

Business Plan for a Record Company

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Business Plan for a Record Company in Finland

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The objective of this thesis is to develop a business plan for a record company named Kamoja Records in Espoo Finland that will focus on music and video production. The main purpose of this study is to determine whether this business plan is viable and whether the resulting company would be able to function as a vibrant record label. The business plan evaluates different features that are related to music and video production. The purpose is to obtain knowledge about business planning in general, to study and analyze the music industry and use the knowledge to write down a well-constructed business and marketing plan for the record label. The authors' own learning objectives are to apply the knowledge obtained during the study at Laurea University of Applied Sciences in practice.

The essentials of business planning are outlined in the theoretical framework. The study's theoretical objective is to define the models of business planning, and to create a general understanding of the important theories of a business plan. The study's empirical objective is to formulate a business plan for a new record label using the analysis presented in the theoretical section, literature review, Internet sources and the authors' own knowledge, henceforth developing an appropriate marketing approach based on research. The thesis highlights the main objectives and strategies of a business plan, defining possible competitors and potential customers. A description of the industry, market analysis, marketing strategies, marketing mix and SWOT analysis are included in the plan as well.

This study uses a qualitative approach, which reflects on data gathered via internet sources, literature reviews and a questionnaire. As a learning process the study is beneficial to the authors. The knowledge gathered through analysis of this topic and writing the business plan for a new record label will be used by the authors when establishing the record company in the music industry sector.

In conclusion, the primary data collected indicates that the business plan is valuable enough to attract potential customers and justify appropriate marketing strategies; the secondary data obtained via literature review suggests that the case company's business plan is applicable to the current music industry and would be potentially profitable if it is realized properly.

Key words business plan, record label, marketing strategy, market analysis, marketing mix

Table of contents

| | | |
|-------|---|----|
| 1 | Introduction | 7 |
| 1.1 | Purpose of the study | 7 |
| 1.2 | Research problem | 8 |
| 1.3 | Research approach | 8 |
| 1.4 | Theoretical approach | 8 |
| 1.5 | Structure of the thesis | 9 |
| 2 | Theoretical background | 11 |
| 2.1 | What is a business plan? | 11 |
| 2.2 | What is the purpose of a business plan? | 11 |
| 2.2.1 | Manage performance | 11 |
| 2.2.2 | Strategic planning | 11 |
| 2.2.3 | Preparation for future exit | 12 |
| 2.3 | Marketing plan sections | 12 |
| 2.3.1 | Executive summary | 12 |
| 2.3.2 | Situation analysis | 13 |
| 2.3.3 | Marketing strategy | 13 |
| 2.3.4 | Financial/ budget projections | 13 |
| 2.3.5 | Implementation stage | 14 |
| 2.4 | Market analysis | 14 |
| 2.5 | Consumer analysis | 14 |
| 2.5.1 | Niche market | 15 |
| 2.5.2 | Mass market | 15 |
| 2.6 | Competitor analysis | 15 |
| 2.7 | Marketing mix | 16 |
| 2.7.1 | Product | 17 |
| 2.7.2 | Pricing | 17 |
| 2.7.3 | Place | 18 |
| 2.7.4 | Promotion | 18 |
| 2.7.5 | People | 19 |
| 2.7.6 | Process | 19 |
| 2.7.7 | Physical evidence | 20 |
| 2.8 | Risk management | 20 |
| 3 | SWOT | 21 |
| 3.1 | Internal factors | 22 |
| 3.2 | External factors | 22 |
| 4 | Porter's Five Forces Model | 22 |
| 4.1 | Bargaining power of suppliers | 23 |
| 4.2 | Bargaining power of buyers | 24 |

| | | | |
|---|--------|--|----|
| | 4.3 | Threat of new entrants | 24 |
| | 4.4 | Threat of substitute products/services | 25 |
| | 4.5 | Existing rivalry | 25 |
| 5 | | Value chain analysis | 26 |
| 6 | | Theoretical background summary | 27 |
| 7 | | Research approach..... | 27 |
| | 7.1 | Types of research methods. | 28 |
| | 7.2 | Data collection | 28 |
| | 7.2.1 | Secondary data | 29 |
| | 7.2.2 | Primary data | 29 |
| | 7.2.3 | Tertiary data | 29 |
| | 7.3 | Chosen research method..... | 30 |
| | 7.4 | Methodology..... | 30 |
| | 7.5 | Evaluation of study | 31 |
| | 7.6 | Validity and reliability of study..... | 31 |
| 8 | | Empirical study | 32 |
| | 8.1 | Industry analysis..... | 32 |
| | 8.2 | Value chain analysis | 34 |
| | 8.3 | Revenue streams in the music industry | 35 |
| | 8.4 | Sound recording market..... | 36 |
| | 8.5 | Survey evaluation | 37 |
| | 8.6 | Results of study..... | 40 |
| | 8.7 | Competitor analysis..... | 41 |
| | 8.8 | Porter's Model | 43 |
| | 8.9 | Company profile | 46 |
| | 8.9.1 | Legal structure..... | 46 |
| | 8.9.2 | Mission..... | 46 |
| | 8.9.3 | Objectives | 46 |
| | 8.9.4 | Vision | 47 |
| | 8.9.5 | Executive summary | 47 |
| | 8.10 | SWOT analysis for Kamoja Records | 48 |
| | 8.11 | Market strategy | 48 |
| | 8.12 | Marketing mix..... | 48 |
| | 8.12.1 | Product..... | 49 |
| | 8.12.2 | Price | 49 |
| | 8.12.3 | Place..... | 49 |
| | 8.12.4 | Promotion..... | 49 |
| 9 | | Organizational management | 49 |
| | 9.1 | Key employees..... | 49 |

| | | |
|------|--------------------------------------|----|
| 9.2 | Management structure and style | 50 |
| 10 | Financial plan..... | 52 |
| 10.1 | Draft of the price catalogue | 53 |
| 11 | Risk management | 54 |
| 12 | Conclusion | 55 |
| | References | 56 |
| | Figures | 60 |
| | Tables | 61 |
| | Appendices | 62 |

1 Introduction

Music is an art that combines many different forms of sound to create rhythm and emotional connections. In addition, music is an empowering form of entertainment that has the ability to influence and move millions of people by generating a feeling of harmony, and perhaps becomes a source of wisdom as well. Music unifies people as it presents something or someone others can look up to and appreciate creativity either instrumentally or through the message portrayed. For songwriters or composers, it expresses their passion for music which they can share with their fans or supporters.

Finnish Music has often been considered as melancholy and depressing, due to its history in music such as folk, tango and jazz. Heavy rock, as another established genre in the Finnish music industry, has been a pivot to Finnish culture across borders in all social classes in Finland. However, Finnish music has propelled to combine many different genres of pop, rock, techno and even reggae to capture a wider audience from teenagers to the older generation. (Fimic Team 2009)

Music varies in terms of genre, the particular kind of music one can enjoy and whether it can achieve popularity in a local or international scale. When setting up a business in Finland, taking into consideration the specific music preferences of individuals and their admiration for local artistry, will direct us to reach the kind of crowd who has an ear for different tunes and not just the common selection.

1.1 Purpose of the study

The objectives and goals of the research project are to formulate a business and marketing plan for a newly founded company, in Finland, running under the name of Kamoja Records.

Furthermore, the authors of this study tend to focus solely on the music production department of the case company, while carrying out appropriate market research specifically targeted at the music industry in Finland; the market share occupied by other firms operating in the same line of industry, the current and potential clients, growth opportunities and limitations, and also optimal management and organization structures. The aim is to implement an innovative and creative product and service by identifying loop holes (if any) in the market, understanding the structure of the market and its advantages, also to remain relevant and unique for the purpose of wide scale recognition and attaining of a larger market share. The reason for focusing solely on the music industry is due to the fact that music is the kind of entertainment recognized and loved by everyone. It provides us a larger platform to work

with on the basis of discovering new artists and talent, hiring and allowing them to vocalize their message and attempt to spread a positive yet fascinating image to many.

1.2 Research problem

Authors of this study plan to find out whether Kamoja Records has any potential in the Finnish music industry. Kamoja Records is a start-up firm; hence it lacks an international and a solid local image. The challenge faced is proper branding of the record label of Kamoja Records, and the production of music that will be accepted and listened to by the different age groups. Some research questions that will be considered during the course of the study are: What makes 'what Kamoja Records does' different from others? How tapped are the markets to allow for new entrants? What are the current statistics of people's interests regarding music and entertainment in general? What are the success factors of other music companies and record label firms in the Finnish market?

1.3 Research approach

The intention of the chosen study is to analyse consumer trends and the Finnish music industry in depth, and to determine whether Kamoja Records has an opportunity to obtain a portion of the market share. This suggests that Kamoja Records will have to construct a strategic marketing plan to identify key success factors, optimal marketing methods, organizational formations and funding capabilities. The authors will utilize both quantitative and qualitative measures to understand the consumer segments and carry out appropriate competitor analysis for the betterment of the company's services. The methods utilized consist of a consumer survey to analyse music preferences and knowledge of the music industry, as well as literature reviews and external sources to cater for both the theoretical and empirical sections.

1.4 Theoretical approach

The framework of this section of the study will comprise of descriptions and theories based on the business plan, the marketing plan which will constitute of market analysis, consumer analysis and competitor analysis. This part will further consider marketing strategy and its sub-parts of product, price, place and promotion. Other fundamental terminologies that will be discussed are SWOT, benchmarking and Porter's model.

The business plan intends to provide details on how a firm will accomplish its goals and objectives primarily through a constructive business plan. It also aims to identify the importance of drafting business plans for not only start - up companies but for all sized firms. The marketing plan will highlight the essentials of market analysis, consumer analysis and the significance of

market research, as well as competitor analysis and what factors to weigh when comparing competitors in the same industry. The marketing strategy will focus on the marketing mix and its relevancy in the marketing plan, of which Kamoja Records will utilize to build its image and reach its consumers.

A SWOT analysis, benchmarking and Porter's model will provide an understanding of the business environment both internally and externally, which will aid better in familiarizing with the case company, Kamoja Records, and how it can go about marketing its services in the music industry.

1.5 Structure of the thesis

This thesis consists of four cardinal phases: Introduction, theoretical background, evaluation of research approach, and the most important one, the empirical framework. This will be followed by two additional sections of management and organizational structure, as well as a financial plan, and the final section, a summary of the thesis and its context.

The first section, the introduction, renders an overall perspective of the subject, the objectives and purpose of the study, and the essential concepts that will be discussed and used in the study.

In the second phase the theoretical platform is formed. The goal of this section is to outline the purposes and essentials of a business plan and to create a general idea of what needs to be considered in a marketing strategy and plan. The key pointers mentioned under this section are meant to form a knowledge base for the empirical unit. All relevant theories to be used later in the study are discussed here also.

The evaluation of research approach, which aligns as the third section, defines the means of gathering and analysing sources that were used by researches in this study. It showcases the methodologies, study evaluation, and the validity and reliability of the information collected.

The empirical framework takes the largest and most important portion of this entire study. It serves to describe the type of industry the researches of this study are examining, the results obtained from qualitative or quantitative research methods, the company profile in detail and the kind of strategy to be undertaken by the case company.

In the fourth section, the theoretical background is tested in the empirical study. In this section, a business plan for the specified case company, in Finland, will be drafted and finalized. The plan will represent a market analysis; both consumers and competitors evaluated. The

company description, objectives, strategic values and marketing means will be the target. Therefore, the final and critical section of this study opts to create a real and ideal business and marketing plan that can be implemented by the case company in the entertainment/music industry in Finland. The last part of this study will focus on management and team structure, financial plan, summary information on surveys and interviews conducted.

