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The use of strategic marketing to overcome changes and generate income as a small artist in the music industry

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Abstract

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The objective of this study was to research ways for small artists in the genre of rock and metal to adapt to changes with the use of a marketing strategy. To achieve that, the thesis aimed to create a marketing plan that focuses on an artist's target customers, their product, price, promotion and placement strategy and their branding strategy.

The data for this study was collected with the use of an online consumer survey, by interviewing case companies and by reviewing external sources on the behaviour of consumers in the music industry. Further theoretical insights were gained from different literature sources. Participants for the survey were found at a festival that fits the music genre discussed in the thesis and in various online forums concerning that genre.

The result of the thesis shows that the aim can be achieved by differentiating the sources from which an artist generates their income. At the same time, the artist needs to develop an understanding of their target audience and the expectations of that audience. This understanding needs to be used to adapt products and marketing strategies and to create a brand that is authentic and clear in its values.

Keywords: marketing, brand management, buying behaviour

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1 Introduction

1.1 Aim and purpose of the thesis

In recent years, many changes have occurred that have altered the way the music industry functions. One example of that is the establishment of streaming services such as Spotify and Amazon Prime, which allow consumers to access music with a monthly payment model instead of paying for each track or album separately. The consequence of that is a massive decline in the purchase of music records and digital downloads which forces artists to generate income from new sources. At the same time, barriers to market entry have also been lowered for new artists, due to modern music distribution platforms such as Soundcloud and the possibility for artists to promote themselves with the use of social media. This leads to a larger number of new, small and independent artists on the market, making it particularly important to be able to differentiate oneself from the competition as a musician.

For that reason, a marketing strategy is needed that defines the products and services a small company, such as an independent artist, offers to generate an income as well as a way of promotion that would allow such a company to differentiate itself and its products from competing companies. In this, it needs to be considered that the main product of the music industry is entertainment. This has an impact on consumer buying behaviour, as entertainment is chosen, bought and consumed in a different way than regular consumer products. These unique features of the music industry, in comparison to other industries, will also have an impact on the way a marketing strategy is developed.

The goal of this thesis is to analyse and research the different ways the music industry has changed as well as ways in which companies and brands can adapt to those changes, by adjusting their income sources and marketing strategy accordingly. For that, the thesis will attempt to develop a marketing strategy for small companies in the music industry, based on B to C marketing theory, income sources, buying behaviour and current industry practises. This strategy is planned to include multiple main components. Firstly, the main products a small company can offer to generate an income as well as the target audience and

market deed to be defined. Added to that, a marketing mix based on the 4 P's of marketing and a branding strategy need to be developed.

1.2 Research questions

In line with the previously set objectives and delimitations, the thesis will have one main research question with multiple sub questions. The main question is:

- How can small businesses in the music industry adapt their marketing strategy to overcome changes in the market?

The following is a list of sub questions to contribute to answering the main research question:

- What changes have occurred in the music industry in recent years and how do these changes affect small artists?
- How can small businesses in the music industry compensate their loss of income in record sales with other income sources?
- How can small companies in the music industry use a marketing and branding strategy to differentiate themselves from their competitors?

1.3 Research methodology

1.1.1 Collection of data

Qualitative research is done by analysing different case companies. The first company interviewed is the event management company Fischer Music. Based in Audigast, Germany, the company is a business partner for many artists that fit the category the thesis aims to research. Fischer Music organizes tours for artists and also rents and transports event technology, stages and stage equipment. On top of that, the owner of the company, René Fischer, who is interviewed, is the main organizer of the Open Air Audigast Festival, which is a music festival that takes place every year since 1992. The interview mainly includes questions about his work with bands, the decision making of the band booking process for festivals, the promotion of events he organizes and other marketing strategies and processes for events, such as ticket pricing or choice of a venue. As an event management firm, Fischer Music can be seen as both a supplier and a customer

to the artists he works with. For that reason, the company's insights can be valuable for answering the research questions of the thesis.

The thesis analyses multiple artists for the purpose of collecting information about their sources of income, their current marketing strategy, their experience with the change in the industry and consequences of that, their relationship to consumers of their music, and their general strategy as a business.

One case artist is the band The Lodgers. The Lodgers are an independent rock music group from London. However, the majority of their listener base is located in eastern Germany. This band was chosen as a case artist for this thesis because their size, activity in Germany and genre of music match the topic of the thesis well. An interview with the band's frontman Laurie Wright investigates the band's experiences with the changing music industry as well as their strategies to adapt to those changes.

Besides that, the thesis analyses other musicians' ideas and strategies to attract new listeners and to generate an income. Musicians whose strategies are analysed for this thesis do not match all the criteria of an artist the thesis is focused on. However, their strategies are only presented if it is reasonable to assume that the strategy would be applicable for a small independent band in Germany.

One example of a musician to be analysed is the US American band Icon for Hire regarding their strategy of gaining an income from a diverse set of sources, including regular sales of merchandise, a book about their career, courses for other musicians, and a weekly video format. This strategy has allowed them to be professional independent musicians since their separation from the record label Tooth and Nail Records in 2015. Although this band is not located in Germany, it matches the thesis' restriction of being a small, independent artist.

Furthermore, this thesis analyses the German metal band Circus of Fools' strategy to attract listeners by differentiating themselves from other artists in the genre, for example by selling handmade merchandise and cooperating with a well-known social media influencer. Although this band is a small artist located in Germany, they are working with record labels and therefore do not fully match the thesis' criteria.

Added to that, quantitative research is conducted with the use of a consumer survey. This survey gives insights about the way the target audience of the musicians in this thesis consumes music, the expectations consumers have of artists in the genre of rock and metal as well as insights about what types of promotion appeal to them the most. More general research is conducted online by analysing sales of CDs, consumers use of different media and income structures of the music industry globally and in Germany, for example.

The aim is to combine different of research methods, to see the problem from multiple perspectives, such as the customer perspective, the industry perspective and the artist's perspective. This helps to assess a marketing strategy, as the strategy needs to take into consideration the whole market and not just one business and its specific customers.

1.1.2 Limitations of the study

To ensure comparability between the cases, as well as consistency of the theory, restrictions on the types of companies to be analysed and the area of business that to be discussed are implemented.

The thesis is not planned to analyse the companies' whole business in a deep manner. The general strategy will be taken into consideration, but the focus lies on strategic marketing management. This allows the thesis to provide a more detailed insight into the specific aspect, without being too general.

Added to that, the thesis mainly aims to create a marketing strategy for musicians. However, other companies that are active in the music industry, such as streaming platforms or event managers, are also taken into consideration, as they are important business partners for the artists themselves, making the way they operate also important for an artist's marketing strategy. However, they will only be viewed from the perspective of the artist. The resulting marketing strategy will not be applicable to their business.

Another delimitation of the thesis is the size of the companies that the strategy applies to. The thesis focuses on small companies in the music industry. Small companies or small artists in this thesis are defined as artists who are not able to

finance the making of an average studio single from their income of Spotify streams alone. Spotify was chosen as a basis of comparison, because it is the most popular streaming platform. The basic concepts part of the thesis elaborates this term with precise numbers. The author of the thesis chose to define the size of a musician by streaming numbers because the thesis specifically aims to provide artists with alternative sources of income. Those alternative sources are most useful for musicians who do not already gain enough of an income from streaming services such as Spotify.

Furthermore, artists who this thesis applies to are independent musicians. Independent is defined as an artist who is not signed with a record label. The reason for this delimitation is that the thesis focuses on marketing strategies for artists themselves. However, marketing for artists that are signed with a record label is often planned and executed by the record label, so the practices suggested in this thesis might not be applicable. At the same time, record labels often have means of promotion, distribution and marketing in general that are not available to independent artists. Therefore, their marketing strategies will often not be applicable to the strategies of independent artists.

Besides that, the thesis mainly focuses on the German market, as there are differences between countries in how music is consumed. A marketing strategy has to adapt to the specific needs of the market it is targeting. Restricting to a particular market allows the strategy to adapt to the specific needs of that market and the buying behaviour of its consumers. Germany was chosen because the author of the thesis resides in Germany and speaks native German. This provides opportunities to personally interview German companies, survey German consumers in their native language and analyse sources about the German music industry that are written in the German language. All of those insights are necessary to gain an understanding of a specific market.

Many differences also occur between different music genres. Common consumer behaviour factors, such as involvement in the music, attitude towards purchasing physical music records and identification of fans with the artists, vary greatly between different styles of music. For that reason, and to ensure comparability, the thesis focuses on one general style of music in all the case studies. All the chosen

case companies are active in the genre of rock and metal music. This genre was chosen for two main reasons. The first reason is that the genres rock and metal do not belong to the most popular current genres globally or in Germany. For this reason, musicians who are active in those genres have a smaller target audience, meaning that many small musicians are found within those genres. Statistics and explanations of the general popularity of rock and metal as genres are provided in the target group analysis of the thesis. The second reason is that rock and metal listeners have a common media reputation of being particularly involved in the music they enjoy and therefore more likely to buy products and services to support their favourite artists. This trait is also analysed in the target group part of the thesis.

In combination, these two perceived traits about the genres rock and metal make them particularly appropriate for the topic of this thesis. The target group of consumers is comparably small, creating a number of small bands, but at the same time, the consumers in this genre are more strongly involved in the music, compared to other genres, making them more likely to be receptive to new ideas of music related products.

2 Theoretical framework and basic concepts

2.1 Small artists

As mentioned in the introduction, the thesis defines a small artist as an artist who is not able to finance the making of an average studio recorded single from streaming income on Spotify alone. The basis for that is the estimated cost of making a studio single and the average income for an independent artist per stream. This allows an estimation of how many streams would be necessary to cover those costs. This number of required streams is then be compared to the artist's number of regular streamers on the most popular music streaming website, Spotify.

The cost of the production of a studio single differs based on many factors, such as the quality of the studio and equipment, the complexity of the music, and the

rates of the chosen producer. The thesis attempts to present the costs of the creation of what can be considered an average studio single. (Lehmann n.d.)

Typically, a producer is chosen or hired at the beginning of the project. This producer manages the project, and it is estimated that for a regular 5-minute studio single 100 hours of producer work are required. The producer may be a member of the band, an employee of a record label or an independent, self-employed producer. Based on this, the compensation for the 100 work hours will also differ. It could be a fixed hourly rate, a provision or a fixed lump sum for the whole project. (Lehmann n.d.)

