, iTunes and the general information when the single is available, this last information is important since, as I already mentioned, the single has to be online available as soon as the song is played in the radio stations. Therefore the scheduling is very crucial since any delay in a song's online-purchase-availability can cause a loss of revenue.

Furthermore promotion of an artist or an upcoming CD can happen via live performances by the artist in different TV-Shows or TV-programmes, such programmes/shows can be for example “Big Brother” or “Dancing with Stars”.

Relating the last thought to Haloo Helsinki! I think that such shows are an extremely good channel to communicate, since the “Pop Idol” group follows such shows.

8.4. The role of digital tools in the music marketing process HH!

I was able to observe, that one important social-media-tool in the marketing process of the third studio album by Haloo Helsinki! was Facebook. Via Oy EMI Finland Ab's own Facebook page and via Haloo Helsinki!'s own facebook page, the first single “Kokeile minua” has been promoted. Especially the promotion via Haloo Helsinki!'s own facebook page was immediately showing links to the iTunes store or Nokia Ovi store where the audience are able to buy the song¹³, also was Haloo Helsinki!'s facebook page referring to radio listings, where user are able to vote for their favorite song to push it the play-list upwards. Furthermore interviews at different Radio stations or TV channels have been announced via facebook.

Nevertheless I think that the marketing and promotion via digital tools such as facebook has definitely a minor role in the current marketing process though I also think that Oy EMI Finland Ab made it already to a constant part of the overall marketing actions. But for example those promotion actions via facebook are not mentioned in the marketing plan, and from that fact it can occur that the actions implemented are unstructured and not as efficient as they would be when they are structured and aligned to the overall marketing plan.

8.5. The role of traditional tools in the music marketing process HH!

Though nowadays it is very hard to draw a clear line between the traditional tools and the digital tools since radio stations usually have their web-pages on which they support the promotion actions taking place on the radio station itself. Regarding this case of Finland where the big radio stations (especially the state owned and some of the biggest private radio stations) broadcast on a national level, they also have a higher importance as a promotion tool compared to radio stations with a local audience. Just because of the fact that they reach a bigger audience by doing the same actions like a local radio station.

¹³ Singles are no longer available in physical form

Furthermore the music video which is made for the single is an important tool as well. The music video as a promotional tool came up in the beginning of the 1980's with the launch of MTV. And from my point of view Randy Lennox, president and CEO of Universal Music Canada, is right when he is saying that a music video is not only a promotional tool for getting a song transported to the audience but also to show the artist that they are valued at the label and not less prioritized than other artists who are signed at the very same label.

Concerning the marketing of the third studio album by Haloo Helsinki! it is noticeable in how far the Finnish market differs from some other markets. So for example Spotify is nowadays a fixed part of the overall marketing plan. This difference is of course due to the fact that Spotify is just existing in a few countries.

8.6. Conclusion of the Haloo Helsinki! case study

Considering all the information I was given by Oy EMI Finland Abm I conclude that the marketing actions include traditional tools as well as digital tools. It can be seen in the marketing plan that Oy EMI Finland Ab tries to increase the convenience for the customer by making the music available on iTunes as well as on Spotify. Nevertheless no Facebook actions are mentioned in the marketing plan although they were performed by Oy EMI Finland Ab, nor are interactions with fans mentioned. Both facts are in my opinion important tools to maximize awareness among fans and by mentioning those actions as well the efficiency of the marketing actions can be increased.

9. RESULTS AND RECOMMENDATIONS

After analysing the Finnish market and the marketing plan how it is done at Oy EMI Finland Ab, I conclude that there is still potential to maximize the audiences' awareness of a product. From my point of view the audience is still willing to pay for music instead of sharing all the music via P2P-networks, but the value offered has to be convenience and more importantly especially the digital “products” have to be priced accordingly to the actual value delivered.

Then again the piracy is still a severe problem which obviously leads to a huge revenue loss, just as the result of the research in Sweden has described.

So considering those thoughts that I just described as well as the facts I mentioned throughout the thesis it can be concluded that a band is not selling music anymore but an experience. That's why it is more seen as a service than as a product. And bands as well as their labels have to try to sell unique experiences so that they can again maximize their revenue.

From my point of view the overall aim of the marketing and promotion actions should also include to make fans value the music offered by an artist and therefore I consider the business model which is based on the connection to the fans, as it was also referred to by Mike Masnick (www.techdirt.com), as a business model that might work. Especially concerning the environment in Finland I think that the business model can be a real opportunity especially for bands from the following genre: rock/pop, rock or metal, since usually bands from those genres have a more loyal fan-base compared to other music genres. The model is based on two things which are mentioned and explained throughout the work: "Connect with fans" and "Reason to buy" and as already brought up, artists like Trent Reznor from Nine Inch Nails were able to give away their music basically for free but through added values the fans paid for the package with the music that was also available for free. Of course there is a higher risk connected to such an offer, but from my point of view well established bands can take such a risk.