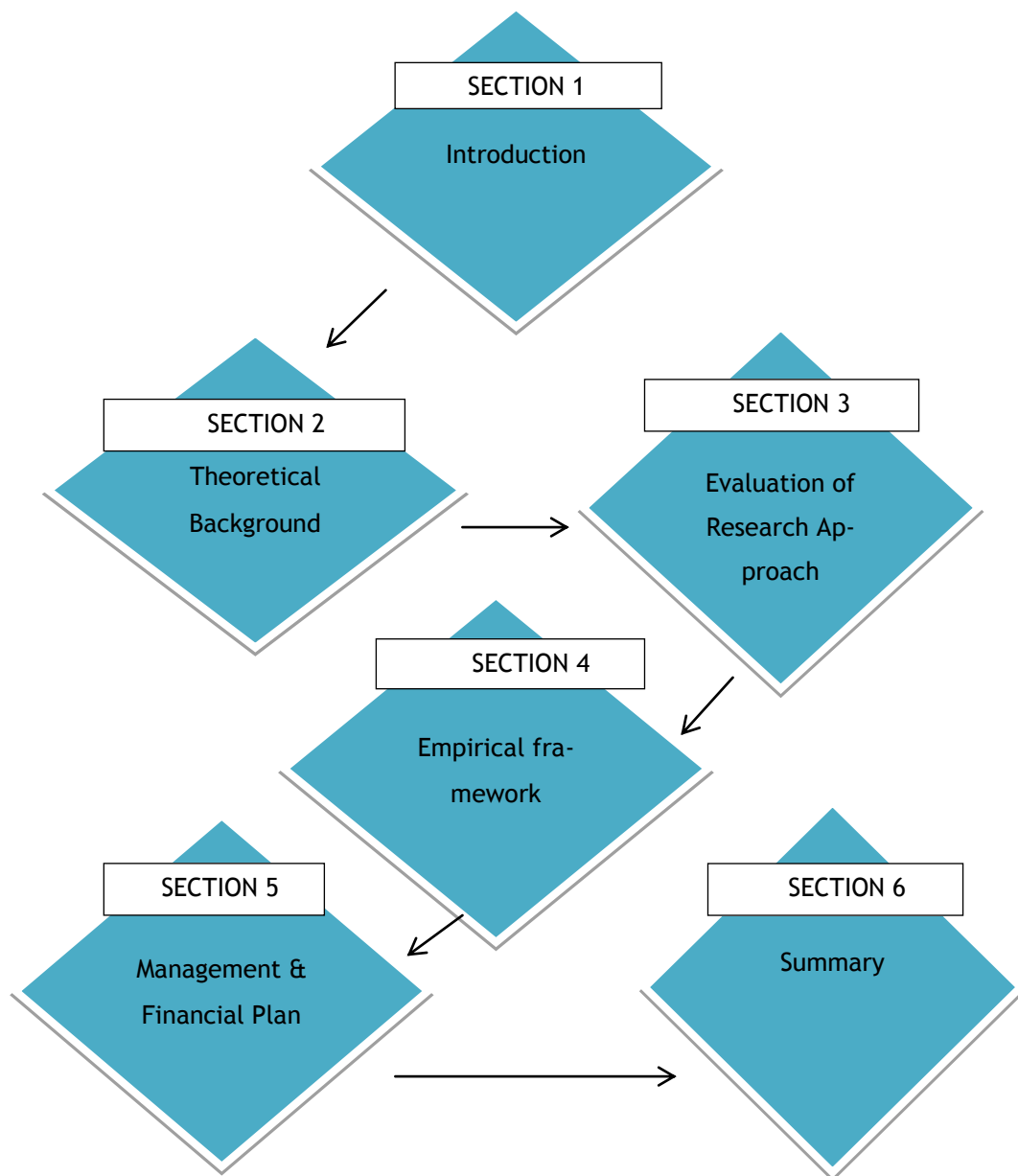


Figure 1: Structure of the thesis

2 Theoretical background

2.1 What is a business plan?

A business plan is described as a set of management decisions focusing on what a firm will accomplish successfully. A business plan should consist of both what a firm will do and how it will do it (Ohara 1994, 3).

According to Longenecker et al (2006, 105), there is no accurate definition of a business plan. A business plan is a statement that outlines the basic idea underlying a business and describes related startup considerations. The business plan should present the idea for the venture and include descriptions on the current position of a company, where they intend to reach, and how they intend to get there.

You can create and control your company according to the plan of action. The plan of action, written, is the Business plan. Before actually beginning the operation of a business, a valuable option is to write a detailed yet fitting plan. If it is to be used to attract capital investment, it must also be comfortable to your potential investors or lenders. However, the business plan is just a plan that shows possible actions to be undertaken and should be thought of as being as adaptable as the experience of operating the business, according to O'hara (1994,1).

2.2 What is the purpose of a business plan?

More often people assume that business plans are only needed and useful to individuals who are starting their business or in search of funds. Most successful businesses use business plans so as to manage their growth and develop their business ideas. In most cases, a business plan tends to aid in planning process. Through this it enables one to view his/her business in different context. (O'hara 1994, 2)

The essential purposes of a business plan are described in the following sub-sections.

2.2.1 Manage performance

By use of a business plan one can view arising conflicts and their source of origin. Eventually, the plan can be adapted and changed more effectively to account for the years ahead.

2.2.2 Strategic planning

Writing down a business plan allows one to take a step outside the business and see it in a new concept. It helps in knowing the areas that need growth and development and pin point goals needed to achieve success.

2.2.3 Preparation for future exit

A business plan is used primarily in two ways: Firstly, to provide a statement of goals and strategies for use by individuals within a firm and second, it aids in the development of relationships with outsiders who could help the company achieve its goals (Longenecker, Moore, Petty & Palich 2006, 105) .

According to Ohara (1994, 3) the overall purpose of business planning is to provide a logical, rational sense of direction and to provide a framework for guiding and evaluating the firm's accomplishments. Furthermore, a business plan can have several different objectives that, in turn, relate very closely to intended uses of the plan. It can have internal and external uses. A business plan can have the following internal benefits to the business:

- It can improve performance by identifying both the strengths and weaknesses of the firm's operations and potential or emerging problem area.
- It can communicate to management and staff clear expectations regarding the firm's performance and priorities.
- Businesses with multiple divisions, units, or points of management responsibility, a business plan can effectively coordinate and ensure consistency in the plans and operations of various units or division.
- Provides a solid basis for measuring performance of the overall firm and of individual units and managers.

2.3 Marketing plan sections

A marketing plan aids companies to allocate their valuable consumers and strategize methods of achieving marketing objectives. It is a tactical approach to formulating marketing procedures and allocating financial budgets over a planning period (Kotler, Keller, Brady, Goodman & Hansen 2009, 109). A marketing plan can be divided into several parts of: Executive summary and table of contents, Situation Analysis, Marketing Strategy, financial projections and finally the implementation stage.

2.3.1 Executive summary

This section stands for the opening of the entire plan; what the plan contains, the main objectives to be considered, possible results expected and recommendations. A table of contents further outlines the plan in a more logical fashion with the topics to be discussed and evaluated in chronological order. (Kotler et al. 2009, 109)

2.3.2 Situation analysis

Under this chapter, there are numerous sections and sub-sections to consider. Foremost, an in-depth analysis of the introduced industry or market is to be presented. This will involve market size and growth rate of the market, the current trends and consumer preferences and target market, as well as categories of the different products in the market. Competitor objectives and means of operating are key factors for comparison when deciding on what strategies to implement in the case company. Other highlighted factors in most business plans include: Price policies (how sensible is it to charge certain prices for startup companies?) and various forces surrounding the environment in which the case company is to operate. Incorporating the organization's management system and key members' responsibilities aids in identifying action plans and how to effectively integrate teams/functions.

At this stage, the company background is mentioned and more details on its operations and product portfolio are demonstrated. The plan will further elaborate on a SWOT analysis of the case company, which will combine the strengths, weaknesses, threats and opportunities of the case company. (Kotler et al. 2009, 109)

2.3.3 Marketing strategy

This part will evaluate on how the case company will go about to fulfill its marketing and financial objectives, how it will distinguish itself from competitors and what kind of offerings it can deliver in order to satisfy the target market. This will contain input on distribution and communication channels, promotion and advertising campaigns or methods, price structures, general management and essentially, the product or service package.

2.3.4 Financial/ budget projections

In many cases, a sales forecast and information on revenue streams are illustrated in this section. Usually, this can also include income projections, necessary fund sources or expected costs of marketing and resources. Sufficient and accurate financial projections depend on the size of the case company and how long it has been in business. (Kotler et al. 2009, 110)

2.3.5 Implementation stage

At this point, the final modifications and implementation schemes are executed on the plan. Typically, a company will justify whether its objectives have been met or whether the plan has successfully achieved its purpose. A contingency plan can be drafted to show particular focus on how to tackle certain issues internally or externally. (Kotler et al. 2009)

2.4 Market analysis

Market analysis is a process of evaluating the situation of a particular market or industry. It takes into consideration market share, market size and growth, target customers, competitor case analysis and finally a formulation of the marketing strategy. (Riley 2012)

Information to be obtained for market analysis has to be carried out via market research. Market research is the “ gathering, processing, reporting, and interpreting of marketing information”, as explicated by Longenecker and his colleagues. Market research aids companies to understand more accurately their stance in the market, set proper objectives so as to reach their target market, implement product differentiation through a unique brand image, and gain a thorough comprehension of the position of competitors by the usage of benchmarking or other related comparison tools.

Nevertheless, market analysis involves a descriptive note on potential customers, or in other terms, customer profile. Data can be gathered via secondary or primary methods to gain a better understanding of the satisfaction level consumers would receive once they experience a particular good or service (Longenecker et al. 2006, 129).

2.5 Consumer analysis

According to Timmons, Zacharakis and Spinelli (2004, 57), the most typical approach towards carrying out a market analysis is to focus on the industry. The industry entails where a company will be operating or offering its products or services. Furthermore, the industry comprises of its size (niche or mass market), growth rate, leading brands and competitors, target market and also the kind of trends occurring with regard to market segmentation.

Once the industry has been inspected, a thorough review of the consumer must be evaluated with the use of geographic, demographic and psychographic information. Geographic segmenting refers to splitting the market into units such as nations, regions, countries or cities. Demographic segmentation describes groups based on variables like age, family size, gender, income, religion and social class. This type might be much easier to measure as the segments

are more classified and detailed. The final kind of segmenting, psychographic, involves buyers being divided into teams on the basis of personality, lifestyle or values (Kotler & Keller 1994, 247 - 252).

A market segment can be defined as “a group of present or potential customers with some common characteristic which is relevant in explaining (and predicting) their response to a supplier’s marketing stimuli” (Hutt & Spech 2004, 174 - 175). Segmenting, thus, refers to splitting or dividing these groups of consumers into similar interest and need clusters. Another definition from Kotler and his partner (1994 - 2006, 240) states “a market segment consists of a group of customers who share a similar set of needs and wants”. Another theorist went on to add that segmenting involves customers who respond to competitive strategies differently from other groups (Lynch 2012, 109). The idea behind segmenting is to allow firms to easily target a specific market of their choice. The marketer does not create the segments and consumer divisions; the action is to identify and distinguish the different segments and know how to approach them with a well planned and executed strategy.

A market can be divided into two sectors as described in the following sub-sections.

2.5.1 Niche market

“Narrowly defined customer group seeking a distinctive mix of benefits” (Kotler & Keller 1994, 242). A niche, usually, represents a small and unique group of people who are targeted with specified or customized kind of products. For instance: A company aims to target a wealthy set of individuals with expensive watch brands. The “wealthy set” in this case relates to the niche segment of individuals with high income; the potential consumers, and the “expensive watch brands” are the exclusive products to be offered.

2.5.2 Mass market

This relates to a market that does not consist of particular segments, rather the products have mass appeal (commodity goods mainly); which are offered to every customer through mass retailers and promoted through mass media. (Mass market 2013)

2.6 Competitor analysis

This process entails identifying who are the primary or major competitors in the industry, and pin pointing their advantages or strengths, weaknesses, and their objectives. Competitors can be placed into strategic groups whereby emphasis can be based on their list of products or services, profitability, growth pattern, marketing tools, organizational and cost structure and

their size in terms of total market share. Some basic questions that can be considered when carrying out a competitor analysis are:

- What is each competitor seeking in the marketplace?
- What drives competitor's behaviors?
- Past and current strategies?
- Media usage and marketing communication methods?
- Price structures and promotional measures?

(Competitive Analysis 2013)

Research on competitors is undertaken so that the management of the company can understand their competitive merits or demerits, generate knowledge on competitor's strategies from the past, to the current and towards the future, be able to forecast returns on investments, for instance: How will competitors react to the introduction of a new product or a change in pricing strategy?. Nevertheless, companies have to establish their unique position in the market and identify key factors that separate and link them to their oppositions. (Riley 2012)

In order to fulfill a complete competitor analysis background check, certain methods of evaluation or gathering of data need to be taken into account. A company can utilize three means of obtaining information on their competitors:

Recorded data: This includes easily attainable publications internally or externally. Such publications come in the form of annual profit or loss reports, press releases, newspaper articles, government reports or presentations/speeches done by representative of the competitor firm. (Riley 2012)

Observable data: This entails active searching and combining of data from several sources. Some of the prominent measures are pricing/price lists, advertising campaigns, promotions and tenders. (Riley 2012)

Opportunistic data: This form of gathering requires much planning and organization as it involves discussing with customers, suppliers and/ or even previous management of competitors. This kind considers trade shows, seminars or conferences, recruiting former competitors' employees and meeting with shared distributors. (Riley 2012)

2.7 Marketing mix

The tactical or operational part of a marketing plan is referred to as marketing mix. Also it can be termed as the marketing activities that an organization engages in so as to meet their target market needs. Traditionally, the marketing mix was made by four elements namely 4Ps; which stand for Price, place, product and promotion. (NetMBA 2002 - 2010)



Figure 2: The 4p's of Marketing Mix

2.7.1 Product

It can be described as an item that satisfies consumer demands. It is usually a tangible good or an intangible service. Every product is subjected to a life cycle including a growth phase followed by a maturity phase and eventually a period of decline as sales fail.

2.7.2 Pricing

The amount a customer pays for the product is termed as Price. It is an important element when it comes to marketing and also it determines the company's profit and hence survival. The price is said to have a profound impact on the marketing strategy, and depending on price elasticity of a product, often it will affect the demand and also sales. When setting price one should consider customer perceived value for the product. There three basic pricing strategies that can be used; Market skimming pricing, penetration and neutral pricing.