Moreover, that, the song needs to be written and composed, which is estimated to take an average of about 120 hours of work. If the arrangement of instruments is particularly complex, it is also often required to hire an arranger to adapt the composition to the arrangement of instruments. A professional arranger typically charges about 500 Euros for the arrangement of a 5-minute song for a complex set of instruments. However, arranger costs are not part of this calculation, as an arranger is not always needed for the making of a studio single. Additionally, it is assumed that the producer and the composer are part of the band, all instruments are played by band members and no additional instrumentalists need to be hired. (Lehmann n.d.)

When the single is ready to be recorded, approximately 1000 Euros are needed for the studio rent, studio equipment and the recording engineer. An additional 350 Euros are required for mixing and mastering of the single and 150 Euros are needed for administrative expenses. The total costs are 1500 Euros for the making of a studio recorded single. (Lehmann n.d.)

To compare these costs with streaming income, they need to be converted into US dollars. With the current exchange rate and rounded to the whole dollar, this amounts to 1666 US dollars (finanzen.net 2019). The income an artist receives per stream on Spotify is on average 0.00397 US dollars (Dichevska 2019). This means that to cover the costs of a studio recorded single solely with the income from Spotify streams, the single needs to be streamed 419648 times.

2.2   Music and music related industry

In this thesis, the term music industry refers to the industry around the sales of recorded music. This includes sale and consumption of physical music records, sale of mp3 downloads as well as music streaming, both in the shape of audio and video streaming. On the other hand, the term music related industry includes not only the sale of recorded music itself, but also other products and services related to music such as live music events, music classes and music equipment including instruments.

2.3   The 4P Marketing Mix

The 4 Ps of marketing, also referred to as marketing mix, stand for product, price, promotion and placement. A fifth P is often added to include people. This fifth P refers to the customer and target group analysis. (Jung 2010, p. 613.) As this is discussed in the consumer analysis part of the thesis, it will not be included in the chapter about marketing mix.

The product component of the marketing mix refers to what the company can offer to the market. It needs to be considered what product variation is offered, what makes the product stand out from competing products, how the product is packaged and how the consumer perceives and consumes the product. In this thesis the product component of the marketing mix focuses particularly on offering an appropriate amount of product variety as well as offering customer value beyond the core product. (Jung 2010, p. 615.)

Products can be seen as a helpful tool, not just to generate an income but also to attract and maintain customers. For that, it is necessary for the artist to understand the expectations and needs their listeners have when purchasing music related products. By meeting and exceeding such expectations, the artist can achieve a higher purchase and repurchase intention amongst their already existing listener base and a higher chance of listeners recommending the products to others after purchasing them.

To meet and exceed customer needs and expectations, one needs to understand why customers buy certain products and what needs the products fulfil for the

majority of them. This way, the products can be adapted to suit those needs better. Also, it also needs to be ensured that the products offered align well with the values communicated by the artist. A good understanding of the target group as well as the target group's perception of the artist as a brand is necessary to create a fitting product range. An example of that is a musician who communicates sustainability as a value in their music. Due to this, it can be assumed that fans of the artist share the value and therefore prefer products that conform with the value as well.

In this thesis, the product analysis contains an overview of possible products a musician can offer to his listeners, an analysis of product needs of the target audience of metal musicians, and different product levels that can be used to fulfil those needs.

The price aspect refers to the general setting of a price for a product as well as all kinds of price changes such as discounts (Jung 2010, p. 614). In this thesis, the price component suggests pricing strategies that may be suitable for small independent artists in the music industry.

Price is an important marketing tool, as it can be changed quickly and, unlike other marketing tools, it has an immediate effect on the customer. The effect that a change of price has on the demand for a product is dependent on the price elasticity of the demand. This needs to be considered when changing the price of a product or service. For example, when price elasticity is particularly low, lowering the price might not be beneficial for the income of a company. In markets with low price elasticity of demand, a lower price will only attract a small amount of new demand. This amount is not likely to be enough to compensate the loss of income per purchase due to the lower price. In a market with high price elasticity, however, lowering the price can attract a high amount of new demand and therefore bring a higher income, even though the income per purchase is lowered. (Meffert et al. 2010.)

There are multiple ways to set a price for music and music related products. This chapter briefly presents different pricing strategies applied to products and ser-

vices where artists have a choice over the price. For example, this does not include prices consumers have to pay in order to be able to consume music on streaming services, as the artists offering their music on the platform do not decide on that. The strategies are evaluated according to what conditions need to be fulfilled in order for them to be used effectively, the advantages and disadvantages they have and what products they are most applicable to.

In addition, prices for tickets to live music events are viewed separately from physical music related products. This is because artists do not often decide on the prices that consumers pay to purchase a ticket to an event, but on the compensation, they will receive from the event organizer. To gain an insight into the negotiation process and factors that influence the compensation, an interview with the music event company Fischer Music is conducted.

The placement component refers to the distribution of a company's products. This includes a choice of distribution channels and marketing logistics (Jung 2010, p. 614). Concretely applied to the topic of this thesis, distribution refers to a choice of platforms and means to deliver music to the end customer. The thesis analyses the most popular sources that people use to consume music. The different platforms are viewed according to the additional benefits they provide to the artists. Such added benefits could, for example, be income and promotion effects.

The promotion component includes all aspects of marketing communication, such as advertising, public relations, event marketing and direct marketing (Jung 2010, p. 614). In this thesis, special focus is on the analysis of different means of promotion, their effectiveness and their value for the musician.

These suggested means of promotion are primarily presented according to the goals they can fulfil for the musician. One potential goal could be to increase popularity and to attract new listeners. In order to achieve that, a promotion method needs to be able to reach a high number of consumers that fit the target group. Another goal can be to increase purchasing intention amongst already existing listeners. While fans of the musician are easier to reach than consumers who do not know the band yet, a promotion method to fulfil this goal would likely need to allow creativity and control over the communication situation so that the

artist can clearly present the products they are offering, as well as the values the products bring to the consumer. Other potential goals of promotion can be to form a perception the public and the listeners of the musicians have of them as well as achieve differentiation from other artists. Similarly, to reach the second goal, the artist would need to find a promotion method that allows them to clearly communicate the values they want to represent. At the same time, in this case it can be beneficial to choose a promotion method that allows direct feedback from consumers, for example through a comment function on a digital promotion channel. Another factor that needs to be taken into consideration for any goal is the cost of the promotion method in relation to the effectiveness. (Meffert et al. 2010.)

2.4 Brand identity and relationship management

In a marketing sense, a brand identity can be defined as the sum of everything that comes to a customer's mind when thinking of a particular brand name. In order for such a brand image to exist in a customer's mind, the customer has to be aware of the brand. It is also possible to consider how detailed a customer's view of a brand image is. A more detailed and informed image makes the customer more likely to remember the brand. A company can, furthermore, compare the associations customers have with their brand with associations the company wants the customers to have when thinking of the brand. The goal is to not only make the customer aware of the brand, but also to ensure that the associations a customer has when thinking of the brand are primarily positive. (Gabler Wirtschaftslexikon n.d. a.)

Another important part of brand management is brand relationship management. This concerns existing customers of the brand. By providing a customer experience that is adapted to the customer's needs, by offering values additional to the core product and by adapting to customer criticism the aim is to strengthen the relationship of customers with the brand. This can result in higher customer loyalty and a lower customer churn rate. (Gabler Wirtschaftslexikon n.d. b.)

In this thesis, brand management is primarily viewed as a way to attract new listeners, to distinguish a musician from other musicians in the same genre, and

to provide a musician with means to build a strong relationship with their existing fans.

In order to successfully implement a branding strategy, a company should aim to first create a broad understanding of the brand. To ensure brand understanding, the values of the company need to be communicated clearly. Then the communicated values need to stay relatively consistent and the company needs to adhere to these values in their business to create brand trust. Furthermore, the clear communication of brand values allows customers who share the values to identify with the brand. This can lead to involvement of the consumers in the brand, which can bring positive consequences, such as brand support and higher purchase intentions. (Hsu 2019.) The branding focused chapter of the thesis will attempt to find ways for musicians to achieve such benefits with a branding strategy that fits the music industry and their target group.
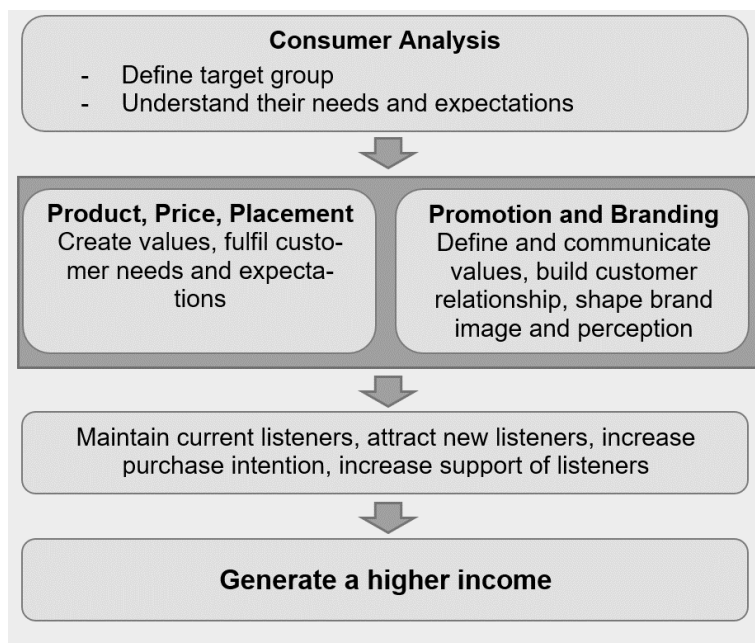
2.5 Summary flow chart

Figure 1. Summary of the strategy framework

3 Changes in the music industry and their impact on small companies

Over the past few years, there have been a number of significant changes in the music industry. Those changes strongly affect the strategy a musician has to choose to be successful. There are new problems artists have to adapt to as well as new possibilities that have to be taken advantage of in order to remain competitive.