Coming to the case-band of this work "Haloo Helsinki!" there is surely a risk when offering music for free as well as a "package with more value" since the target group is rather young and doesn't necessarily have a monthly income.

But on the other hand I think that people in Finland and also concerning the target group which is addressed by Haloo Helsinki! do value music more than audiences in some other countries. Furthermore Haloo Helsinki is a Finnish Band and due to that fact there might be an advantage for their music.

Connected to the thoughts just mentioned I think that the age of the target group doesn't matter too much, it important to create an unforgettable moment for the fans, this has a value adding impact for the fans and can so increase the revenues for Oy EMI Finland Ab.

Based on this research, I conclude that Oy EMI Finland Ab is using the latest tools available as well as the well established channels for promoting music. However, I want to recommend the following aspects to be integrated into the general thinking and the marketing planning for a new release:

- audience should be made a part of the whole; so video games or the audience's own creativity output can be used for promoting a new release
- direct contact to the audience can be also a very effective way of promoting a new release; for example signing sessions
- social-media such as facebook should be a conscious part of the marketing plan
- depending on the success of EMI's own music store one might also consider to offer digital products there as well.

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11. APPENDIX

11.1 Contract concerning Nokia comes with Music and The 69 Eyes

1. Package

Nokia may use at their Comes With Music launch the following parts which have agreed with the 69 Eyes management and consisting of The 69 Eyes brand, logo, content in accordance with below. The Parties have defined the scope of the offering in accordance with below:

Comes With Music “The 69 Eyes” Pack includes the following:

1. Concert / “Comes with the Vampires - the dealers night” Sept. 26th 2009

1.1. Nokia will take care of all venue & backstage / technical needs / costs of The 69 Eyes

1.2. Place Dealer's Night gig 26.9.2009 Helsinki.

1.3. The 69 Eyes will perform 3-5 tracks (This will agreed separately with the band and with Dealers night production team. This depending of the events time schedule)

1.4. The 69 Eyes shall be present at the venue for 2 hours in addition to the performance for interviews, photos etc.

2. PR / Advertising / Rights to use The 69 Eyes material:

2.1. Nokia shall have a right to use EMI supplied The 69 Eyes artist name logo /visuals/music in Nokia PR materials in relation to Nokia Comes With Music service during Term in the Territory.

2.2 During the Term of this Agreement EMI shall provide Nokia with:

2.2.1. visibility on banners in The 69 Eyes web pages (69eyes.com and 69eyes.com) and [EMI web pages \(emi.fi\)](http://emi.fi) for two months. EMI shall send the banners to Nokia for approval before placing them online.

2.2.2 visibility on two The 69 Eyes fan newsletters and two EMI newsletters. EMI shall send the newsletters to Nokia for approval before sending them.

2.2.3. A right to use The 69 Eyes in CWM radio spots during the Term. The 69 Eyes will make radiospot voiceovers for Nokia Comes With Music spots. Nokia will cover all radiospot costs and band members traveling costs if needed.

2.2.4. Right to use The 69 Eyes music tracks in the radio spots. Track should be from The 69 Eyes latest album. For avoidance of doubt, this use is approved by the 69 Eyes band, The 69 Eyes management and by EMI but also needs to have approval from publisher / Warner Chappell Publ. – Nokia / JWT advertising agency should check this separately

2.2.5. A right to use The 69 Eyes artist name and logo material. EMI will send logo material to Nokia for this use.

2.2.6. A right to Use The 69 Eyes artist visuals. EMI will give pictures for this use.

2.2.7. EMI shall provide Nokia with a right to use The 69 Eyes music in campaign materials at retail indoor marketing. Tracks should be from latest album and Nokia should take care of normal NCB costs of playing [Anne: Mikä on NCP?]

2.2.8. Possibility to use above material agreed under this Agreement at CWM POS, flyers, vouchers, press ads & retail environment (mobiles, posters, stickers) – these pictures and visuals should be same as EMI gave to Nokia for this campaign under this Agreement.

[Siirretty]

2.2.9. high resolution quality pictures & video & music material for marketing purposes.

Contact sanna.rulamo@emimusic.com .

2.2.10. Right to use The 69 Eyes in Nokia Comes With Music “educational” artist videos and greetings – The 69 Eyes will participate in Comes With Music video “How I use Comes With Music”. Nokia will take care of The 69 Eyes traveling + accommodation costs (if needed) for the filming of the video. Video includes greeting & how I use CWM, Approx. time required for the creation of the video is one day for production + pre-production meeting, Nokia has a right to use this material as promotional purpose at Nokia channels (including but not limited to Nokia retail and operator channels and web pages) Nokia will give 12 Comes With Music devices for The 69 Eyes’ use for this purpose.

2.2.11. Right to use The 69 Eyes in PR event at Milton Show room between Sept. 28. (signing session or similar) Nokia will take care of traveling / accommodation costs (if needed). - Management will check bands availability.

2.3. Nokia does not have any commercial rights to sell The 69 Eyes campaign material (training videos etc. – these are all only for CWM promotional use)