2.7.3 Place

An organization should provide their products a place which is convenient for customers to access them. There are various strategies a marketer can use to make consumer access products that include; intensive distribution, selective distribution, exclusive distribution and franchising.

2.7.4 Promotion

It refers to the methods of communication that a marketer may use to provide information to different parties about the product. It comprises of various activities such as; Public relations, advertising, personal selling and sales promotion.

For the organizations to meet their marketing objectives and satisfy the requirements of the customers, they have to mix these elements. As years have gone by, marketing has developed, with service sector of most economies coming to dominate the economic activity. Through these it has led to additional of three more P's that consist of Physical evidence, process and people. The service marketing mix is also known as the extended marketing mix and is an integral part of the service blueprint design. It consists of 7p's compared to the 4p's of the product marketing mix.

(The 7Ps of Marketing 2004)

In service marketing mix, the 'product' is intangible, heterogeneous and perishable, whereas in product marketing mix a product is considered tangible.

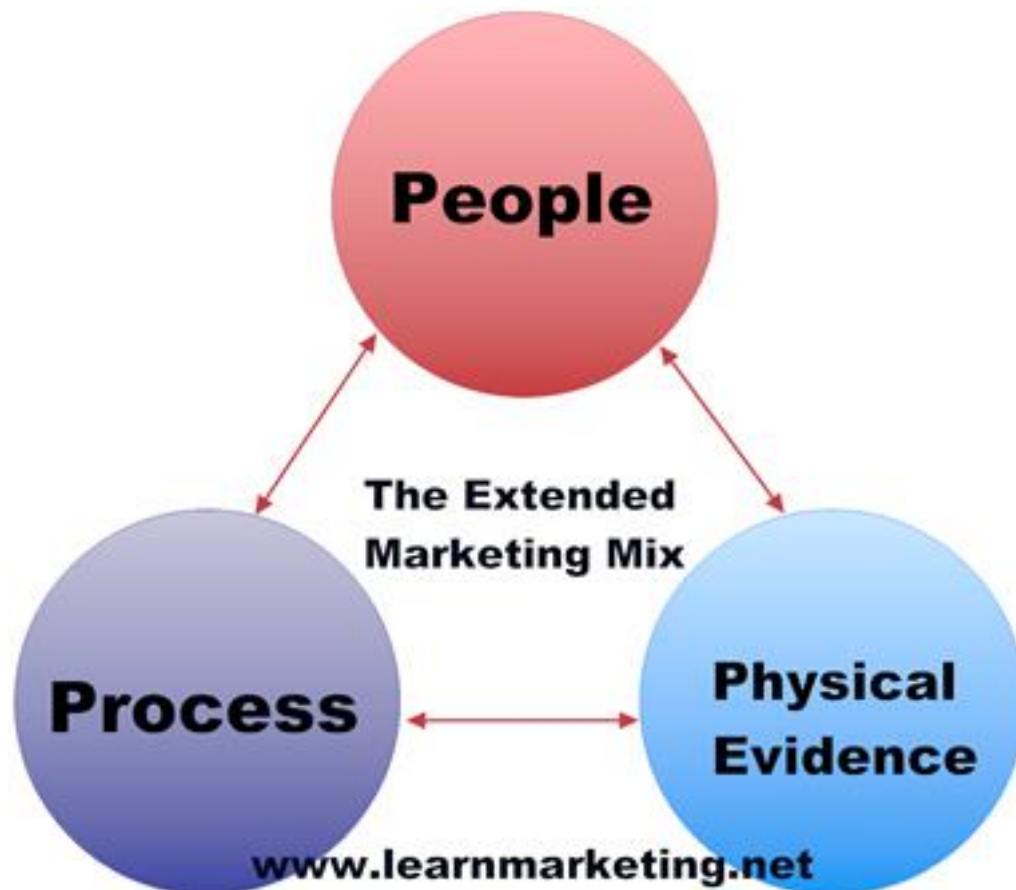


Figure 3: Extended Marketing Mix

The first 4p's of the service marketing mix are the same as those in the traditional marketing mix. However, given the unique nature of services, the implications of these are slightly different in case of services. (Service Marketing Mix n.d)

2.7.5 People

It describes the employees of the organisation with whom customers come into contact. Customer service lies at the heart of modern service industries. Customers are likely to be loyal to organisations that serve them well- from the way in which a telephone query is handled, to face-to-face interactions.

2.7.6 Process

It is the processes and systems within the organisation that affects its marketing process. There are a number of processes associated with customer service that can make marketing effective in an organisation for example; Handling customer complaints, identification of customer needs and requirements and the process of handling orders.

2.7.7 Physical evidence

It refers to all the tangible, visible touchpoints that a customer will encounter before they go about purchasing anything. These tangible elements usually enhance customer experience, examples include; well designed waiting areas in hair salons, restaurants with exclusive and attractive interior designs.

2.8 Risk management

Generally, risk management is the process of identifying, measuring and assessing risks and developing strategies to manage them. The strategies include:

Risk transfer:- causing another party to accept the risk, typically by contract or by hedging

Risk avoidance:- includes not performing an activity that could be risky.

Risk reduction(mitigation):- involves methods that reduce the severity of the loss

Risk acceptance(retention):-involves accepting the loss when it occurs True self insurance falls in this category. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained.

Over-control of risk can be as damaging to business interests as lack of controls. The objective of risk management is not necessarily the elimination or reduction of risks, but how they are actively managed in a business context.(Spedding & Rose 2008,13)

3 SWOT

This is a tool best used for understanding the strength and weakness of a firm, as it also finds out the opportunities held and the threats the firm will encounter in the market. SWOT is a basic, straightforward model that assesses what an organization can and cannot do as well as its potential opportunities and threats. The method of SWOT analysis is to take the information from an environmental analysis and separate it into internal (strengths and weakness) and external issues (opportunities and threats). (Kokemuller 2013), (Renault 2013)

According to Longenecker and his colleagues (2006, 56) a SWOT analysis provides a “snapshot” view of a firm’s current situation. In order for firms to perform better it is vital for them to view their strategic setting as being in continuous motion. Referring back to Kotler & Keller (2006, 52-53) SWOT is an overall assessment of an organization’s strengths, weaknesses, opportunities and threats.

The main purpose of a SWOT analysis is to connect an organization’s objectives and strategies to actionable tactics carried out by its staff. It gives an overview of where the company stands on four key strategic areas to better determine the alterations to enforce.

SWOT analysis focuses entirely on four elements, namely: Strengths, weaknesses, opportunities and threats, as included in the acronym. This form of both internal and external analysis allows companies to identify the factors that influence strategy, action or initiative. Through these it aids the company in communicating what elements of the business plan need to be recognized.

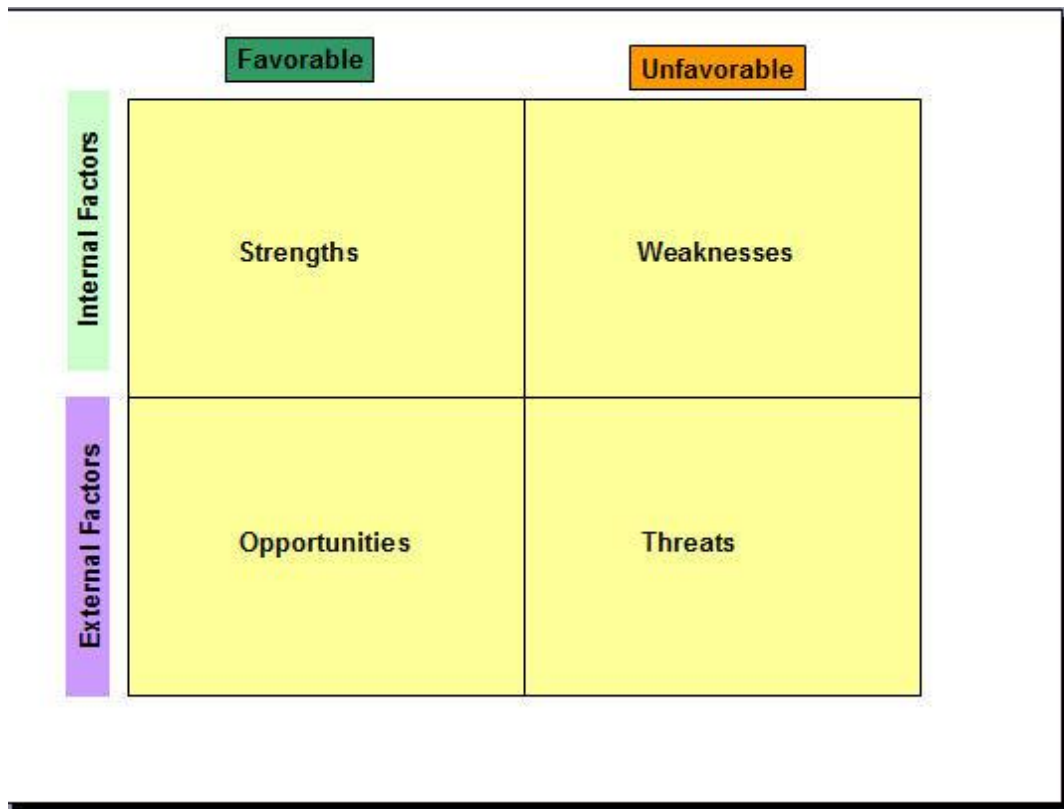


Figure 4: SWOT analysis diagram

3.1 Internal factors

The first two letters in the acronym, Strengths and weaknesses refer to the internal factors, which define the resources and experience readily available to a company. They reflect on the strongholds of a company and respectively on the areas that require improvements. (Goodrich 2013)

3.2 External factors

Companies, organizations and individuals are influenced and affected by external forces. Whether connected directly or indirectly to an opportunity or threat, each of these factors is important to take into consideration when listing the elements. These are factors typically referring to aspects the company does not have entire control over. (Goodrich 2013)

4 Porter's Five Forces Model

The state and position of competitors in a certain industry relies on five basic competitive forces which determine the profit potential of the industry; the Porter's Five-Forces Model, as illustrated by Hollensen (2007, 131).

The Five Forces That Shape Industry Competition

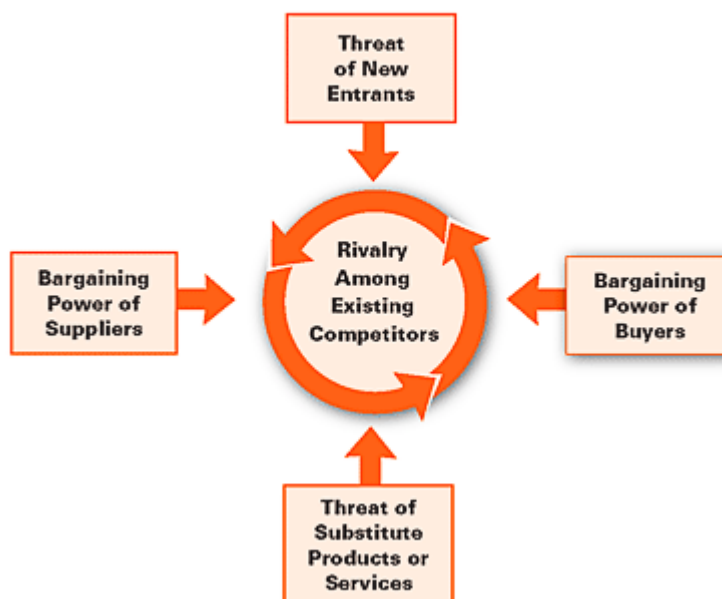


Figure 5: Porter's Five-Forces Model

Porter's five-forces model suggests the hypothesis that competitive advantage can be developed best in a highly competitive market with intense rivalry. The model attempts to provide five factors/dimensions needed to be considered when carrying out competitor analysis, so as to either gain a larger portion of competitive advantage, or to reduce the amount of grip competitors have in the market (Hollensen 2007, 113). Lynch (2012, 99) is also of the same perspective that an organization needs to carry out some form of analysis and investigation of the surrounding forces, in order to form a strategy to develop opportunities in its environment and protect itself from other threats.

This framework by Porter represents several key players in the respective industry, them being: New entrants, suppliers, buyers and market competitors. The goal behind competitive analysis is for a company to attain a position in a particular industry and be able to either defend against or draw the five forces to its side. This sort of analysis is fundamentally important for a company to align its strategic position in the correct direction and determine more accurately its strengths and weaknesses (Hollensen 2007, 110).

4.1 Bargaining power of suppliers

According to Lynch, suppliers tend to be powerful in the following conditions: Presence of only a few other suppliers in the industry, no substitutes for the supplies they offer, prices of

suppliers take a considerable amount of the organization's total cost, and if the supplier poses potential to integrate and undertake the company's value-added process (Lynch 2012, 99). A company can reduce the bargaining power by either seeking new sources of supply, showing intent of integrating backwards into supply and designing standardized components that many other suppliers are equally capable of producing.