3.1 Replacement of CDs with streaming services

One major change are the media that are used to consume recorded music. 2018 was the first year in which the German music industry's generated revenue from music streaming services was higher than that of the CD. Within one year, the revenue generated from streaming services increased by a third, while the revenue from CDs decreased by a fourth. Now all digital sources combined make 58.9% of the total industry revenue in Germany. The development shows a trend away from physical records and towards digital music services. (Heuzeroth 2018.)

Within digital music sources, there is also a trend away from paid downloads towards music streaming. The revenue from music streaming is six times as high as the revenue from paid music downloads. Furthermore, the revenue from music downloads worldwide decreased by 20.5%, while that from music streaming has increased by 41.1% during the year 2018. This development indicates an overall trend towards streaming as the most popular medium of music consumption. (IFPI 2018a.)

According to research conducted by the IFPI (International Federation of the Phonographic Industry) in 2018, 86% of consumers are using on demand music streaming, while 50% of consumers state that they would choose on demand streaming if there was only one way to listen to music. This does not only include on demand audio streaming but also video streaming platforms such as YouTube. Merely 28% of global use of music streaming is paid music streaming, while 52% is free video streaming and 20% is free audio streaming. (IFPI 2018b.)

With 100 million paying premium users, the Swedish company Spotify, founded in 2006, is the leading platform of audio streaming (Bünte 2019). Nevertheless, the company Spotify has mainly achieved losses over the past business years (Bünte 2019). 2018 was the first year in which Spotify made a positive profit (Kerkmann 2018). This profit, however, was not generated through business activity. It was merely a tax benefit resulting from their share in the Chinese company Tencent Music (Kerkmann 2018). In 2019, the streak of losses continues due to Spotify's strategic focus on long-term growth instead of short-term profit (N-TV 2019). The goal is presumably to gain and maintain the largest user base in comparison to other streaming services to secure profits in later years. The main competitors of Spotify are Amazon Music, Google's new service YouTube Music, and Apple Music (N-TV 2019).

The sale of CDs is a viable income source for small artists. If this source is taken away and replaced by streaming services, it will likely be difficult to compensate the loss of revenue. Per stream on the platform Spotify, for example, the holder of the music rights will receive about 0.00397 US dollars, depending on the country from which the user streamed the song (Dichevska 2019). However, in most cases, the artist is not the sole holder of the music rights. This means that those 0,00397 US dollars will then be split further amongst all the right holders, which, besides the artist, could include a record label, the producer and in some cases the songwriter.

To conclude, the revenue from streaming services alone will likely not be enough for small musicians to be able to finance the making of studio records. This change from CDs to streaming services therefore requires artists to find different income sources to replace CDs. At the same time, however, streaming services can still be seen as an extra income source and as means to increase exposure. This will be elaborated further in the placement part of the thesis.

3.2 Lower entry barriers for new musicians

Another significant change in the music industry is the entry barrier for artists. The popularity and prevalence of the internet, social media and platforms that allow independent musicians to publish, promote and distribute their own work

on a wider scale without the help of record labels is a development that can be seen as an advantage as well as a disadvantage for small musicians.

The new services mentioned above can be used as convenient means to market music. YouTube, as an example, offers the possibility of uploading music and music videos to a wide and global audience for free, while also providing the artist with an option to generate income through automated advertising. The comment function allows the artist to communicate with the listeners of the music to obtain feedback and build a customer relationship. This customer relationship possibility extends also to well-known social media platforms such as Instagram, Facebook or Twitter. The potential benefits and drawbacks of those platforms for musicians, as well as ways in which they can be used, will be elaborated further in the placement, promotion and brand management part of the thesis.

3.3   Unlicensed music

Another development in the music industry that can be considered to present a prevalent problem for artists is the partly illegal distribution of music in the form of unauthorized downloads, audio ripping and leaked studio material. It is estimated that approximately 38% of music consumers obtain their music from unauthorized or illegal sources (IFPI 2018b).

For the music industry, the new trend of audio ripping is particularly concerning. The term audio ripping refers to online services that extract downloadable audio files from videos posted on platforms such as YouTube. Such sites generate revenue from high traffic rates and resulting advertising offers. The artists, however, do not receive a share of this revenue. (IFPI 2018a.)

Although unauthorized copies of music are created, many countries do not have laws against audio ripping in particular. In Germany, music can legally be downloaded this way if the source itself is legal. For example, YouTube is considered a legal source, provided that artists and copyright holders voluntarily upload their material themselves. It is therefore legal, both for the consumer and the ripping platform, to extract audio files from videos posted on YouTube, as long as the channel that posted them holds the copyright for them. The legal term for that in Germany is the creation of a private copy. (Aschermann 2017.)

The key difference between legal audio ripping and illegal music downloads is the way the content was uploaded to a platform. Websites uploading content they do not have copyrights to, as well as downloading content uploaded this way, is illegal. Creating downloadable copies of content that was uploaded legally by the holder of copyrights, on the other hand, is legal in Germany.

Besides national laws, YouTube's policies also determine on downloading content from their platform. YouTube's terms and conditions state that the user should refrain from downloading content uploaded on YouTube. However, the user only accepts those terms and conditions while creating an account, not while merely using the platform. Therefore, the terms and conditions are not applicable when a user is not logged into their YouTube account while downloading content. (Aschermann 2017.)

Record companies worldwide are attempting to mitigate this problem by focusing on the most popular ripping services and filing lawsuits to remove them. The most recent example of that in Germany is the lawsuit against the platform Convert2MP3. This platform, originating from Germany was used over 700 million times in 2018 and therefore is one of the most popular ripping services worldwide. The result of the copyright infringement lawsuit was an agreement between the platform, the IFPI (International Federation of the Phonographic Industry) and the BVMI (Bundesverband Musikindustrie). The agreement states that the service Convert2MP3 will be deactivated globally. While this can be seen as a success of the music industry against unauthorized copies of music, it is questionable what impact this lawsuit will have on the overall use of stream ripping services. (Müller 2019.)

4 Consumer analysis

4.1 Target group and segmentation

In 2017, the German centre of music information (Deutsches Musikinformationszentrum) conducted a survey on music genre preferences, in which they presented 23,000 representatively chosen German consumers with a list of genres. The consumers were then asked to mark all the genres they enjoy listening

to now. They were also able to choose multiple options. The most popular genre, according to this study, is pop-rock music, as 71.5% of consumers selected it. Hard rock and metal were summarized to one genre in the study, and only 24.1% of consumers marked it as one of their preferred genres. This score is 3.5% higher than that of 2007, showing a small growth of the genres hard rock and metal in Germany. Nevertheless, hard rock and metal are the second least popular of the 14 genres given in the study. (MIZ 2018.)

The low percentual popularity of hard rock and metal might cause a problem for musicians trying to be successful in this genre in Germany, by making the target group of their music small in comparison to other genres. This problem, however, can be mitigated by other factors. An example of that could be the concept of customer loyalty. In 2015, the streaming service Spotify conducted research to determine which genres have the most loyal listeners on a global and national level. Loyal listeners, in this case, were defined as listeners who listen to a genre often and continuously. The loyalty of listeners to specific genres was determined by dividing the number of streams of the genre's core artists by the number of listeners. On a global scale, metal was in the first place out of eleven genres. Although this thesis specializes in metal bands that are active in the German market, streaming numbers on a global scale are still relevant. The reason for that is that streaming is a digital medium which is easily accessible from all over the world. This makes it easier for musicians to target an international group of listeners. (Van Buskirk 2015.)

For the national statistic of listener loyalty in Germany, other genres that are unique to Germany were added to the data, making a list of 25 genres. In this statistic, metal was in the sixth place. However, another genre, Neue Deutsche Härte, was in the second place. As a sub-genre of industrial rock and metal, this genre also needs to be considered when analysing rock and metal music in Germany. In general, those statistics show that metal music is a genre with relatively loyal listeners. (Van Buskirk 2015.)

To conclude one can state that while hard rock and metal do not have a high popularity in Germany, it is still possible to be successful as a musician in this

genre. The shown statistics imply that listeners of hard rock and metal are loyal customers, meaning that they consume the music often and continuously.

A reason for that may be the way metal is viewed not only as a genre but as a subculture. For many listeners of rock and metal, their music genre extends the purpose of a simple entertainment product and takes the function of a lifestyle choice. Possible consequences of that are high loyalty and involvement in the genre, higher willingness to purchase products to support the genre and its artists, and higher identification with the genre and musicians who are active in it. Besides listening to the music, people who enjoy rock and metal often see the genre as a community, dress in a way that is usual for fans of the genre, and take pride in the music they listen to. (Grütz 2018)

4.2   Results of a consumer survey

To gain further insights on the consumption of music and music related products specifically amongst listeners of the genres rock and metal in Germany, an online consumer survey was conducted for this thesis. 100 consumers participated in the survey. Since this thesis attempts to create a marketing strategy for small rock and metal bands, only consumers who are interested in rock and metal were asked to participate. Participants for the survey were found at the Audigast Open Air Music festival and on various online forums about rock and metal music. Added to that, metal listeners of different age groups were chosen in order to make the survey results more representative of the entire metal scene and not restricted to a specific age group.

In the survey, the consumers were mainly asked about which music related products they purchase and how often, which music events they visit and how often, as well as which media, they like to use the most to listen to music. In addition, questions about why consumers purchase those products and visit those events and how they become aware of them were included. The majority of questions in the survey were multiple choice questions, where the consumer could either pick one or more of the presented options or add their own option to select. The survey also included one rank order scaling question. All questions and answers were available to the participants in the German and English language. The full English

list of the questions asked in the survey, as well as an answer diagram of each question, is included in the appendices.

The first part of the survey was the personal questions part that asked the participants about their approximate age and gender. The personal questions were added to gain an overview of who participated in the survey and to ensure that there would be a representation of both genders, as well as different age groups. A 2018 study about genre preferences in different age groups in Germany was used as a base of comparison for the age distribution in this survey (MIZ 2018).

Concerning the attitude of the participants towards physical music records, such as CDs and vinyls, the majority (58%) of the participants had purchased physical records in the last 12 months. 15% even claimed to have bought 11 to 20 physical records in the last 12 months. In comparison to that, only 34% of the participants claimed to have purchased any mp3 downloads in the same time frame, while only 18% claimed to have purchased more than five songs as purchased downloads. In the ranking of the media that the participants use to listen to music, purchased mp3 downloads achieved a score of 2.1/6 (see attachment 1 for score calculation) and were therefore in the last place, meaning that they were, on average, the least preferred music media for the participants in the survey. Even free mp3 downloads did not score much higher than purchased ones with a score of 2.8/6.