4.2 Bargaining power of buyers

Buyers in this case can also be described as the customers of the organization. They may possess power in the following instances: A few alternative of buyers around or if they purchase in large volumes, company has not established firm product differentiation - allowing buyers to switch providers, buyers show intent to integrate backwards and commence to manufacture the industry's product, and if price weighs more than the importance of the product. The way around this for a company is to increase the number of buyers or producing highly valued and differentiated products. (Hollensen 2007, 110)

4.3 Threat of new entrants

When profit margins are substantially attractive and if barriers to entry are low, new companies may decide to enter the particular market. There are a few, key sources of barriers to entry (Lynch 2012, 100 - 101), (Hollensen 2007, 111 - 112):

Economies of scale - many companies forced to enter on a large production scale to meet the low costs that are already present

Product differentiation - Existing firms usually have gained customer loyalty through brand identity.

Capital requirements - Sometimes entry involves large investments in plant, technology and distribution.

Switching costs -If a consumer is generally satisfied with the existing product or service, it would be difficult to lure the consumer to a new entrant.

Access to distribution channels - A product or service has to reach the consumer via certain channels that can possibly be controlled by companies already in the market.

Government policy - Some governments have developed policies and legislation to protect companies and industries, making it difficult for smaller companies to enter particular markets.

4.4 Threat of substitute products/services

Substitutes might not entirely replace existing products; however they can reduce industry appeal and profitability due to constraints in price levels or an introduction in new technology. Threat of such products or services constitute to possible threat of obsolescence, consumers willing to switch to substitute and the relative price and performance of substitutes. This threat can be countered by increasing switching costs; this can be done via building a strong, distinctive brand image or maintaining a price that psychologically fits customer's perceived values. (Hollensen 2007, 110 - 111)

4.5 Existing rivalry

Certain factors lead to heavy competition within a market, these include:

Concentration of the industry - If there are numerous competitors of equal size then competition will be intense. On the other hand, if there is a dominant leader then it would be easy for them to tackle any strategic moves made by smaller firms.

Rate of market growth - Slow growth will provoke greater rivalry as each company aims to create a position for themselves in the market.

Structure of costs: High fixed costs encourage companies to obtain greater market share to mediate or completely cut costs.

Degree of differentiation: Products that are hard to differentiate usually tend to accommodate intense rivalry as competition becomes focused on prices. This applies commonly to commodity type of products.

Switching costs: Competition is reduced in situations where switching costs are high because the product is specialized; hence the consumer has invested a lot of time, knowledge or resources into using the product which cannot be shifted to another product.

Exit barriers: When leaving a market becomes problematic due to lack of opportunities elsewhere, high cost of shutting down plants or high vertical integration, this tends to intensify competition.

(Hollensen 2007, 109)

The structure of an industry is the basis for competition and profitability, and each industry is configured differently according to the kind of strategy instilled in it. For example: In some industries, rivalry could be fierce due to the kind of products or services being offered, hence it becomes a barrier towards amending a proper strategy as products or services are identical, limiting the amount of market share a company can attain. This kind of rivalry is common in industries where the source of trading is in commodities. In other cases, the market leaders in a particular industry and the substitute products being offered carry a dominant image, thus becoming a threat towards entering a market or sustaining competitive advantage. (Porter 2013)

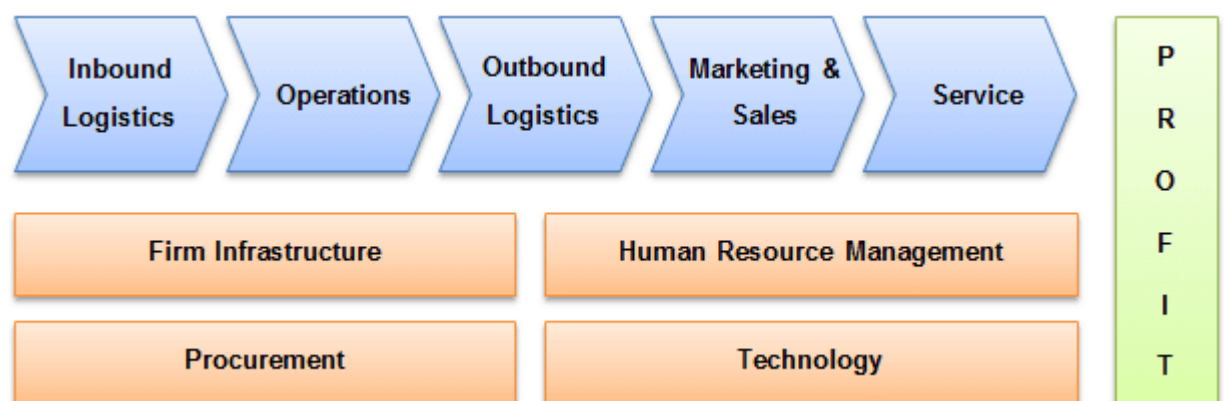
5 Value chain analysis

Value chain analysis is a strategy tool or model used to identify how an organization can create value for their end users (Value chain analysis 1996 - 2013). Furthermore, the argument raised by Walters and Rainbird (2007, 182) suggests that value chain analysis can be used to pin point optimal solutions for all stakeholders such as customers, suppliers and investors. An organization needs to pay attention to the value adding processes within its industry and firm to achieve the best outcome for its consumers. The tool is made up of three steps:

- Activity analysis - Step by step business processes used to deliver a product or service
- Value analysis - Activities that will bring greatest value to consumers
- Evaluation and planning - Assessing changes hence planning for action⁷

Another source refers to value chain analysis as a means of analyzing internal firm activities; determining which activities are most valuable to the company and which ones can be improved for competitive advantage. A basic value chain would consist of primary activities (those that directly add value to the final product), and supporting activities (these indirectly add value to the end product). (Strategic Management Insight 2013)

Primary Activities



Support Activities

Figure 6: Basic value chain model

6 Theoretical background summary

The theoretical framework outlines an understanding of the terms and theories to be utilized when building up the empirical study, and highlighting important principles and course of action for the case study. The essence of the study is to combine sources from different locations to gain wide scale information and comprehension of the topics to be discussed. Evidently, the target is to ensure that the theoretical and empirical parts are in sync via overall definitions and understandings of the topics, and the evaluations and outcomes to be derived from knowledge gained when analyzing terms and conducting research.

From the theoretical part we have come to understand significant terms and methods used when assessing the company as a whole; its major strengths or pitfalls, the risks it would undergo when opting to take on a particular course of action, and the kind of opportunities that a company would encounter (SWOT analysis). Tools such as Porter's model and value chain analysis aid in understanding market situations better and factors that might limit or provide development possibilities for a new or well established company, and also the way in which a firm values its channels towards providing the best product or service to its end users, respectively. The business plan in its entirety, will provide a better platform for Kamoja Records to understand its strategic potentials and whether its establishment is too ambitious or rather a worthwhile risk to undertake.

7 Research approach

Before an appropriate approach is designed and executed, the researchers must fully and correctly identify the research problem or question, hence creating a platform for the right method of tackling the research proposal. As mentioned by Malhotra & Birks (2000 - 06, 37), defining a problem entails discussions with decision makers, qualitative interviews with industry experts and other knowledgeable individuals, and analysis of readily available secondary data. Gathering such information helps the researcher to better understand the fundamentals and background of the problem, and the environmental context that may affect the sought results. Therefore, based on the identified research problem, an approach is drafted and developed further under critical and durational examination in order to achieve the preferred outcome or solution towards the initial research proposal. "The components of the approach may consist of an objective/theoretical framework, analytical models, research questions and hypothesis", as stated by Malhotra and his colleague (2000 - 06, 38).

7.1 Types of research methods.

Research methods are normally classified into two sections namely, Qualitative research and Quantitative. The first method, respectively, describes an unstructured exploratory design based on small samples intended to provide insight and understanding. In other words, it seeks to reveal the behavior, experiences and feelings of respondents by enabling them free expression of their views, and observing their mannerisms in their own terms and context (Malhotra & Birks 2000 - 06, 133). A typical format following a qualitative research would involve these steps:

Step 1: Define problem

Step 2: Perform literature review

 Provide rationale for study

 Develop research questions

 Develop initial design of study

Step 3: Choose location, participants and type of study

Step 4: Systematically collect and verify data

Step 5: Analyze data

Step 6: Answer research questions

Among qualitative analysis, researchers can utilize numerous types of research to undertake with the six (6) steps mentioned above. Some of these types come in the form of general qualitative study, historical data evaluation, company or individual case studies, biography studies, sociograms (interpersonal relationships among various people) (Kelley 1999, 25 - 29).

The latter method of research focuses on techniques that seek to quantify data and typically apply some form of parametric statistical analysis. A number of assumptions are associated while analyzing data collected via a quantitative method; in most cases researchers avoid an impersonal intervention as the data is considered to be objective to numerical and categorical parameters of the tests (Kelley 1999, 23 - 24). Some of the forms under this research entail analytic files (analyzing data as they are being collected), chronology, pile sorts, tabulation and advance coding.

7.2 Data collection

The different means of gathering data via the two common methods of qualitative and quantitative research can be divided into three forms of data collection:

7.2.1 Secondary data

This can be defined as information that already exists and has previously been collected for another purpose. Examples for secondary data include: Surveys, market reports, internal company reports such as sales records or financial data and other forms of publications (Kotler et al. 2009, 193). Secondary data is useful for qualitative analysis, whereby past records or reports are needed for analyzing trends or comparing figures of company performance throughout different periods in time. Furthermore, secondary data offers several advantages over qualitative means, for instance: Information is easily accessible, it is a relatively inexpensive route for obtaining data and it proposes a quick scheme to attaining the needed information.

However, secondary data becomes irrelevant for current situational analysis as it bears outdated information and it may represent limitations in terms of dissimilar purposes, use of jargon or actual understanding and explanation of the data. Usually, the issues to be revised by researchers when using this type of data collection is time difference between collection and publication of the original documents, the initial researcher's objectives towards data collection and the credibility of the gathered data.

7.2.2 Primary data

This is raw or recently collected data from an original source via direct or first-hand experience by means of questionnaires, interviews, focus groups, observations or experimentation. Primary data collection follows a qualitative approach due to a more personal interaction towards retrieval of information. (Primary Data Definition)

As primary research aims to obtain information directly from the target consumer, it can provide a better picture on consumer trends and the ability to control the kind of information gained. Adversely, acquiring this sort of data is time consuming and relatively expensive, and in some cases, the information gained does not reflect on the preferences of the entire population or target group.

7.2.3 Tertiary data

This sort of data collection reflects on sources that combine and collate other forms of sources. The chief purpose of tertiary sources is to synthesize information and generally present condensed versions of materials that can be traced to primary and secondary sources; Dictionaries, reference material, encyclopedias, Wikipedia and similar related user-

contributed ‘encyclopedias’ can be summarized under ‘tertiary data’. (Primary, Secondary and Tertiary sources 2013)

7.3 Chosen research method

The authors of this study have used multiple means of data collection methods, including both quantitative and qualitative means of information retrieval. The use of primary methods by creating and implementing a survey tailored to capture individuals’ perceptions on music and their knowledge of the music industry in general. Researchers have acquired quantitative data via online reports, articles and numeric figures.

7.4 Methodology

The research has been conducted by the two authors under this study whose main goals were to satisfy the research questions set at the commencement of the study and to fulfill a comprehensive business plan for the company in question. The target population chosen for the survey was based on age range starting with individuals of 16 years and above, and mainly those who reside in Finland or have a bit of understanding regarding Finnish music and its respective record labels. The expected population target was not to our expectations considering we received an aggregate of 23 responses to the survey. This does affect the final validity and assessment of the answers provided by the respondents, though overall it posed for a great learning experience and the most valuable information was extracted for further analysis.

The techniques used to sample the chosen population were based on simple random and stratified sampling. Random sampling represents the least bias method of choosing the target population, whereby each member has an equal chance of being selected (Sampling techniques n.d). This method was implemented through social media distribution of the survey where everybody who has interest in music and/or has knowledge of the Finnish music industry was capable of answering the survey. In addition, a few surveys were distributed on school campus by randomly picking individuals to complete the survey (both international and local individuals); given that not all were interested in responding to the survey and many others were occupied with their own tasks. The latter method focuses on dividing the population into known groups that encompass a particular proportion of the parent population (Sampling techniques n.d). This method was implemented by sending out the survey via e-mail to different Laurea University of Applied Sciences faculties; this channel proposed a greater respondent population as the target was set to students, teachers or any other school members.

The responses from the survey were analyzed via pile sorting and tabulation methods; whereby data was arranged systematically according to each question category, thus replies under each question were reviewed, charted and summarized separately.

Via desk research, authors have utilized internet-based content to gain a clearer understanding of the kind of music distributed in the market with this generation of individuals, and an overall scope of the current market; its consumer segments, competition, opportunities and barriers. Information has also been filtered from other dissertations and thesis studies related to similar topics under discussion i.e.: Music, music industry, music distribution or social media and music.

7.5 Evaluation of study

The topic discussed in this research was assessed and evaluated by comparing the theoretical structure and its elements to the actual obtained details under the empirical section. Researchers ensured that the studies referred to in the empirical section were synchronized with those mentioned in the theoretical framework. Initial data collected was revised and analyzed with the inclusion of additional literature references and online based sources. After the results of the final study were justified, the authors moved on to clarify the possible outcome of the business plan, by reflecting viewpoints and the course to be undertaken by the record label in the conclusion of this study.