It seems surprising that although physical records were purchased much more often than mp3 downloads, they also scored only at 3,1/6 in the list of preferred media of music consumption. An explanation for that can be found in answers to the question why participants purchased physical records. Out of 61 consumers who own physical music records, only 8 claim to actually prefer listening to music on physical records. Far more common reasons to own such records are their use as collector's items (49 participants) and the purchase of physical records to support the artist (41 participants). Another common reason was to receive bonus material that is exclusive to physical records (21 participants). It is important to consider the reasons why customers purchase the product of physical records, as this changes the way they need to be marketed. This aspect will be further explained in the marketing mix part of the thesis.

The most preferred media for consuming music were streaming services. Audio streaming (score 5.1/6) was the most popular choice, followed by video streaming with a score of 4.5. The fact that the majority of the participants listed streaming services as their preferred method of listening to music is important to consider when trying to reach new listeners. In connection with preferring to listen to music via streaming, 80% of the participants also claimed to find new music to listen to via streaming service playlists and recommendations. This makes streaming services the most popular source of new music for the participants in the survey.

62% of the participants claimed to have purchased band merchandise products in the last 12 months. Out of the 62 participants who had purchased music merchandise products, 37 had bought less than five and 57 had bought less than 10 items. Therefore, in comparison to physical music records, slightly more participants purchased merchandise products. However, there are bought less frequently than physical music records. By far the most popular merchandise products according to consumers are T-shirts and hoodies. This option was selected by 68 consumers. With 29 votes, posters and stickers were the second most popular merchandise product. The participants were also given the option to mention products that were not listed. Amongst those, patches were the most frequently mentioned item (n=4).

Considering the motivation for consumers to buy music merchandise products, it is important to make decisions on how such merchandise products should be designed and marketed. Showing that they are a fan of an artist (49 consumers) and supporting the artist (42 consumers) were the most common reasons to purchase merchandise products. The other two given reasons were also frequently selected: 31 consumers purchase merchandise products for their creative motives and 27 like to own them as collector's items.

Considering live music events, consumers were asked how often they attend different types of live music events and why. 69% of the participants claimed to have been to at least one concert in the last 12 months. Out of those 69 participants, 42 had been to 5 or fewer and 65 to 10 or fewer concerts. Concerning the reasons, a majority of 70 participants attend concerts to see an artist they already are a fan of. The other given options were chosen in about equal amounts. 32

participants want to spend time with friends and meet people, 30 want to support the artist, and 34 wish to see unique or spectacular live shows.

Like concerts, live music events in bars and clubs were also attended at least once in the last 12 months by 69% of the participants. However, there is a difference in how often both events were attended. 16 participants had attended more than 10 live events in bars and clubs, but only 4 had visited concerts more than 10 times. A total of 34 participants had attended over 5 live events in bars and clubs. With 53 participants choosing that option, the most popular reason for attending this type of an event is to spend time with friends. Furthermore, slightly more participants attend such events to get to know new artists (38) than to see ones they already are a fan of (36).

The number of consumers who had attended at least one festival in the last 12 months was 58%. Out of those 58, only 12 participants had attended more than 5 festivals in the last 12 months. Therefore, festivals were attended less often than both concerts and live music events in clubs and bars. Concerning the reasons why participants visit music festivals, there was no one reason that was significantly more common than others and all the reasons were chosen in about equal amounts. The selectable reasons were to see an artist they are a fan of (41%), to spend time with friends and meet people (34%), to get to know new bands (31%), and to enjoy a festival atmosphere (30%).

4.3   Consumer buying behaviour towards music

This chapter attempts to analyse the way consumers might make the decision to consume and purchase music and music related products. This analysis is based on the five steps of the consumer buying process, consumer psychology as well as the individual features of the target group according to statistics and the results from the consumer survey in this thesis.

The first step in the consumer buying process is the recognition of a need. This need can be caused by internal or external stimuli (Karunakaran 2007, p. 69.) The main target consumer for musicians in this thesis can be defined as a person who lives in Germany, who is interested in rock or metal music, and who is interested in finding new musicians to listen to. The need for new music may be

caused by the consumer's general need for entertainment, a need for variation in the music they listen to, or by other factors, depending on the individual consumer.

In order to fill the need, the second step in the consumer buying process is the search for information. In this step the consumer uses the sources available to them in order to find a product to fill their needs. One potential source of information is a personal source. (Karunakaran 2007, p.69.) In this case, this refers to recommendations by friends and family. The results of the consumer survey conducted in this thesis show that a majority of 66% of the participants rely on friends and family as a source of new music. However, an even higher number of participants rely on public sources. The highest number of consumers (80%) find new music through recommendations and premade playlists via streaming services. Other popular sources for consumers to find new music include social media (43%), live music events in bars and clubs (29%), festivals (28%) and the radio (27%). (Karunakaran 2007, p.69.)

After the step of searching for information, the consumer is aware of a variety of options that may be used to fill the initial need. Therefore, the next step is to evaluate the different options to find which ones are the most suitable options. This step is called the evaluation of alternatives. How a consumer evaluates different options depends both on the consumer's personal attitude and the features of the product itself. (Karunakaran 2007, p.69.)

In this thesis' consumer survey, participants were asked questions directly related to promotion and branding strategy to gain insights on what appeals to them and what catches their attention when evaluating music. When asked about what qualities are important to them when selecting musicians to listen to, the majority of the participants (84%) claimed that the quality of the music itself is the most important factor. However, there were also other factors that the participants base their decision on. Such other factors include that the artists engage with the fans of their music (32%), that they appear likeable in the media (25%) and that they provide unique or spectacular live shows (23%). Besides those given options, the participants were also able to add own descriptions of what is important to them. Out of 8 participants who did so, 4 suggested that the artist's world view and

political opinion are an important factor. Another 2 suggested that creativity and bringing something new are important to them.

After this step, the consumer has likely made a decision which musicians appeal to them the most. Because of that they will probably want to consume the artist's music. However, there is a variety of ways in which music can be purchased and consumed. The consumer survey shows that streaming is the most popular way to consume music, followed by radio, physical music records and music downloads. Therefore, it can be assumed that a majority of consumers are going to choose to listen to music via audio and video streaming services such as Spotify or YouTube.

In this case, the consumption of music via free services may still be part of the evaluation of alternatives step instead of the purchase decision step. Even though the consumer already is consuming the main product, which is the music, this step can still be seen as a part of the evaluation, because at this point no purchases have been made yet by the consumer. However, consuming the music without purchasing it can lead the consumer to eventually purchase products related to the music, such as physical music records, music merchandise products or tickets to live events that involve the artist. The survey results show that two of the participant's main motivations for buying products such as physical records and merchandise were to support the artist and to show that they are a fan. For these motivations to apply, they need to have listened to the music already and gained a positive experience from it.

Only after consumers have listened to the music and gained a positive experience from it, they will start to be interested in purchasing products related to the music. This leads to the next step in the process, which is the purchase decision. In this step, the consumers will decide which products they will buy in which quantity and from which vendor (Karunakaran 2007, p. 69). Products bought in this step can include physical music records, music merchandise products and tickets to live events involving the artist.

After such music related products have been purchased, the consumer will either be satisfied or dissatisfied with the purchase. This stage of the buying process is

called the post purchase behaviour. When a consumer decides to make a purchase, they have expectations of what values the purchased good will bring them. If these expectations are met or exceeded, the consumer will be pleased with their purchase. If the product fails to meet the expectations, the consumer might regret the purchase. If the consumer is satisfied, this will have positive effects for the musician, as the consumer is then more likely to purchase more products and to recommend the products to their friends and family. (Karunakaran 2007, p. 69.)

The expectations a consumer has concerning a product can depend on different levels of the product. This will be explained with the example of a consumer purchasing a concert ticket. Here, the core product is that the consumer will be able to access the concert venue to see a live performance by the musician. But the core product is likely not enough to meet the consumer's expectations. Besides this core product, there is the actual product. This is defined, for example, by the quality of the live performance, the sound quality, the choice of an appropriate venue or the design of the stage. If the customer's expectations concerning this product level are met, they will likely be satisfied with the concert experience. However, there is a third product level that goes beyond the actual product. This level is called the augmented product and it refers to values that can be offered to the consumer to exceed their expectation of the concert experience. Such values have the potential to positively surprise the consumer and therefore leave a lasting positive impression. Such augmented product values could include a particularly creative ticket design, particularly creative or unique live shows or interaction of the artist with fans during and after the concert. Keeping the three product levels in mind and applying them to music related products can be beneficial for the artist, as it will help to meet and exceed the consumers expectations, leading them to recommend the products to others and to purchase more in the future. (Jung 2010, p. 615.)

5 Marketing mix

5.1 Product

Considering the product, it is first necessary to define what values small musicians can offer to listeners and how they can be monetarized. One value that is

created is the music itself, as a creative commodity that can be distributed to listeners in a variety of ways. However, for small musicians, as defined in the introduction, the income generated purely from distribution of studio records and singles is not enough to cover the costs of their creation, as well as the living costs of the artists. For that reason, it is necessary to consider what other product values can be offered to compensate this lack of income.

In order to gain a consistent and sufficient income as a small musician, it is necessary to create value in a variety of different ways and to offer a variation of products simultaneously. The music market in Germany is stable and growing in its revenue, but at the same time changing its structure due to digitalisation and innovation. To benefit from that growing revenue, businesses, including musicians, must recognize these changes and adapt their value offerings to fit them. (BVMI 2015.)

5.1.1 Physical music records

The term physical music records in this thesis refers to all physical means of data storage that contain music and that the consumer can purchase. Examples of that are CDs, vinyls or music DVDs. Selling such physical music records can be beneficial to artists, as they provide more income per sold unit than streaming services.

Even though the sale of music records such as CDs has declined over the past few years, CDs remain an important source of income for many artists, especially in the genres of rock and metal. The consumer survey in this thesis implies that most consumers in the genre of rock and metal still purchase physical records. The survey also attempted to analyse why that is the case. Considering why consumers buy physical records is an important part of deciding how they should be designed and marketed.