7.6 Validity and reliability of study

Validity defines the degree to which a study accurately measures or assesses a particular concept the researcher attempts to enlighten to the reader. This sort of validity touches on both internal and external means by which the external part reflects on a generalized view of the study, whereas the internal area refers to the extent the researcher is willing to go to conduct and verify the study. Reliability, on the other hand, highlights the consistency in a particular study or measurement. It is better to have minimal data with a high dependable or validity rate, than an abundance of data filled with discrepancies and errors (Baker, Singleton & Veit 2011, 27 - 28).

The authors carrying out the study are full time employees of the company Kamoja Records, thus the information presented is at their own true account and the amount to be disclosed about the company is solely based on the extent to which the authors aim to delve deeper into the research problem, in this case, the drafting of a business plan to improve the company's stance in the music industry in Finland. Each study faces limitations or barriers, some of them encountered include:

- A time frame set up by the researchers that would lead the study to be undertaken within precise period of time, which may leave some information sources untapped or unseen.
- Lack of suffice respondents to the survey; questioning the accuracy of the final results with relation to the entire population.
- Inability to retrieve specific information either due to language barriers or because key search words can only be found in a different language (mainly the Finnish language).
- Lag time between collection of data and compiling it together; some information might lose their relevance within the given period of time.

It can be concluded that the validity of the study is based on content from dependable online sources and different book sources. The primary data serves as first hand extraction of data from direct end users, in this case, the target consumers who have distinct music preferences. These methods provide a fairly accurate and reliable stance in source information, hence were the means utilized by the authors to complete the densest section of the study; being the empirical framework. However, in spite of the accuracy of the methods, the responses received were not satisfactory in terms of quantity; with only a few valid replies retrieved for evaluation. This hinders the validity of the study for the responses do not cover the entire desired population for the authors to accurately pin point music preferences of the population in Finland. Despite the lack of sufficient responses, a comprehensive study was still carried out and the findings presented were essentially useful.

8 Empirical study

8.1 Industry analysis

The music industry has a wide scale definition that encompasses aspects such as copyright, culture, creativity and entertainment. Different authors have described music industry in diverse terms, identifying it as a mass communication medium whereby music is created in many forms in order to attract vast audiences for financial profit. Others define the music industry as an entrepreneurial-venturing process that supports artists in the creation of eminent music. Music is an important part of everyone's daily life, constituting to fast-growing communication networks and new digital technologies. In addition, music industry can be discussed on the basis of its functions and participants as these are the key building blocks in spreading a particular message through music and the number of people who can be moved by the music performances (Ganeva 2012). A direct quote taken from Ganeva (2012, 12) suggests the following definition of music industry, "music industry consists of those companies

concerned with developing musical content and personalities which can be communicated across multiple media''.

Finnish music consists of more than 50% of domestic music sales, to which a large portion of it entails traditional Finnish pop known as 'Iskelma', indie and electronic, folk and contemporary. Another favorite trend includes Finnish tango to which many enjoy attending tango festivals and music occasions in dance halls. Global music in Finland has for a long time been revolving around local artists and local music preferences. According to the International Federation of Phonographic Industry (IFPI), the value of domestic music grew from about \$112 million to an estimated \$150 million within the periods 94 - 1998. Furthermore, the IFPI states that Finnish record companies are still heavily dependent on the domestic music market, reluctant to take on risks, which is the result of an unsuccessful international marketing scheme. Finnish music aims to stick to what they know best instead of attempting to export mainstream music globally. (Isokangas 1999)

Having said that, only in the past decade has the international attraction and digital distribution advanced further. Finnish music exports have propelled higher, in 2009, the export result of international music reached its record - breaking sales of 32 million euros, which resulted to a grand increase of 38% (9 million euros) from the previous year's results. The high sales were achieved via an increase in the number of entrepreneurs in the music export sector. Through the rise of companies such as Musex (Music Export Finland), to promote Finnish music, popular bands such as: HIM, Children of Bodom, Apocalyptica, Nightwish and Rasmus, were given opportunity to expand globally in their genre of rock music and heavy metal. (Helsingin Sanomat)

A survey that was conducted by Media Clever justified that the strongest markets for Finnish music were in Europe, with the Nordic countries attaining 21% of Finnish music fans, German speaking countries at 18%, France and Benelux countries at 12%, Britain occupying 11% of supporters, and United States and Asia with 10% and 7% of the shares respectively. However, Finland's neighboring country, Sweden, still ranks much higher compared to Finland in terms of music export sales, which amount to 700 million euros. The cornerstone to such success in Sweden is due to song writers who produce songs for international stars and artists.

In spite of the growth in Finnish music sales, a major problem still resides in not only the Finnish music industry but industries worldwide. Due to the technological development of the internet, peer - to - peer software where people can exchange music and other media online has constituted to a rapid increase in piracy. From a piracy level as low as 2% in 1995, and approximately 10% in 1997, escalated to a rating of 25% in 2012. (Muchmore 2012)

Piracy tends to rip away album sales from an artist which in turn not only affects the earnings of the artist but also earnings of record labels. This is an issue that continues to persist and it is something that any record company would have to face and accept.

In contrast, an article on online music piracy, based on research carried out by European Commission's Joint Research Centre on 16,000 Europeans, stated that online piracy does not affect digital music revenues. In fact, visits to free streaming or pirate websites were found to stimulate positive activity in legal music stores, resulting to greater online music sales, and the rate at the moment being at 7%. (Ernesto 2013).

This research may prove to be somewhat true when considering certain aspects such as: Artists posting music videos online on free streaming sites like Youtube and Worldstarhiphop, then for every view they receive for the video they gain a percentage of income. Turning the coin, with the availability of free downloadable music content online, it might be less accurate to justify that visitors to music stores are likely to purchase upcoming music not yet released to the public, unless they are passionate about quality content and have developed some form of brand loyalty to company software, for example: iTunes or Spotify. On the bright side, digital music does aid in wide scale advertising and this way companies can reach a wider audience.

8.2 Value chain analysis

In the music industry we also attempt to understand how the product moves from the inventor or creator to the final end user. Certain departments can be considered: Inbound logistics, manufacturing, outbound logistics, marketing and sales. (Ganeva 2012).

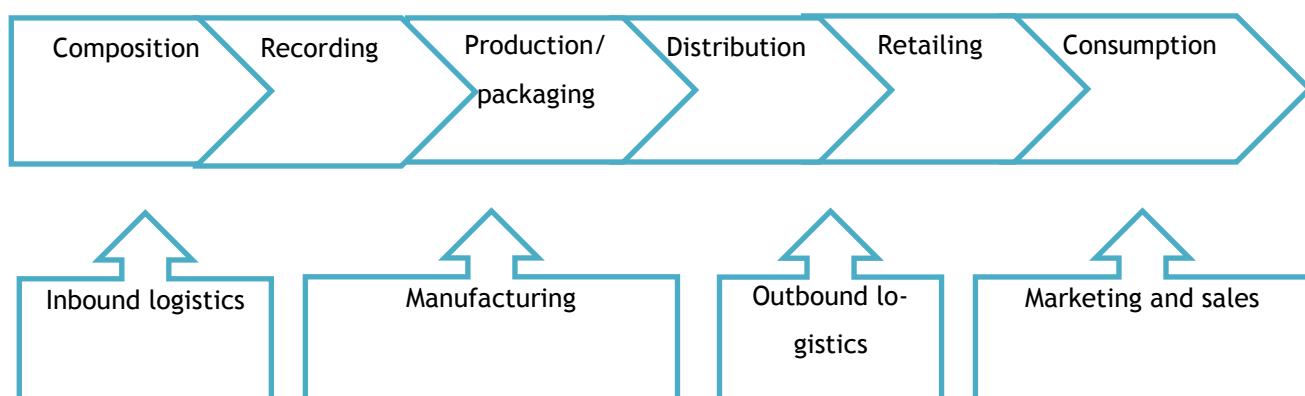


Figure 7: Traditional structure of the music industry, adapted from "Music Digitalization and its Effects on the Finish music industry stakeholders".

The major processes involved in the recorded music industry are primarily the creation of music; entailing the composition work of the artists as well as the recording and manufacturing

of the music. Following the creation of music is the marketing and promotion department and finally distributing of the music via retails or online sources. (Cassiman & Salvador 2006)

Considering now the new online music distribution era, intermediaries have been branched to different sectors involving new players and branches in the development of sound recordings. Retailers are no longer the final distributors towards consumers; means of internet content downloading and streams have developed. Mobile phone operators and third party online music stores are able to offer end users with direct access to music instead of a physical music store (OECD Report on Digital Music 2005).

8.3 Revenue streams in the music industry

There are three main revenue streams in music industries which are:

- Song writing: Music publishers sign songwriters and license songs, performing rights are drafted, performance arranged and songs are distributed, eventually the public listens and watches and makes a purchase.
- Live Performances: Artists perform live on stages, managers coordinate their careers, talent agents and promoters book and put on live performances, venues are hosted and the public buys tickets to witness the shows.
- Sound recording: Artists perform recordings, record labels sign in the artists, producers & sound engineers alongside the artist produce further recordings, copies are manufactured and distributed either via online or offline means, the consumer purchases such copies of the recordings.

(Source: Leurdijk & Nieuwenhuis 2011)

| Finnish music industry as of 2011 (Euros in millions) | |
|--|-------|
| Live music | 404 |
| Private sector | 212,2 |
| Symphony orchestras | 74,1 |
| Finnish National Opera | 53,3 |
| Church | 54 |
| Military music | 10,4 |
| Retail sales of recordings (IFPI) | 66,5 |
| Copyright royalties | 77,9 |
| Composers, lyricists, publishers | 54,6 |
| Producers, artists, musicians | 19,2 |
| Direct licensing by publishers | 4,1 |
| Grants | 14,9 |
| Private foundations | 5 |
| Central government grants | 3,9 |
| Promotion funds | 2 |
| Municipal subsidies | 4 |
| All revenues totaled without education | 563,3 |
| Education | 264,2 |
| Overall revenues | 827,5 |

Table 1: Division of revenue in the Finnish music industry

(Source: Financial survey of the music industry in Finland 2011)

On the basis of the revenue streams, the Finnish music industry is divided into five main revenue earning sectors which showcase the division of income and royalties, as seen from the table above. The five revenue sectors are described as follows: Live music, retail sales of recordings, copyright royalties, grants and education. The highest earning sector is 'live music', totaling at 404 million euros in revenue.

8.4 Sound recording market

The Finnish record market is rather small due to the small population; however there are a lot of small scale record companies who focus on promoting local artists and music. Finnish consumers have extensive demand for live music in dance venues and airplay, and are also subject to a high copying rate. As many things nowadays are becoming more digitalized, people move away from hard copy older generation methods; this entails CD portable players and CD disks. Since Finland offers a wide platform of technological development and internet ac-

cess, free online music has become more attractive than ever compared to traditional methods (Mapping Finnish Music Industry).

| Year | Music Cassettes | Long Play vinyl record | DVD | CD | Digital | Total(€ million) |
|------|-----------------|------------------------|-----|------|---------|------------------|
| 2002 | 0,3 | 0 | | 63,2 | | 63,5 |
| 2003 | 0,6 | 0 | | 64,6 | | 65,2 |
| 2004 | 0,8 | 0 | 3,1 | 56,4 | | 60,3 |
| 2005 | 0,5 | 0 | 3,9 | 53,4 | 0,8 | 58,6 |
| 2006 | 0 | 0 | 4,4 | 53 | 1,6 | 59 |
| 2007 | 0 | 0,1 | 4,2 | 48,3 | 2,6 | 55,2 |
| 2008 | 0 | 0,1 | 3,8 | 45,4 | 2,6 | 51,9 |
| 2009 | 0 | 0,2 | 3,5 | 38,2 | 4,2 | 46,1 |
| 2010 | 0 | 0,3 | 2,4 | 32,2 | 7,8 | 42,7 |
| 2011 | 0 | 0,6 | 1,2 | 31,2 | 8,5 | 41,5 |
| 2012 | 0 | 0,6 | 0,8 | 29,2 | 11,5 | 42,1 |

Table 2: Sound recording devices

(Source: IFPI.fi)

From the table above, we can deduce the evolvement of music devices from music cassettes to the digital sales of today. CD's are still in much use and constitute to most of the music sales up until 2012, though facing a slight decline. The digital era is advancing and it can be expected to grow rapidly over the next decade and overtake CD usage. Vinyl record sales seem to be on the radar, though a very small percentage; this may suggest that there are consumers who are still interested in the antique nature of discs. DVD's might be popular with movies but in music it is seizing to lack relevance as now there are numerous online sites to music videos.

8.5 Survey evaluation

When it comes to survey evaluation, the discussion is based on a survey research; signifying an analytical approach for collecting data to gain insight about people, their perceptions, thoughts and behaviors (Baker 2011, 29). A survey is one of the methods considered under primary research, and in this case study, the type of survey research implemented is one of self-administered questionnaires.

The main purpose of a survey or questionnaire is to produce quantitative data reflecting on some aspects of the studied or targeted population - findings that can be gathered and generalized to suit a larger set of consumer groups.