Here the product level analysis may also be used to adapt the products to customer needs. This will be explained with the example of a CD. The core product a customer expects when purchasing a CD is to receive a disc with music on it. The actual product is then defined by other features, including the quality of the

sound, the packaging, or the quality of the added booklet. Considering that according to the survey, the most popular motivation to buy a CD was as a collector's item, the product should aim to be suitable for that purpose.

A potential way to achieve that could be to put emphasis on the quality of the booklet and album cover. A particularly unique album cover can also have the added benefit of making the album more recognizable. Most participants in the survey claimed to find music mainly through recommendations on streaming services. When listening to such a playlist, the consumer might be more likely to remember an album cover that appeals to them than the name of the album. This, in turn, makes them more likely to recognize the album when seeing it as a physical version in a store.

Particularly important features of an album cover can be a clearly recognizable album and band name and a cover art that clearly lets the person looking at it guess the style of the music. Besides that, the CD should feature the name of the album and band on the side of the CD case so it can be read from a shelf. (Segundo n.d.) Added to that, augmented product values can further increase a CDs suitability as a collector's item, for example, by adding the artist's signature on the CD cover or by providing additional items such as a poster or sticker with the CD.

Furthermore, the survey conducted for this thesis shows that another popular reason for consumers to purchase CDs is to gain access to bonus material. Such bonus material could be an unreleased song that is only available on the CD, an older demo that is not available anywhere else, a live or acoustic version of one of the songs in the album, or video material from the making of the album. Such additional material can persuade listeners of the music to purchase the physical record to gain access to the material, and also increase the value of the CD as a collector's item if it is sold as a limited edition.

If a physical record is sold in a way that particularly appeals to the consumer's needs, for example by making it a suitable collector's item or by adding bonus material, it is more likely that the customer will purchase the product and is willing to pay more for the product.

5.1.2 Music merchandise products

62% of the consumers who participated in the survey claimed to have purchased music merchandise products in the last 12 months. The most popular reasons the participants named for purchasing such products were to show that they are a fan of the artist (49%) and to support the artist they are a fan of (42%). This aligns with the features of the genre as a subculture that have been analysed previously. Metal and rock is a genre with a particularly high involvement of listeners. Fans of the genre typically see themselves as part of a community or scene and take pride in that. This reflects in them purchasing merchandise products to make the music they listen to visible to others and to support the artists they are a fan of.

When the participants in the survey were asked what merchandise products they prefer the most, by far the most popular choice was clothing, such as T-shirts or hoodies. This makes sense, considering the reason why merchandise articles are bought. In comparison to other products, such as cups or posters, clothing articles including T-shirts and hoodies are worn in public and therefore allow the person buying them to show that they are a fan of the genre and the band. This makes clothing items best suited to fill the specific customer need.

Unique merchandise products are one more possible way to generate an income. Another popular reason for consumers in the survey to buy merchandise products was that the products were particularly unique or creative. An example of the success of such an idea is the German gothic metal band Circus of Fools, who financed the making of their 2019 music video Fallen Paradise by selling hand-made T-shirts with every pre-order of their studio album Rex. Additionally, Circus of Fools is a band who are particularly known for political engagement. Especially environment protection and fairness are important recurring topics in their music. Because of that, it can be assumed that their listeners are interested in those topics and share those views. Circus of Fools understood that and decided to exclusively offer merchandise products that are sustainable and fair-trade. This decision caused them to have to sell their products at higher than average prices. Still, the strategy was successful. Customers appreciated the higher quality of the

products and the fact that Circus of Fools implemented the content of their lyrics in their own business.

Furthermore, this strategy made a successful German clothing label called Von Tiling to adopt Circus of Fools' merchandise in their product assortment. The label is specialized in sustainable fashion for metal listeners. Apart from their own designs, Von Tiling only sells merchandise for seven different artists. Therefore, being adopted in Von Tiling's product assortment provided a sizable promotion value to the band as they were now visible to everyone who makes a purchase at the Von Tiling festival booth or on their website.

Considering this case example and the results from the consumer survey, it can be concluded that merchandise is an important instrument for musicians to increase their success. The demand for music merchandise products in the metal community is relatively high. This makes merchandise a suitable source of extra income that goes beyond the sale of the music itself. Besides that, merchandise can also be seen as a way for a musician to distinguish oneself from competing musicians, as Circus of Fools have done. An important factor is to recognize why fans of rock and metal purchase merchandise in general and what needs they are filling with this purchase. Furthermore, it is beneficial for a musician to be aware of who their fan base are and what their fans value. The example of Circus of Fools shows that understanding customer needs and offering products that adapt to those needs can cause customers to purchase more products, to be willing to pay higher prices, and to form a general positive impression of the musician.

5.1.3 Live music

One common way of creating value is the offer of live music. In 2015 a study was conducted by the Friedrich-Schiller university in Jena to determine the value creation of the music and music related industry in different subcategories. The gross added value of the music and music related industry in Germany was 3.92 billion euros. This figure includes not only recorded music itself as a value, but also music related products and services, such as instruments or paid music lessons as subcategories. (BVMI 2015.)

When comparing the subcategories and their respective shares in the total value creation, the subcategory with the highest percentage is live music, with 27% of the total gross added value. Recorded music comes in the second place with 22%. Furthermore, the study differentiates between small and big live music events. Small events are defined as events taking place in venues that are less than 1000 square meters big. Examples of such venues are various music clubs as well as bars and pubs that offer live music. The total revenue from such small music events in Germany in 2014 was 223 million euros, compared to 1560 million euros of revenue from big live music events in venues larger than 1000 square meters. (BVMI 2015.)

The distinction between big and small music events as defined in the study, is an important factor to consider when analysing the value of live music for small musicians. A notable difference between them is the source of income. Big music events generate 72.9% of their revenue from ticket sales. Small music events, on the other hand, only generate 28.3% of their total revenue from ticket sales while other goods, such as food and beverages, produce 37.5% of the revenue. (BVMI 2015.)

The size of the venue and, with that, the number of visitors at a concert are dependent on how well known and popular the artist is. A popular, well known artist is likely to have a stable number of listeners and therefore there is a higher demand for their live music. Thus, a popular artist with an established fan base will be able to book a larger event location with higher ticket prices than a smaller, less known musician.

When considering the average prices of concert tickets, a large increase has been visible. According to Eventim, the leading seller of event tickets in Germany, the average price of a concert ticket has increased from 30 euros in 2013 to 44 euros in 2018. This is mainly due to the decrease in record sales that make live events the main source of income for many musicians. Other factors that increase ticket prices are stricter safety regulations that cause higher costs as well as modern stage technology that is used to make live shows visually more spectacular. (Kanning 2018.)

Although there has been a large increase in ticket prices, particularly for well-known artists, there has not been a decrease in ticket sales for such events (Kanning 2018). The reason why consumers attend concerts, according to the consumer survey conducted in this thesis, is to see a particular artist that they are a fan of. If the consumers need is not entertainment in general, but to see that particular artist, there is not a suitable alternative or substitute product, and therefore the price elasticity is likely to be lower.

However, the reason why customers typically visit smaller live music events, such as in clubs and bars is different. While a small share of the participants claimed to attend such events to see a particular artist, most participants claimed to visit there for different reasons, such as them wanting to spend time with their friends at the bar or being interested in the offered genre in general and wanting to get to know new artists. This creates the possibility of new listeners being exposed to the music of small artists that they did not know of yet.

The consumer survey also showed that the same number of participants had attended concerts as live music events in bars and clubs in the last 12 months, but such smaller events in bars and clubs had been attended more frequently. This may be partly due to the reasons why such events are visited, but also due to the lower ticket prices of such smaller events.

While the main business value for artists who play at big concerts is the revenue from the ticket prices, small artists profit from live music in a different way. The ticket prices of small live music events are low. However, live events like these often allow small artist's exposure to potential new listeners, while also giving them an opportunity to sell physical merchandise such as CDs, T-shirts and posters to their already established base of listeners. This makes live music events valuable for small artists to gain revenue and promotion.

According to Laurie Wright, the frontman of the case artist The Lodgers, live music events are the most important source of income for a band, especially due to the fact that they offer an opportunity to sell physical merchandise. He further adds that he considers sale of merchandise and tours the same source of income,

as the merchandise of The Lodgers is almost exclusively sold at live music events.

Added to live music events in small venues, also festivals provide an opportunity for small artists to increase their revenue and popularity. The majority of the participants in the consumer survey claimed to have attended at least one festival in the last 12 months. While many of them claimed to visit festivals to see a particular artist they are a fan of, a major part of them also claimed to attend festivals to see new bands there, making festivals another opportunity for musicians to gain new listeners and to sell merchandise.

For The Lodgers, the German rock festival Open Air Audigast can be considered such an opportunity to increase the success of their band. Being selected for the line-up of this event in 2018 allowed them to build a base of listeners in Germany and to gain funds for the studio recording of their EP Have you heard of the Lodgers by selling their merchandise at the festival.

Furthermore, participation in this festival allowed them to network with other musicians and to gain important business connections. Due to them being in the line-up of Open Air Audigast, Tobias Künzel became aware of the band and decided to support the making of their next album. Tobias Künzel is the lead singer and main composer of the multiplatinum awarded German pop music group Die Prinzen and therefore has means of promotion as well as access to recording technology that is not available to small musicians such as The Lodgers. As most festivals feature musicians of differing popularity, they can also be considered a chance for lesser known bands to network and to make important business connections, like The Lodgers did.

5.1.4 Special product strategy case example: Icon for Hire

When the US-American band Icon for Hire decided to terminate the contract they had with the record label Tooth and Nail Records in 2015, they were facing bankruptcy. Furthermore, even though they were allowed to keep the band name, they lost all copy rights to their previous work, consisting of two studio albums. Therefore, to continue as a band without being able to gain an income from their already published music, the band had to find new income sources. In order to finance

the making of a new album that they would be able to sell, they started a campaign with the use of the platform Kickstarter. This allowed fans to purchase the new record before it was made. With 2942 supporters, 127200 US dollars were raised. This allowed the band to produce the album and to gradually release parts of it throughout 2016. This Kickstarter project can be considered the start of Icon for Hire as an independent artist. (Icon for Hire 2015.)