Baker and his colleagues (2011, 27) continue to justify that in order to conduct a credible survey, one must devise and execute an effective plan. It may so happen that researchers un-

derestimate the time and skills needed to improvise a well-designed survey, as well as incorporate the necessary quality within every process step of the survey research. Failure to follow up responses or taking shortcuts can severely invalidate the final results of the survey. Further limitations of a survey are that respondents do not entirely represent the preferences of the general population, and even more noteworthy is the fact that surveys only measure beliefs and behaviors and not actual actions or participants. Surveys can be subject to many forms of biases; hence the final evaluation has to account for many different variables that could affect the reliability and validity of the analysis with an appropriate framework to be applied and assessed throughout the research process.

The researchers extracted four (4) main questions to evaluate the survey carried out. The four (4) questions are based on music genre preferences, competitor analysis, the medium used to obtain music and the frequency of the used medium.

Question 1: To what extent do you enjoy the following genres?

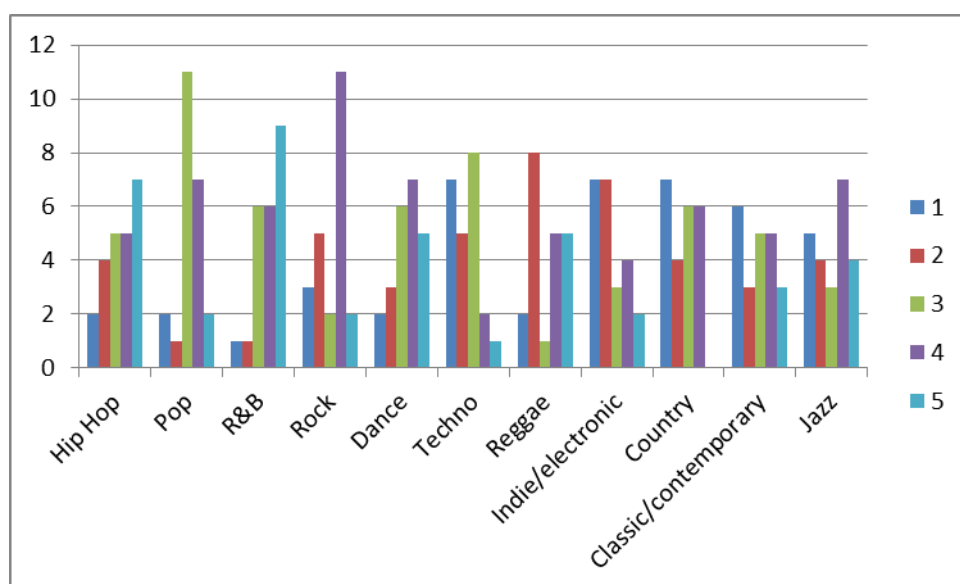


Figure 8: Music genres

The above graph illustrates the different genres in the music industry and how people have rated their favorite genre with a rating scale of one (1) to five (5): A rating of one suggests that candidates do not like the genre at all, whereas a rating of five suggests that candidates enjoy the genre very much.

Question 5: How familiar are you with the following record companies in Finland?

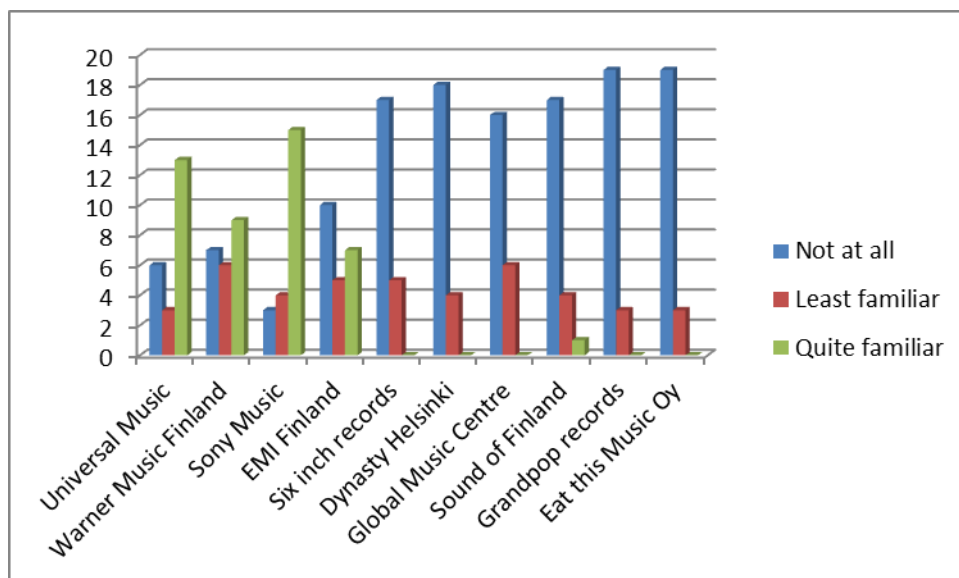


Figure 9: Competitor analysis

This diagram represents the direct and indirect record label competition within the Finnish music industry, and how well respondents are familiar with them. The ratings were based on familiarity levels from 'Not at all', to 'Least familiar' and finally to 'Quite familiar'.

Question 8: How often do you use the following to obtain your music?

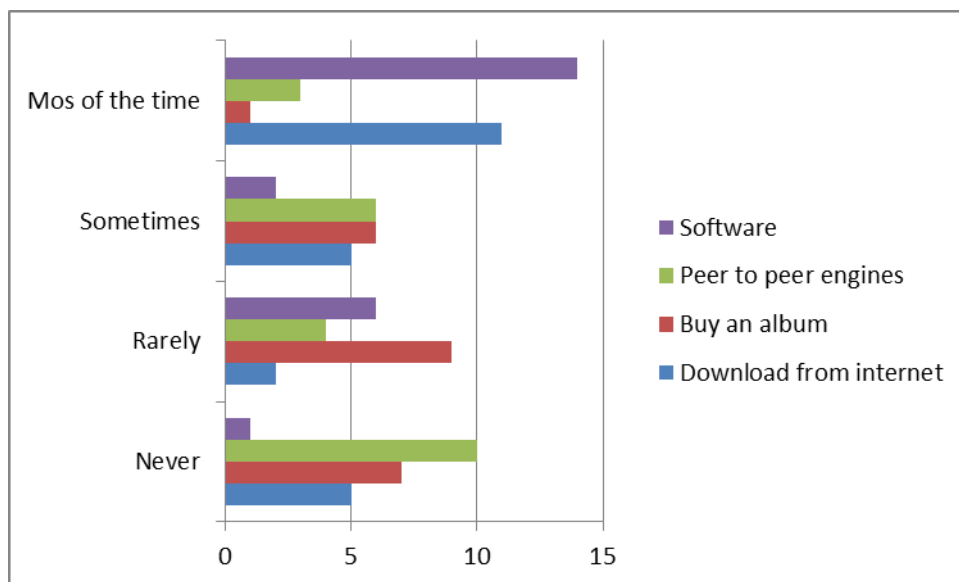


Figure 10: Medium for obtaining music

The chart above demonstrates the methods candidates use to obtain their music. Sources listed include: Software such as iTunes, Spotify etc.; Peer-to-peer engines, purchasing an album or downloading directly from the internet. The ratings presented are based on how often the respective mediums are used to collect the information.

Question 11: Where do you get information about music?

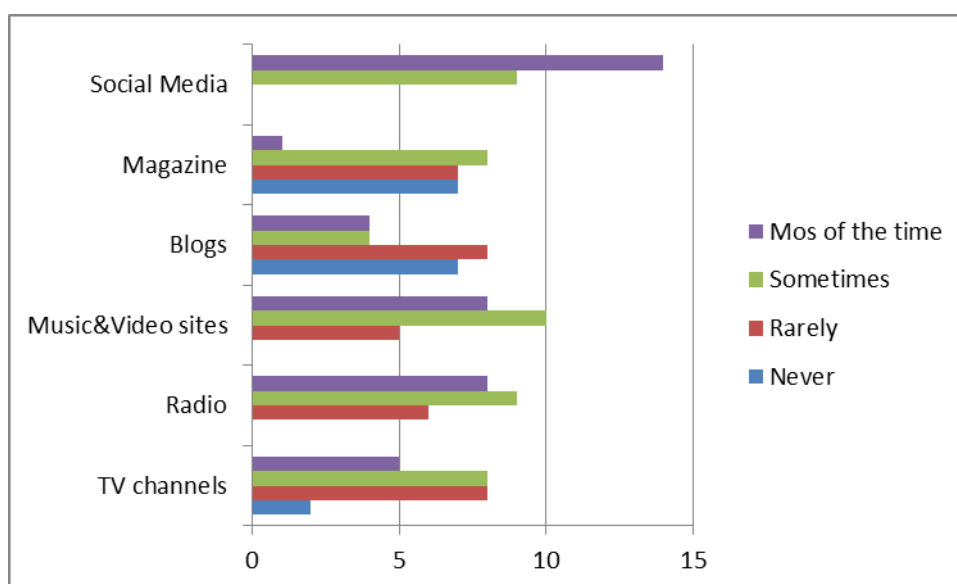


Figure 11: Music mediums

This chart represents how respondents update themselves about upcoming artists and latest music. The channels listed are the most favorable sources of information that are used in Finland. The ratings show how often the respective channels are used to gather information.

8.6 Results of study

The questionnaire received a total of 23 respondents with the majority being Finns. The age range of the respondents was between 20 and 30, with two candidates who surpassed the average age range.

Through the authors' findings, they came to realize that a large number of individuals prefer the genres pop, rock, R&B and hip hop. This provides essential information when considering song compositions and their consumer segments.

In addition, the indirect competitors (mainly the major four) are quite well known by most respondents, while the direct competitors (other small time record labels) are vaguely known by a few respondents. This information will aid the authors to strategize proper branding concepts so as to develop and position the record label in the Finnish market.

Furthermore, the authors came to deduce that majority of respondents utilize computer software and internet downloading to obtain their music. Respondents are also quite fond of obtaining their information via social media, music & video sites and radio. This data will aid

in marketing and promoting activities when it concludes to the kind of channels the record label is going to use to attract more customers.

8.7 Competitor analysis

The Finnish music industry consists of many record companies whose main line of genre revolves around pop & rock, indie & electronic or jazz and classical music. In most cases, the small time record labels tend to facilitate only one set of genre which puts them behind the four big record companies who are leading the music industry at the moment in Finland. The major four record labels currently in Finland: Warner Music Group, Sony BMG Music Entertainment, EMI Group and Universal Music Group. The larger and more eminent the record company exists, the more versatile its genre selection. Having said that, even the big time record labels still operate within the music tastes of Finland, which poses a loophole in their strategic capabilities and intent.

Information argued by Ganeva (2012, 71 - 72), suggested that record labels in Finland have only just recognized the importance of providing the whole package to the artists they sign. This package entails not only talent searching and producing an album, but also marketing the artist; building their image and visibility to the audience and becoming more connected with what consumers desire without the use of intermediaries. Referring to the extracted information, according to SecuryCast; one of the largest companies in digital service, marketing of music and counseling in Finland, stated that record companies in Finland are still incapable of marketing their artists in spite their growing investments in artist branding. This shows the absence of linkage between physical and music distributions in Finland, whereby the digital aspect is still far-fetched from the traditional album production and selling CD's in retail outlets.

Below is a chart to illustrate the positions of the big four record labels in Finland.

| Name (in order of position) | Genres | Turnover, millions (€) |
|-----------------------------|---|------------------------|
| Sony Music | Pop & Rock, Hard rock & Metal, Indie & Electronic, Contemporary & Classical, World & Folk, Jazz | 11,4 |
| Universal Music | Pop & Rock, Hard rock & Metal, Indie & Electronic | 10,29 |
| EMI | Pop & Rock, Hard rock & Metal, Indie & Electronic, Contemporary & Classical | 7,38 |
| Warner Music | Pop & Rock, Hard rock & Metal, Indie & Electronic, Contemporary & Classical, World & Folk, Jazz | 8,89 |

Table 3: Record label positions
(Como 2012)

Universal Music has for a long time been the most stable label in Finland, but according to the current statistics, Sony Music has advanced slightly better by 1, 11 million euros in revenue. According to the above source, the big four labels occupy 75% of total music industry market share, which leaves little room for the other small time companies to operate in. From the table we can deduce that all record companies have common genres, which is tailored to the liking of national music tastes. The big four may have capabilities of investing large sums of money into marketing campaigns, but the common problem is their lack of expertise in proper digital artist and brand marketing, and their limited diversity in music genres to accommodate an international audience in Finland. In addition, as explicated by Ganeva (2012, 75), the progression of record companies and the Finnish music industry itself into digitalization is at a slow pace. This paves way for newly formed record companies, who have knowledge and capabilities in the new digital era, to commence business and provide a new outlook for the music industry.

Furthermore, an escalating number of independent labels tend to integrate and become assimilated with the major four, which opens up the local market to a greater extent. This process may involve the buying out of the small time labels or investing into start-up companies. The independent firm that is then working under the proximity of the larger label will henceforth specialize in discovery and development of new talent as well as facilitate local music

distribution. However, not all small time labels go down the same route as many prove to be efficient in their own sectors of satisfying the demand in for example; niche markets (Ganeva 2012, 13)

8.8 Porter's Model

There are several factors Kamoja Ent needs to account for when analyzing the music industry and the competition it upholds, so as to obtain a better standpoint of the company and the possibilities of surviving in the Finnish music industry.

The table below represents conditions under each dimension of the Porter's model that would affect a small time record label such as the likes of Kamoja Records.

| Dimensions | Factors | Explanation |
|------------------------------------|---|---|
| Rivalry among Existing competitors | <ul style="list-style-type: none"> • Concentration of industry • Market growth • Degree of differentiation • Structure of costs | <p>Four large brands holding most of the market share.</p> <p>Many other small time record labels with better scope of the music industry.</p> <p>Slow progression into digitalization, yet massive potential for both top and small labels.</p> <p>Similar offers of music genres which creates rivalry amongst local labels, but an opportunity for a foreign label to offer a versatile genre selection.</p> <p>Larger labels have capacity and funding to acquire bigger studios that can afford more equipment - this becomes a barrier for smaller labels that do not readily have access to such capital, who cannot diversify</p> |
| Threat of new entrants | <ul style="list-style-type: none"> • Economies of scale • Access to distribution channels • Service differentiation | <p>In a technologically advanced country, new entrants have fewer barriers when it comes to acquiring know-how on the IT structure in music production - this poses great competition.</p> <p>Labels in the market already have access to familiar or common distribution channels.</p> <p>Existing firms have generated brand loyalty but most</p> |

| | | |
|--|---|---|
| | | <p>of them provide similar recording deals and genre options.</p> <p>New entrants normally obtain contracts from major labels.</p> |
| Threat of substitute products or services | <ul style="list-style-type: none"> • Obsolescence • Relative price value | <p>Existing labels running late on digital artist branding, providing room for new methods to arise.</p> <p>Cheaper recording deals with small time labels - but this can easily be dismissed if consumer perceives quality to not match with value for price.</p> |
| Bargaining power of suppliers | <ul style="list-style-type: none"> • Online distributors • Album retail stores, wholesalers | <p>Online music stores are in high demand, which destroys traditional distribution methods.</p> <p>In Finland, however, physical stores still very much in use.</p> <p>Large labels can easily cut off intermediaries in the distribution chain and sell directly to end-users; this makes for strong competition with retailers.</p> |
| Bargaining power of buyers | <ul style="list-style-type: none"> • Switching providers • Relative price value | <p>In the perspective of recording artists - they would most likely aim for record labels that have wide scale recognition to enhance their status and image quickly.</p> <p>Small time record labels would need to match price and quality to gain trust of</p> |

| | | |
|--|--|---------------------------------|
| | | buyers and/or upcoming artists. |
|--|--|---------------------------------|

Table 4: Porter's model demonstrated

8.9 Company profile

Our research topic will be based on a newly founded company, in Finland, running under the name of Kamoja Records. Kamoja Records is a music and video production company that provides the services of sound recording, talent searching and collaboration with artists from multicultural backgrounds. Kamoja Records runs as a sole proprietor establishment; however it is equally managed and controlled by three equal partners.

8.9.1 Legal structure

The company, though registered as a private entrepreneurship, is operated and run equally by three partners. The partners share equal rights in decision making, to which two of the managers possess business managerial traits and capabilities of operating this kind of business and the size it has reached thus far, as the remaining manager qualifies as the centrepiece of the company due to his experience in the field of music production and graphic designing. The size and structure of the company is kept to a minimal partnership count for the capacity to acquire more members is limited, and the overall paperwork plus general work load is manageable with fewer legal barriers.

8.9.2 Mission

The goals of the company are to provide its customers with a diversified and unique take on music, to surpass the traditional and well known music genres in indie and electronic, rock, folk and contemporary. We aim to incorporate the kind of music a typical Finnish teenager or adult would love, with the addition of hip hop, cultural drums or melodies from Africa and dance rhythms. As the music exporting section in Finland is rapidly growing with newly formed entrepreneurs promoting and marketing artists, it is our target to become a competitor in artist searching and showcasing new talent to the Finnish public, and eventually attract a global audience.

8.9.3 Objectives

- Ensure our record label's studio is fully equipped and functioning by the start of January 2014.

- Work with local Finnish artists and those with other nationalities, who live in Finland, by the end of 2013.
- Expand by producing music videos and single hits on the Finnish music charts.
- Promote and market the Kamoja record label as a company ready to work with artists who have a talent and passion for music, and who are prepared to go the extra mile in terms of providing a different music style.
- Increase customer base via advertising on posters and social media, creating gigs and contacting of local radio stations to play our music hits.

8.9.4 Vision

Our vision is to transform Kamoja record label to a locally well recognized brand and label taking on the Finnish music industry with talented yet underground artists, who have a diverse language skillset to capture consumer attention from different nations, who are signed under our company name and aiming to showcase a versatile music category in not only Finland but in their respective countries.

8.9.5 Executive summary

The idea behind the respective business plan is to promote the record label of Kamoja as a unique and diverse brand in the Finnish music industry; targeting to hire, mentor and build the image of several artists with passion for music, who can work with several music styles the company is intending to offer to the market.

Kamoja Records is a small business yet to gain awareness from the public, surrounded by major brand leaders and other small time entrepreneurs with far more knowledge of the music industry in hand. Despite the fact that music exporting in Finland has been growing for the past decade, there is still a heavy reliance on local music and artists, and marketing of artists via digital channels is only just being recognized as a vital aspect to obtaining greater revenue. Marketing is something the company will have an advantage over as they are specializing in that field and all advertising and promotion thus far, done on behalf of Kamoja Records have been a fully digitalized process with all clients obtained online.

Kamoja Records will attempt to penetrate the Finnish music industry as a multi-cultural company, emphasizing on building artist repertoire, career and identity via extensive marketing through common distribution channels. In order to acquire ample information on competitors and consumer segments, extensive market research will be carried out to attain a better understanding of consumer preferences towards music, in Finland, and how the information retrieved can be used to improve our competitive advantage.

8.10 SWOT analysis for Kamoja Records

| | |
|---|--|
| Strengths <ul style="list-style-type: none"> • Sales and marketing knowledge and expertise • Music producer and graphic design expert • Multi-cultural team | Weaknesses <ul style="list-style-type: none"> • Brand positioning • Small scale, not locally recognized • Lack of funds for investments • Lack of proper negotiation skills in Finnish language |
| Opportunities <ul style="list-style-type: none"> • No significant market entry barriers • Market still growing to an international standard | Threats <ul style="list-style-type: none"> • Major brand leaders occupying majority of market share and brand loyalty • Other small time record labels with better understanding of the Finnish music industry |

Table 5: SWOT for Kamoja Records

The table above presents the key internal and external elements of the company. Through this analysis, we can develop further the company's core competencies such as: Recruiting of additional employees who will provide valuable input in terms of idea generation and development of the brand. By realizing the threats and available opportunities, the company can decide on the right course of action in order to propel in the given market.

8.11 Market strategy

Kamoja record label is set up to give an opportunity to upcoming artists to develop further their talent and passion for music. For strategy to work, the authors believe in developing a genuine brand that will be able to relate to the clients. A unique strategy of promoting multiculturalism and becoming versatile in fusing different genres and composers/songwriters, will aid in creating a distinctive brand hence generating a good portion of competitive advantage in the long run. Through the research, it has come into realization that the market has a diverse range of music genres that people enjoy listening to; creating a broader scope of music selection for the company to work with and produce.

8.12 Marketing mix

Every company tends to use marketing mix as a tool in developing their marketing strategies. The 4p's that the authors will use so as to develop their marketing plan are as follows:

8.12.1 Product

Being a service business the product is intangible. The record label will be responsible in producing music and videos for its artists. Through the record label, artists will be able to obtain quality music with unique sounds and creative videos that will help them propel and develop themselves in their careers.

8.12.2 Price

This is the most effective element that may work as an advantage or disadvantage. Pricing is a sensitive factor in the marketing mix that the clientele or consumer will consider when acquiring the right product or service. The authors tend to use penetration pricing techniques by offering lower prices compared to competitors so as generate immediate cash flow and attract more customers, ultimately to raise prices after a certain duration of time in order to accumulate adequate profit margins.

8.12.3 Place

The record label is situated near town center which makes the studio easily accessible and convenient for artists. Its surroundings have a variety of recreational facilities such as schools, whereby the company can search for and recruit upcoming artists.

8.12.4 Promotion

Promotional activities like branding and advertising will yield a constructive channel for reaching out to customers. Digital marketing has made a very extensive breakthrough for many companies, thus, the authors will utilize social media and other internet advertising sites to reach out to current and potential customers. The unique aspect about branding is appropriate positioning of the record label's image in the respective music industry, while exercising versatility and diversity of music genres. The aim is to offer artists a dynamic exposure by collaborating with artists from different backgrounds and walks of life. The authors plan to promote and build their artists brand through an artist cooperation and creative technique called 'Cypher'; a cypher being a platform to showcase artists' lyrical talents in a visual aspect.

9 Organizational management

9.1 Key employees

Leading people takes much effort in understanding the capabilities of different individuals and the process of influencing and inspiring a team so as to reach one common target. Usually, becoming a successful leader or a team player requires being able to mingle with people from various backgrounds who have different personal and professional needs alongside expectations - it does not any longer solely focus on what is necessary for the organization or entrepreneur, but merely the potentials of the employees and the kind of bond that can be developed by leaders and their workers or amongst subordinates. “ Becoming an effective leader requires a willingness to remain open to the changing needs of people, a deep commitment to the long-term well-being of employees and a high level of sensitivity”, quoted from Scarborough, Wilson & Zimmerer (2009, 669).

Kamoja Records is run and operated by three individuals who each have a distinct role in the success of the company. There is no clear distinguished leader for every decision has to be agreed upon as one unit before any tasks are carried out (a self-directed work team). The team consists of an Administrative and Marketing Manager who handles all the digital marketing and clientele responses including updates on blog and webpages. A Brand Manager is responsible for developing and positioning the Kamoja record label distinctively in the market - to successfully target the right consumers with a unique approach from competition. Finally, a Graphics and Design Expert who deals with delivering the final product of the company, for example: Music and video production and final retouching of the service.

Each manager or team player is involved in idea generation and ensuring that the company's image and goals are analyzed and put forward. The team effort has allowed for a close relationship between the managers where each individual understands the capabilities of the other manager and has the right to either support or intervene with the final work presented.

Disputes or poor performance are dealt with immediately and with the presence of all managers. In order to solve rising issues or challenges, the team is bound to effective communication via several channels from face - to -face meetings, phone calls and to online methods such as e-mails and social media messages.

9.2 Management structure and style

An organization comprises of different sectors of which it requires coordinated effort in order to achieve company goals and decisions. Hollensen (2010, 539) justifies that each organization formation or structure has to respond to three critical questions on whether the organization will follow a vertical or horizontal structure; centralized or decentralized; bureaucratic or adaptive. Each structure determines the effectiveness and efficiency of operations and general management. This formation also focuses on the kind of leadership style utilized in an

organization. Furthermore, companies or mainly marketing departments take different forms to reflect the dominant nature of the marketing activity or problem (Hollensen 2010, 540), such are: functional, product, geographical or customer based organizations.

The leadership position of managers in Kamoja Records follows an informal, decentralized manner, whereby all team players participate in the decision making and every individual's intake weighs equally on the final decision undertaken by the entire group. This sort of style constitutes to an adaptive formation with close relationships between all managers, where collective creativity and worker empowerment stand as core values to the company. This type of style is essential to the company considering the number of workers currently working at the company, which allows for each worker to freely express their opinions and where trust is generated via the commitment and final results each individual exerts.

Kamoja Records follows a customer - based alignment where we recognize that different consumer segments have different preferences, therefore, marketing resources and expertise are aimed at understanding the vast criteria in music genres and the kind of music Finnish people or in general, people living in Finland, enjoy listening to and would pay to be acquainted with a label offering such music.

Below is a simple diagram demonstrating the roles each individual possesses within the company, the flow of information between workers and integrated decision making.