With the income from the music alone, the members of Icon for Hire are not able to live as professional musicians. For that reason, they have decided to diversify the sources of their income as musicians, by finding a multitude of ways to offer value to their listeners. Besides gaining income from physical music records, live events and regular merchandise products, Icon for Hire has also created a way for fans to support them on a monthly basis. Using the platform Patreon, fans are able to pay a monthly amount of money to the band in exchange for different rewards that increase with the amount of money pledged. Such rewards include, for instance, access to their private Facebook group, where they interact with fans and perform live streamed acoustic shows, access to a private folder with unreleased material, and earlier access to new music, to new merchandise and to concert tickets. The use of the platform Patreon can be beneficial for a small artist, as it provides a relatively steady monthly income.

Besides Patreon, the band also gains income from Google Advertising on a YouTube channel, where they broadcast a weekly show with acoustic videos, discussions on topics addressed in the band's lyrics, the making of their records, and their personal life as musicians. Those topics were also discussed in the lead singer Ariel Bloomer's self-published book Turn Your Pain Into Art. This book is another major source of income for the band. Apart from that, the singer of the band runs various other creative projects that generate an income for the band. These include the selling of clothing items and stage worn outfits handmade by her under the brand name Custom Catastrophes and her classes for aspiring musicians where she teaches and explains how the band built its fan base and how the band manages itself to be successful as a professional musician.

With this variation of income sources, Icon for Hire was able to overcome their bankruptcy in 2015, and have sustained themselves as professional musicians

ever since. The band was able to create values for their fans that exceed the selling of their music. While conventional income sources, such as sales of physical records, merchandise and concert tickets, still play a major role in the band's success, they have managed to diversify their income sources, allowing them to have a secure monthly income. This ensures that they are able to finance the making of new music, while also being able to live as professional musicians.

5.2 Price

5.2.1 Music related products

Potential conventional pricing strategies for music related products, such as physical music records or merchandise, are market based pricing and premium pricing. A further pricing strategy that might particularly apply to music related products is the 'pay what you want' pricing strategy.

To use a market-based pricing strategy, the musician has to take into consideration various market factors, including the prices of competing artists and expectations of demand. Considering the demand, important factors are what customers are willing to pay, what level of quality they associate with a specific price, and how elastic the demand is, depending on the price. (Jung 2010, p. 635.)

Especially a comparison to competing artists can give new and independent musicians an idea of what normal prices are for similar products in the same region and genre. An analysis of the market factors named above is likely to allow the musician to match customer price expectations and to fit in with competing products. A potential disadvantage, however, could be access to information. A small artist probably does not have the means to conduct intensive consumer research to gain insights on what their listeners' price limits and expectations are. Therefore, such a pricing strategy would mainly have to focus on the competition as a basis of comparison.

A premium pricing strategy on the other hand, means that a product of a relatively high quality is sold at a comparably high price. This pricing strategy is supported by a marketing communication strategy to promote the quality of the product. In order for this strategy to be effective, the customer needs to be convinced that

the product is worth more than a similar product that can be bought for a lower price. An example of this is the previously discussed case of Circus of Fools. By offering products that were sustainable, fair-trade and of recognizable better quality, the band was able to set a significantly higher price for their merchandise than what is common in the industry. (Jung 2010, p. 637.)

A further requirement for the success of this strategy is a low price elasticity (Jung 2010, p. 637). A factor that may contribute to a relatively low price elasticity in this case is the involvement of rock and metal listeners in their genre. It was previously analysed that fans of rock and metal often see the genre as a part of their life, rather than just as a type of music. This leads to them wanting to support the artists they are a fan of. The result of the customer survey also confirms this. Supporting the artist was found to be a common reason for the participants in the survey to purchase music and music related products.

This high involvement and willingness of listeners to support the musician also potentially makes music related products a suitable commodity for a pay what you want based pricing strategy. This is a pricing strategy that gives the customer the choice of how much they are willing to pay for a product without the company itself setting a price. This pricing strategy is only suitable for a minority of businesses as it only works in very specific circumstances. One circumstance however, in which the model does work, is when the customer has an emotional attachment to the seller. In this case, many customers have previously been seen to pay more than they would have at a market-based set price. (Dholakia 2017.)

Especially for a small independent artist, this specific circumstance applies. Consumers in the genre of rock and metal are generally interested in supporting artists and therefore might be willing to pay more money when purchasing an independent artist's products, knowing that the paid price will directly benefit the artist. Another option is to decrease the risk of this strategy by modifying it slightly. This can be done by setting a low minimum price and seeing the pay what you want part of the price as a tip. This altered strategy was successfully used by the rock band Radiohead during the release of their album In Rainbows in 2007 (Dholakia 2017).

To conclude, all the presented pricing strategies show varying success depending on how they are used. The most beneficial outcome is probably achieved by using a mix of pricing strategies according to the specific products. The case company The Lodgers, for example, has done so by applying a 'pay what you want' pricing model to their digital downloads, but a set price to their physical products. Another way to mix pricing strategies could be to release multiple versions of the same product to satisfy different customer expectations. This could mean the release of a regular version of an album at a market-based price, but also giving the customer the option to purchase a special edition with bonus material, for example, at a higher price.

5.2.2 Live music events

The compensation a musician receives when they are booked for a live event depends on a variety of factors. To gain insights on how a musician's compensation for live music events works, René Fischer, the owner of the event management company Fischer Music and the sole organizer of the Audigast Open Air Festival, was asked about artists' compensation in his festival.

According to René Fischer, musicians are first requested by the event organizer to perform during a specific time slot. If they are available, the next issue that is discussed are the costs that the musician will have to cover in order to perform in the event. This includes traveling costs, for example, and in many cases a stay in a hotel if the artist arrives from further away. Such costs are lower if the artist is on tour at the time of the festival, as they do not have to travel specifically for the event. In order to be able to offer a lower price to the event organizer, and therefore more likely to be included in the festival program, it can also be beneficial to plan a tour in the area of the specific festival during the time of the festival when performance in the event is confirmed. The case company The Lodgers, for example, specifically planned a tour in the region of Leipzig at the time of the Open Air Audigast. As a London based band, they had to take a flight and stay in a hotel for multiple nights. By adding multiple locations and playing a tour instead of just performing at the Open Air Audigast, they were able to divide the costs of traveling on a higher income.

Other factors that affect the price are the time for how long the band will be scheduled to play, the popularity of the band and, consequently their ability to attract visitors to the event, the band's connections to the event and ability to negotiate. A connection to the event could specifically mean that the band has been playing at the festival for many years and is therefore expected to perform by the event visitors. Such a band will have a better leverage when negotiating a price, as the organizer is likely to be less willing to replace them.

5.3 Placement

There are various streaming platforms that allow artists to upload their music and to make it accessible for their listeners. This thesis will briefly present two popular services according to their advantages for the musician. The platforms that will be presented are Spotify and YouTube. The reason for this choice is that both are the most popular services in their category, Spotify for audio streaming and YouTube for video streaming.

Making music available to consumers on streaming services in general can have differentiating benefits for artists. For the consumers, the main benefit of streaming services is that they are convenient and either free or cheap to use. In turn, this means that the income an artist will receive per stream is also very low. This was discussed earlier in the thesis. However, streaming services can also be seen as a chance for musicians to gain a wider audience for their music. The consumer survey, as well as industry statistics, show that the vast majority of music listeners listen to music via of audio and video streaming. Besides that, the survey also showed that recommendations and playlists offered by streaming services are the most popular way for participants to discover new music, making these services a valuable promotion opportunity in addition to being a part of an artist's income.

Spotify can be seen as particularly beneficial for such promotion purposes, not only because of the high number of users, but also because of the recommendation engine it uses to create the users recommendations and playlists. The Spotify recommendation engine consists of three parts: the collaborative filtering, natural language processing and audio modelling. The first two parts of the engine are

designed to recommend songs to the user that other users with similar listening behaviour and interests like. This, however, means that the same songs will keep being recommended to users while new and less popular songs, which have not been listened to by many users, do not become recommended. To solve this problem, Spotify implemented the third part, the audio modelling. This part of the engine compares songs solely on their similar sound profile, meaning that new and less popular songs are adopted into the recommendation system. This is beneficial for small artists in two ways. Firstly, it allows them to become part of the recommendation algorithm, while without this specific part, they would have been excluded from it unless they already had a high number of listeners. Secondly, the user who sees the music as a recommendation of the music is particularly likely to like the music, as it is only recommended to listeners who have previously listened to similar music. (Giacaglia 2019.)

YouTube, on the other hand, does not implement this type of a recommendation algorithm, as this algorithm is specifically linked to music, while YouTube as a platform is not exclusively limited to music sharing. However, it provides other advantages to artists. One advantage is that YouTube is specialised in the uploading of videos, allowing artists to not only share their music but also music videos. Furthermore, YouTube provides the added benefit of direct verbal feedback and interaction with listeners through enabling comments on the videos, as well as a like and dislike function under every video.

Additional benefits of both platforms are the ability to reach an international base of listeners, due to the fact that uploaded material can be streamed from all over the world without additional costs and the ability of listeners to subscribe to artists they like, causing them to be informed immediately by the platform if the artist uploads new content.

In general, the distribution of music to its listeners via both of the mentioned streaming platforms provides the artists with a variety of benefits that exceed the income they are able to receive from their music being consumed on these platforms. Such benefits are mainly of promotional nature. Therefore, while the thesis has previously concluded that the growing popularity of streaming services affects the success of small musicians more in a negative way, it is still important

to recognize that given their popularity, the participation of artists in these platforms is beneficial to them as a business.

5.4 Promotion

In order to analyse which means of promotion are the most effective ones to attract new listeners to a musician, the consumer survey asked participants about where they discover the music that they enjoy listening to. With 80% of the participants choosing this option, recommendations and playlists from streaming services were the most popular source of new music. This promotional aspect of streaming services has been discussed in the placement part of the survey. This chapter will analyse other means of promotion that are available to small artists, providing case examples of artists who are successfully using those means of promotion.

These suggested means of promotion will be presented according to the goals they can fulfil for the musician. These potential goals are to increase popularity, to form the consumers' perception of the artist, to create differentiation, and to create or maintain purchase intention. Other factors that can be considered to judge the value of a promotion method can be the number of consumers that can be reached, the level of possible creativity and control over the communication situation, the possibility of consumer feedback, and the costs or effort required by the method. (Meffert et al. 2010.)

After streaming services, friends and family are the second most popular source of new music for the participants in the survey. Although the artist cannot control if and what their listeners will tell their families and friends about them, it may still be possible to consciously use this fact to promote music. This can be done, by providing a particularly high quality or unique product or experience, for example to the already existing customers. If a musician is particularly unique and differentiates themselves from other musicians, this strategy can be especially successful.

An example of a band that managed to quickly grow their listener base this way was the melodic death metal band Arch Enemy in 2001. In that year, the lead singer of the band, Johan Liiva, decided to quit and had to be replaced. The new

singer the band found was Angela Gossow. During that time, having a woman as a lead singer in a death metal band was very uncommon and listeners of the band were shocked by the decision. Most people had never heard a woman using guttural singing techniques before. The consequence of this was that listeners kept recommending the band to people they know. New listeners gained that way were positively surprised by the uncommon sound and the band was able to attract new listeners, including listeners who were not previously interested in death metal and started listening to the band purely because they were told about their uniqueness. Even though having a woman in a death metal band today is considerably more common, the success Arch Enemy reached this way still prevails. (Prinz 2017.)

To conclude, this method of promotion is particularly useful for increasing popularity. A drawback of this strategy, however, is the lack of control the musician has over this method of communication. While the artist is able to increase the chance that listeners will recommend them, there is no way to directly control what and if their listeners tell their friends and family about them. Therefore, this method is not suitable as a professional artist's sole method of promotion.

Another source that the participants (43%) in the consumer survey claimed to discover new music from is social media. There are various methods to use social media for promotion purposes, depending on the goal. Two popular social media platforms that can be used for promotion content are Instagram and Facebook. On both sites, the artist can create an account for their band to promote themselves and their music and they can use specific advertising functions to promote their products such as records and merchandise. They can use also interactive features to communicate with listeners. Therefore, depending on the way social medi are used by the musician, they can fulfill different business goals.

One business goal could be to increase the popularity of the band and to gain more listeners. This has been achieved by the symphonic metal band Epica and their singer Simone Simons, for example. With popular topics unrelated to the music of the band, Simone Simons built a steady fan base of almost 300,000 followers as a social media influencer. Under the name Smoonstyle, she has led a successful blog and an Instagram account about beauty advice, fashion and

travel. By running a blog about such popular topics, Simone Simons has gained a broad following and caused people to become interested in the band, people who previously were not interested in the genre of metal. (Simons n.d.)

One potential reason why this strategy worked for the band Epica, in particular could also be that the style of music of the band is not purely metal, but a cross-over genre of metal and classic music. This makes the music more accessible for listeners who have not previously been interested in metal. It is likely that this strategy would not work for a band with a less popular and accessible style of music, such as death metal or black metal, as such subgenres are often not appealing to listeners who are not particularly interested in metal.

Another example of a successful strategy to increase popularity is Circus of Fools' method of cooperation with an already popular social media influencer. By cooperating with the German social media influencer Der Dunkle Parabelritter and his clothing label Von Tiling, the band was able to significantly increase their popularity, not only of their music, but also of their merchandise products. This cooperation constitutes of the band's merchandise being adopted in Von Tiling's merchandise assortment as well as the band's new music video being published on the YouTube channel of Der Dunkle Parabelritter. With over 170,000 subscribers, this channel is one of the most popular YouTube channels about metal in Germany. (Prinz n.d.)

In comparison to the previous strategy, this strategy is more suitable for musicians with a target audience that is limited to people already interested in metal. At the same time, however, a difficulty can be to find an influencer who both has a suitable target audience and who is willing to cooperate with the band. Circus of Fools achieved that by sharing and promoting the same topics and values as the influencer they cooperated with, therefore gaining his support.

It is common for influencers in the metal scene to actively search for new, small artists to present to their followers. It is not guaranteed that a musician is able to gain such a cooperation with an influencer, so it should not be a musician's only method of promotion. Nevertheless, contacting suitable influencers and providing

them with demo material of the band can have a mutually beneficial promotion outcome for both the influencer and the musician.

Apart from gaining popularity through social media, another goal can be to build a customer relationship with people already listening to the band and to form an idea of the perception the public has of the band. This goal will be discussed in the brand relationship management part of the thesis.

Furthermore, another goal of the musician can be to promote their products, such as physical music records and music merchandise products, to their already existing listener base. Facebook, for example has various options to promote advertising content. Creators can purchase different types of promoted content, such as promotion of their page in general or promotion of a particular post that shows consumers the variation of the products the band offers. The costs of such Facebook advertising are flexible. The creator can either set a goal for how many times the post is supposed to be clicked by users and then pay according to the number of clicks. It is also possible to set a maximum budget. Here, the creator will set a maximum amount of money they are willing to spend, either on a specific advert or on all of their Facebook adverts in total. Then Facebook will make suggestions of what possibilities of promotion the creator has with this budget. However, some types of advertisement have a minimum budget to be set. (Facebook n.d.)

Considering the advantages of Facebook advertising, this channel can be beneficial for musicians for various reasons. Facebook has a large user base of 2.4 billion active users (users who access Facebook at least once per month), 385 million of whom are in Europe (Roth 2019). Secondly, the musician has a great deal of creative freedom and control over the advertisement, by being able to choose from many types of advertisement and having many editing options. The possibility of receiving customer feedback is another added benefit, as users have the possibility to react to the advertisement with comments, likes and shares. Finally, the costs of this type of advertisements can be seen as a benefit too, as they are flexible to fit the artists budget. Those same benefits and conditions also apply to advertising on Instagram, as Instagram advertising is organized by Facebook and requires a Facebook page to be used.

Even for bands who do not see social media promotion as their main promotion method, it seems that being active on social media has become a necessity. An example of that is the case artist The Lodgers. When asked about changes in the music industry, lead singer Laurie Wright stated that the popularity of social media is one of the factors that has made business as an artist more difficult for the Lodgers as a band. The band is not interested in social media and the members describe themselves as not proficient in the use of social media to promote themselves. According to Laurie Wright, this puts them at a significant disadvantage compared to competing bands who put more focus on their social media presence. The Lodgers' main method of promotion is performing on the street, for example before a show, when the stage is still being set up. This method has the advantages that new listeners may be attracted if they like the music, that it is convenient for the band and that the new listeners who are attracted this way likely live close to the venues where the band typically plays, so the probability of them purchasing tickets for actual live shows is higher.

Another important aspect of social media promotion is the promotion of music events. While only 43% of the participants in the consumer survey claimed to find new musicians to listen to via social media, 74% of the participants claimed to learn about live music events they visit via social media. This makes social media the most popular source of information about live events for the consumers asked in the survey, followed by recommendations of friends and family (54%) and signs and flyers at other music events (28%). All other means of event promotion, such as signs in cities, e-mail newsletters and print media, were selected by fewer than 25% of the consumers in the survey.

Besides the consumers in the survey, the event management company Fischer music was asked about the means of promotion they typically utilise for their own festival. According to the owner of the company and festival, René Fischer, flyers at other festivals and social media promotion have been the most successful promotion methods for them. They have also used signs to promote the festival in the nearest large city, Leipzig. Those, however, have been expensive compared to the value they provided for the company. The flyers placed at similar events are likely to be more effective, while also being less expensive. The reason for

that is that although fewer people will see them, the people who do are more likely to be interested in the event and in turn purchase a ticket. A problem the company Fischer music has is that they have no way to verify which promotion methods are the most effective ones in generating more visitors to the festival.

To conclude, in order to gain the most beneficial results from promotion efforts, it is important to first plan the goals the promotion efforts are supposed to achieve for the band. Secondly, it needs to be considered what the bands style of music and the target audience are and how this specific audience can be reached. There are various options for musicians to promote their music, their products and their live music events. Which combination of promotion methods is the most effective one for a specific musician depends on the means of the musician, the image they want to portray to the public, and the individual set of business goals that are supposed to be achieved through the promotion strategy.

6 Brand management

6.1 Brand identity

The brand identity of a business, in this case a musician, can consist of different levels. The first level is communication. This is the part of the identity that the business consciously presents and communicates to the public and the customers. The second level is design. This level is the part of a brand identity that comes from the way their products, packaging, and communications are designed. The third level is the behaviour, meaning the way a brand acts towards stakeholders, such as customers or employees and the public. (Meffert and Burmann 1996, p. 23.)

All of these levels influence the way a customer will see the company. Therefore, it is not only necessary that none of these levels are practised in a way that the target group sees negatively, but it is also necessary that the brand image in all three levels is authentic and coherent. This means that the image a brand communicates to the public matches their design and behaviour. A case example where this is done well is the band Circus of Fools. In their lyrics and promotion, they portray sustainability and fairness as important values for the band. This is

coherent with their products and packaging, as they only sell merchandise that is sustainable and fair-trade. It is also coherent with their behaviour, as they ensure to cooperate with business partners that follow the same values. This makes Circus of Fools' marketing communication more believable to their target group and the band as a whole more authentic in their values.

Authenticity of a brand is important as it increases the trust the customer has towards the brand, which in turn is likely to increase purchase intentions. In order to be authentic as a brand, it is necessary to first define and communicate clear brand values. When such values are defined, the brand needs to appear loyal to them. This can be done by applying the values to the brand's behaviour and by fulfilling the communicated values in all areas of business. Besides that, long term consistency of brand values is also shown to increase the trust consumers show towards a brand. (Hsu 2019.)

Besides ensuring that a brand's communication strategy is coherent with their designs and behaviour, it is furthermore important to ensure that the identity and the image the musician portrays to the public is coherent with the target group they are trying to appeal to. The Audigast Open Air festival, for example, has decided that they wish to attract an older target group. In order to appeal to this target group, the festival changed the style of music that is played there from punk and hardcore music to classic rock and blues rock music. For this reason, more people in their desired age group of around 50-year-old people started appearing at the festival. This also applies to musicians. The style of music that is played and the way a band presents themselves to the public defines the target audience they are going to attract to their music. A musician therefore needs to be aware of their music's target group and form their brand identity in a way that appeals to this group. This way brand identification can be achieved.