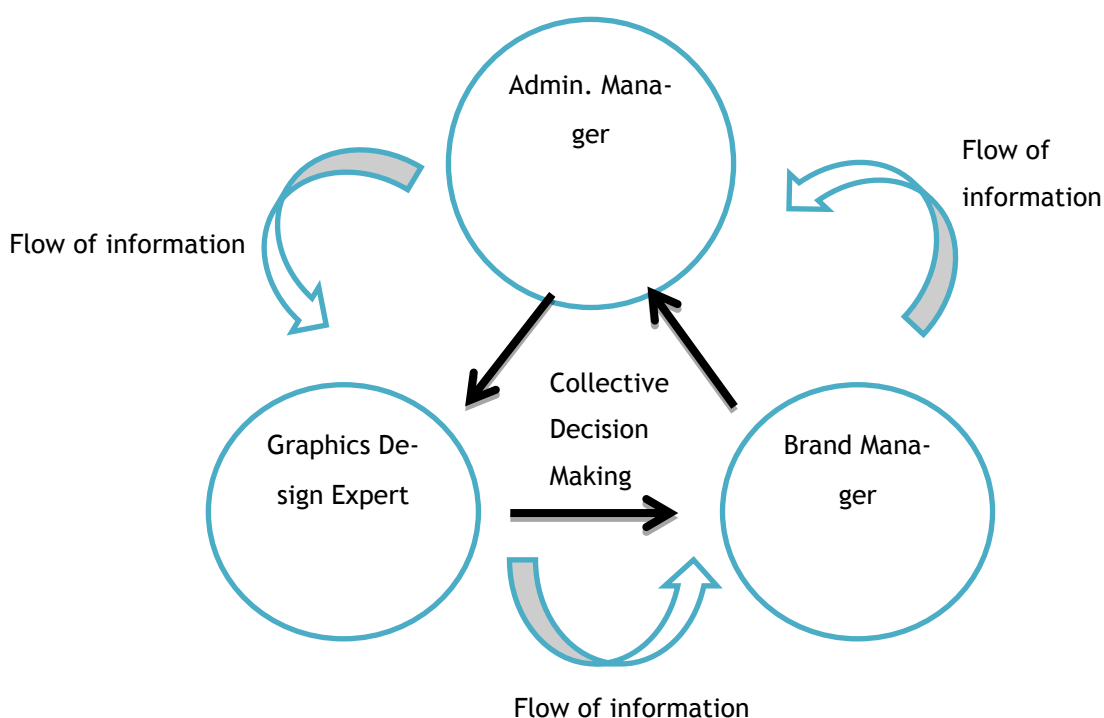


Figure 12: Illustrating movement of information and decision making between members of the company.

10 Financial plan

The authors will fund the setting up of the studio by the use of personal funds. The main expense to be incurred whilst setting up the studio is buying the studio equipment such as: Microphone, recording gadgets (digital mixers and recorders), studio monitors and sound concealing systems. It will be a, established home studio so as to avoid additional rent expenses. The promoting expenditure is at rather minimal rates due to digital media that allows for quick and free uploading of music to online sites for example: YouTube, WordStar and Viewhiphop.com.

The authors propose a price catalogue that will illustrate the expenses recording artists will be charged whilst acquiring Kamoja Records' services.

10.1 Draft of the price catalogue

| | |
|--------------------|---|
| Music | Instrumental Beats (180e) > If Client wants to Record on it, adds 120e > *Investment Fund (50%) 14 days prior to video shoot day. > Editing / Mixing / Mastering 1 song: 150e > Background Music for Films and Video: 135e > *Studio time charges: 55e / hr |
| Videos | Music Video Regular Music Video (550e / day) > One (1) music video Edited and Color Graded. > *Investment Fund (50%) 14 days prior to video shoot day. > Client Meeting (2 - 4 hrs) and Script/ Storyboard > Price includes only the nal video (without calculated extra gear, clothes, make-up, location etc) |
| Documentary | Regular Documentaries (745e) > This is for a 10 minute documentary. > For a 15 minute, client adds an extra 145e > Documentary Edited and Color Graded > *Investment Fund (50%) 14 days prior to Photo shoot day. |

Table 6: Price catalogue

The price catalogue above showcases the prices that recording artists will be charged for acquiring each service. The prices have been placed strategically on the lower end compared to competitors so as to attract more customers.

11 Risk management

Risk can be used to describe the uncertainty surrounding events and their outcomes, which may have a significant effect, either enhancing or inhibiting; operational performance, achievement of aims and objectives and meeting expectations of stakeholders. (Spedding & Rose 2008,10)

Through the authors' qualitative research, there are a number of risks that surfaced which needed to be dealt with so as to meet the objectives of a startup company and also use it as an advantage to realization of opportunities.

The authors came across two major risks that may serve as disadvantages when trying to meet their objectives:

- Language barrier: Having no good command of Finnish language can serve as a pitfall in negotiation deals with clients. Through these the authors tend to recruit people who are more conversant with the Finnish language and knowledgeable with the Finnish culture, when it comes down to the music industry, so as to lead to the right direction in creating and positioning the brand.
- Lack of sufficient funds: This may be problematic due to carrying out major activities like promotion, advertising and other activities. The short of funds can lead to cutting down expenses so as to meet the budget, hence not producing quality service that can aid in promoting the company. Through the acknowledgement of the threat, the authors tend to be prepared by applying for financial aid from banks so as to finance the different projects. These will enable to push the brand in the market being an upcoming record company.

12 Conclusion

The main objective of the study was to construct an effective business plan for a newly founded record label company by the name of Kamoja Records. Kamoja Records aims to provide development opportunities to upcoming new talent and to those who wish to pursue music as a career. The company also aims to offer a diverse music selection that represents unique sounds and rhythms.

The researchers went about by analyzing the different characteristics of the Finnish music industry; the major competitors in the market and the appropriate mediums to use when reaching out to customers. The business plan is made to figure out the existing loopholes in the Finnish music industry, and the opportunities the record label can take advantage in order to accumulate greater profits.

In result, the authors' findings lead them to believe that Kamoja Records has a unique standpoint through its nature as a multicultural company that can offer diverse and versatile music to many different consumer segments. The market for music in Finland is not highly congested to provide entry barriers, however, due to leading record brands that have massive influence in the current market internationally - poses a challenge for a new and not very well known record company. In essence, Kamoja Records can utilize the domestic and global distribution links the major brands have in their possession.

The next steps towards the successful establishment and implementation of Kamoja Records in the Finnish music industry entails hiring and incorporating a multicultural team of experts from different fields, so as to extensively expand idea generation and development within the market. In addition, the search and recruiting of talented individuals has commenced, whereby the company's team aims to set a brand footprint through collaborations with these individuals; utilizing digital marketing and other marketing tools to promote and advertise the company's services. Finally, as a startup company, the price strategy chosen will offer as a competitive advantage when entering the market and scouting for new talent.

In a nutshell, the entire study has provided essential tools and effective methods for Kamoja Records to prevail in the Finnish music industry. By the end of the study, Kamoja Records is readily able to commence operating in the Finnish music industry and is currently scouting for potential artists.

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Figures

| | |
|---|----|
| Figure 1: Structure of the thesis | 10 |
| Figure 2: The 4p's of Marketing Mix..... | 17 |
| Figure 3: Extended Marketing Mix | 19 |
| Figure 5: SWOT analysis diagram..... | 22 |
| Figure 6: Porter's Five-Forces Model..... | 23 |
| Figure 7: Basic value chain model | 27 |
| Figure 8: Traditional structure of the music industry, adapted from "Music Digitalization and its Effects on the Finish music industry stakeholders". | 34 |
| Figure 9: Music genres | 38 |
| Figure 10: Competitor analysis | 39 |
| Figure 11: Medium for obtaining music | 39 |
| Figure 12: Music mediums | 40 |
| Figure 13: Illustrating movement of information and decision making between members of the company..... | 52 |

Tables

| | |
|---|----|
| Table 1: Division of revenue in the Finnish music industry..... | 36 |
| Table 2: Sound recording devices..... | 37 |
| Table 3: Record label positions | 42 |
| Table 5: Porter's model demonstrated | 46 |
| Table 6: SWOT for Kamoja Records..... | 48 |
| Table 7: Price catalogue..... | 53 |

Appendices

Appendix 1

10/2/13

Thesis Survey - Music Industry - Google Drive

Music Industry

This survey is carried out for the purpose of evaluating customer preferences and knowledge of music in Finland, as well as development possibilities for our company, Kamoja Entertainments, as part of an on going Thesis Project.

* Required

1. Name (optional)

.....

2. Age *

.....

3. Nationality *

.....

4. 1. To what extent do you enjoy the following genres?

1 = Not at all, 2 = A little, 3 = Average, 4 = Much, 5 = Very much

Mark *only one oval per row*.

| | 1 | 2 | 3 | 4 | 5 |
|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Hip Hop | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Pop | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| R&B | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Rock | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Dance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Techno | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Reggae/Dancehall | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Indie/electronic | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Country | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Classic/contemporary | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Jazz | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Other | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

5. If you ranked the genre 'Other' in the above question, mention the genre name below.

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10/2/13

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6. **2. What type of music do you follow, mainly?***Mark only one oval per row.*

| | Not at all | Least | Most |
|-------------|-----------------------|-----------------------|-----------------------|
| Commercial | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Underground | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

7. **3. How do you view Finnish music in the following genres, compared to other European countries?**

(For non - Finnish citizens) 1 = Very poor, 2 = Poor, 3 = Average, 4 = Good, 5 = Excellent

Mark only one oval per row.

| | 1 | 2 | 3 | 4 | 5 |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Dance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Indie/Electronic | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Heavy metal | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Contemporary Jazz | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Hip hop | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Pop | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

8. **4. Do you follow any international artists?**

If Yes, list them.

.....

.....

.....

.....

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10/2/13

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9. **5. How familiar are you with the following record companies in Finland?***Mark only one oval per row.*

| | Not at all | Least familiar | Quite familiar |
|----------------------|-----------------------|-----------------------|-----------------------|
| Universal Music | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Warner Music Finland | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Sony Music | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| EMI Finland | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 16 Inch Records | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Dynasty Helsinki | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Global Music Centre | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Sound of Finland | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Grandpop Records | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Eat This Music Oy | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

10. **If you know of any other record company in Finland, not listed above, mention the name below.**

.....

11. **6. Do you attend any live performances in Finland?***Mark only one oval.*

- ☐ Never
- ☐ Once a week
- ☐ Once every two weeks
- ☐ Once a month
- ☐ Once in two months
- ☐ Once 3 - 6 months
- ☐ Once a year
- ☐ Other:

10/2/13

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12. **7. What kind of live performances do you prefer to attend?**

(Skip this if you answered 'Never' in the previous question)

Mark *only one oval per row*.

| | Not at all | Least prefer | I don't mind | Most prefer |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Artist outdoor performance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Artist indoor performance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Nightclub performance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Live bands | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Troubadour (classical) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

13. **8. How often do you use the following to obtain your music?**Mark *only one oval per row*.

| | Never | Rarely | Sometimes | Most of the time |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Download from internet | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Buy an album | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Peer - to - peer engines | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Software, e.g: iTunes, Spotify | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

14. **9. Where do you get information about upcoming artists?**Mark *only one oval per row*.

| | Never | Rarely | Sometimes | Most of the time |
|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| TV Channels | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Radio | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Music & Video sites | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Blogs | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Magazine | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Social Media | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

15. **If you chose any of the categories above please specify.**

10/2/13

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16. **10. Where do you get information about upcoming Events?**

Mark only one oval per row.

| | Never | Rarely | Sometimes | Most of the time |
|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| TV Channels | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Radio | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Music & Video sites | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Blogs | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Magazine | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Social Media | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

17. **If you chose any of the categories above please specify.**

.....

18. **11. Where do you get information about Latest music?**

Mark only one oval per row.

| | Never | Rarely | Sometimes | Most of the time |
|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| TV Channels | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Radio | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Music & Video sites | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Blogs | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Social Media | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

19. **If you chose any of the categories above please specify.**

.....

20. **12. Have you subscribed to any artist/musician websites online?**

Mark only one oval.

☐ Yes

☐ No

21. **If Yes, mention below the website name or address.**

.....

10/2/13

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22. **13. How much do you spend on purchasing music online or in stores?***Mark only one oval.*

- ☐ Nothing
- ☐ Under 10€ / month
- ☐ Between 10€ - 29€ / month
- ☐ Between 30€ - 39€ / month
- ☐ Between 40€ - 49€ / month
- ☐ 50€ or more / month
- ☐ Other:

Music and Video Sites, Mobile Apps

23. **14. How frequently do you visit or use Music and Video sites?***Mark only one oval.*

- ☐ Never
- ☐ Sometimes (a few times a week)
- ☐ Frequent user (more than once a day)

24. **15. Are you a user of the following Music sites/software?***Mark only one oval per row.*

| | Not at all | Rarely | Sometimes | Most of the time |
|--------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Pandora | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Groovespark | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Last.fm | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Google Music | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| iTunes | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Spotify | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Soundcloud | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Jango | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Other | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

25. **If you rated 'Other' in the above question, mention the site/software.**

.....

10/2/13

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26. 16. Are you a user of the following Video sites?*Mark only one oval per row.*

| | Not at all | Rarely | Sometimes | Most of the time |
|-----------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Youtube | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Dailymotion | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Vimeo | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Ustream | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Metacafe | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| LiveLeak | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Worldstarhiphop | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Justin.TV | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Vevo | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1 Channel | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Other | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

27. If you rated 'Other' in the above question, mention the site below.

28. 17. What Mobile Applications have you acquired to keep up with music updates?*Skip this question if you do not own a Smartphone handset.*

29. 18. What should be the next step in the music industry?*Mark only one oval per row.*

| | Not at all | Least agree | I don't know | Fully agree |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| All digital, no 'hard copies' such as CD's | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Offer more free music | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Less commercial music | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| More commercial music | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

10/2/13

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30. **If you have other ideas on the next step
towards the music industry, list them below**

31. **Your comments:**

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