While authenticity of a brand and its values can increase purchase intentions through brand trust, brand identification is required to create brand passion, meaning that customers display an emotional attachment to the brand. Brand passion does not only further increase a consumer's purchase intentions, but it also increases the support for the brand that a customer is willing to demonstrate

to the public. This makes brand passion and therefore brand identification, a necessary concept for a musician's branding strategy. (Hsu 2019.)

To conclude, it can be said that both brand trust and brand passion are beneficial for a musician to increase the purchase intention and the demonstration of support from consumers. Brand trust and passion can be achieved through authenticity and a clear definition of a brand image that the customer can identify with. To further strengthen brand trust and passion, it is also to necessary to maintain a relationship between the brand and the consumer.

6.2 Brand relationship

The high involvement of consumers with the music and the artists in the rock and metal scene can provide a favourable base for a musician to build a relationship between their brand and the consumers who listen to their music, as this makes the consumers willing to engage with artists beyond the pure consumption of the music itself. A strong brand relationship and resulting attachment of the customer to the brand are beneficial for the musician as this attachment is likely to cause customers to purchase more of the artists products, recommend the artist to other people more often and be willing to pay higher prices for the artist's products.

There are multiple ways how an artist can increase the relationship consumers have with their brand. The possibilities include customer expectation management, communication with customers and involvement of customers in the brand. As the management of customer expectations with the use of product levels has already been discussed, this chapter will focus on presenting communication and involvement. The aims of brand relationship management will be considered to be an increase in brand trust and identification, resulting in an increase in purchase intent and support for the artist.

Brand communication in the way of promotion particularly aims to use different communication channels to present the brand image and identity to the consumer in a positive way. This allows the consumer to gain a clearer understanding of what the brand entails. By frequently and consistently presenting the brand image through logos, slogans and values associated with the brand, brand understanding and trust are formed. Furthermore, brand identification can be increased this

way if a customer feels that the values expressed by the brand represent their own. Communication channels that can be used by the artist for this purpose include social media, an own website or also communication with fans in person after live music events or in the shape specific fan meeting events. (Hsu 2019.)

Besides that, the forming of fan communities is a beneficial method, both communication with the customer and involvement of customers in the brand. Social media provides artists with opportunities to form such communities. One potential way to do so is the creation of a fan group. This can be done through a forum on the artist's own website, but also through a group feature that social media platforms such as Facebook often offer. Fan groups encourage listeners of a musician to communicate with each other and to share their thoughts and experiences of music and the products of the artist. A benefit of that is that being part of such a group will likely increase the consumers identification with the brand and therefore their attachment to it, and their likeliness to display support for the artist to other people. Another benefit is that such groups where customers share their thoughts and experiences can give the artist valuable insights on customer expectations as well as feedback from customers on the musician's products. (Hsu 2019.)

Other ways to encourage listeners of the music to feel as part of a community include competitions amongst fans, sharing fan stories, for example in the form of reposting pictures fans take with their merchandise products on the artist's social media channel, and, in general, encouraging fans to get in contact with the artist by posting about them on social media. (Hsu 2019.)

An example of a musician with a particularly elaborate strategy of creating a brand relationship with the use of fan involvement is Icon for Hire. Every project the band engages in is led by the slogan *Our Fans are our Record Label*. Besides regularly communicating this message, the band uses various methods to include the fans in the band's projects. Examples of that are arranging social media polls where listeners can vote which song on an album will receive a music video, making a stage banner from fans' submitted photos with the band, featuring fans as actors in music videos, creating a fan art contest in which the winner's drawing is featured on Icon for Hire's merchandise and creating a website where fans can

submit their wishes for topics discussed in the lyrics of future songs. This not only increases the fans' identification with the band as a brand, but also allows the band to better understand their fanbase and gain feedback on what fans expect from the band, their music and their products.

To conclude, it can be said that creating and maintaining a strong brand relationship is important to create an attachment of consumers to the brand and therefore to increase the consumers' intent to purchase the artist's products and to support the artist by recommending them to other people. Such a strong brand relationship can be achieved by clearly communicating the brand values to listeners, by creating a fan community for listeners, and potentially by involving the listeners in the brand to further increase brand identification.

7 Conclusion

In the recent years, various changes have occurred in the music industry that have negatively affected the income sources of small artists. Such changes include, the replacement of physical music records and purchased downloads with music streaming or the spread of unlicensed consumption and distribution of music. For that reason, a differentiation of income sources for artists becomes a necessity.

For the genres of metal and rock music, this problem is particularly relevant. Due to the comparably low popularity of the genre itself, artists who are active in the genre have a smaller target audience to market their music and music related products to. However, this problem may be mitigated by the fact that listeners of the genre tend to be more dedicated to the music, more involved in the genre and more interested in supporting artists.

This provides a chance for artists of the genre to build a particularly strong brand relationship with their listeners, not only through promotion efforts but also through brand management that affects their entire business strategy. In order to build such a strong brand relationship, artists need to be authentic as a brand and define clear brand values for listeners to identify with. Besides that, artists

need to utilise the changes of the music industry in a way that benefits them, so that they can stay competitive to other artists.

The social media presence of an artist, for example, plays an increasing role, not only in attracting new listeners, but also in maintaining a customer relationship with current listeners and in the promotion of products and events to existing fans. Social media provide many different features that small artists can use for this purpose. Such features include promoted content, the creation of an artist page or the creation of fan groups, for example.

Those tools can be used by the artist to create a listener community and to involve listeners in brand projects. This not only creates a stronger brand relationship due to the involvement of consumers in the brand, but it also provides artists with a way to receive insights on customer expectations by viewing comments and posts consumers write about the artist. Such insights can then be used to adapt products and the way they are marketed.

The consumer survey that was conducted for this thesis shows that the majority of metal and rock music fans are still purchasing physical records and merchandise products on a regular basis. What has changed are the reasons why they do that. The main purpose of purchasing physical records is no longer the fact that it is how consumers prefer to listen to the music. To the majority of survey participants, the records are collector's items or a way to support their favourite artists. Such changes in customer motivations are important for artists to be aware of and consider. The reason why a customer buys a product also provides information on what the customer expects of the product and therefore changes the way a product needs to be designed and marketed.

Besides that, it is important to recognize opportunities that are provided by changes such as the popularity of streaming services. Although streaming services and their popularity has had a negative effect on artists and their means to generate an income, they also provide advantages for small artists trying to build a listener base. An example of that is Spotify, whose recommendation engine is designed in a way that it recommends music of small artists to consumers who have previously shown interest in music with a similar sound structure.

To summarize, it can be said that the most important aspects for a small artist's marketing strategy would be to understand their target audience, to adapt to the expectations of that audience, and to communicate a clear and authentic brand image to the target audience.

The findings of this thesis are meant to be applied to small artists in the music industry, within the genre of rock and metal in the German market. The data is not reliable for artists who are active in other genres of music. The reason for this is that many of the findings result from the unique target group traits that have been researched within this genre specifically. It may however, be possible to apply parts of the results to other entertainment industries, provided that the target group is similar. Examples of that are rock and metal themed video channels or independent magazines about rock and metal.

Furthermore, while the thesis is focused on artists active in the German market, it may also be possible to apply parts of the findings to musicians in other countries. With the recent changes in the music industry, particularly its digitalization, it has become easier for small musicians to access listeners worldwide, for example by using online services such as music streaming or social media promotion. As rock and metal are genres with a comparably low popularity, this is an important chance to increase the size of a musician's target group. The thesis attempted to take that chance into consideration and therefore, particularly in the discussion about such online opportunities, findings can probably be applied on a global scale.

Added to that, the thesis focused on small artists, as defined in the basic concepts chapter. While many of the discussed strategies can be applied by more well-known artists, they may not be needed in that case, as such artists are likely to have a sufficient income already, a large listener base and a clear business strategy that a professional label can develop. It can, however still be beneficial for more popular artists to make use of such strategies in specific cases. An example of that is the Chicago based rock band Fall Out Boy, who decided to give several concerts in small pubs again, as they did when they started making music as a small band. Although only very few fans were able to attend this tour, the general

perception of the band improved. Listeners felt that this tour made the band seem humble, close to fans and not profit oriented.

One aspect that might make the findings of the thesis less reliable and valid in practice may be the large number of subgenres within rock and metal, such as symphonic metal, power metal, death metal or black metal. Most of the thesis' findings result from research on rock and metal listeners as a whole. However, different subgenres make use of completely different music sound, lyrical themes and general style. This affects the target group such subgenres attract. For example, a more melodic power metal band such as Sabaton, with lyrics about historic events is going to attract a completely different audience than an extreme death metal band such as Cannibal Corpse with explicit gore as their main lyrical theme. Therefore, it may be relevant to further research the most popular rock and metal subgenres and to discuss which specific target groups they attract and how a marketing strategy can be adapted to them.

Besides that, the topic of this thesis can be expanded further by focusing on other marketing strategies and other business aspects. One other strategy that can be applied to music might be the medici effect, which consists of creating a cross-section between different aspects. Applied to music, this could mean to create a new style from the mix of different genres. Examples of that are musicians such as the symphonic metal bands Nightwish and Epica, who combine metal and rock with elements of classical music, or Amaranthe, who combine modern metalcore with elements used in pop music. This could also mean to combine the art form of music with other art forms. An example of that could be Blind Guardian's work Legacy of the dark lands. This album was a collaboration with the popular German fantasy author Markus Heitz. Heitz wrote a novel and the music album continued the story, using a mixture of songs, spoken interludes and paintings.

Another topic that can be discussed when considering the marketing of music can be the use of a person as the brand. Due to the high involvement of listeners of rock and metal in the music, it is normal for fans to know all members of a band and which parts they play in it. Nevertheless, there still are successful bands whose marketing and branding strategy is focused on one particular band member, often the frontman/-woman. This can be for various reasons. The particular

person may be focused on due to them being especially charismatic, such as Lzzy Hale from the band Halestorm or Alissa White-Gluz from the band Arch Enemy. But especially in subgenres with darker lyrical themes such as black metal, this can also be due to the person's infamy or criminal history, such as Varg Vikerness from the band Mayhem. It may be interesting to research what other reasons there are for a single band member to become the focus of a brand image, as well as how such a branding strategy needs to be executed for it to be successful.
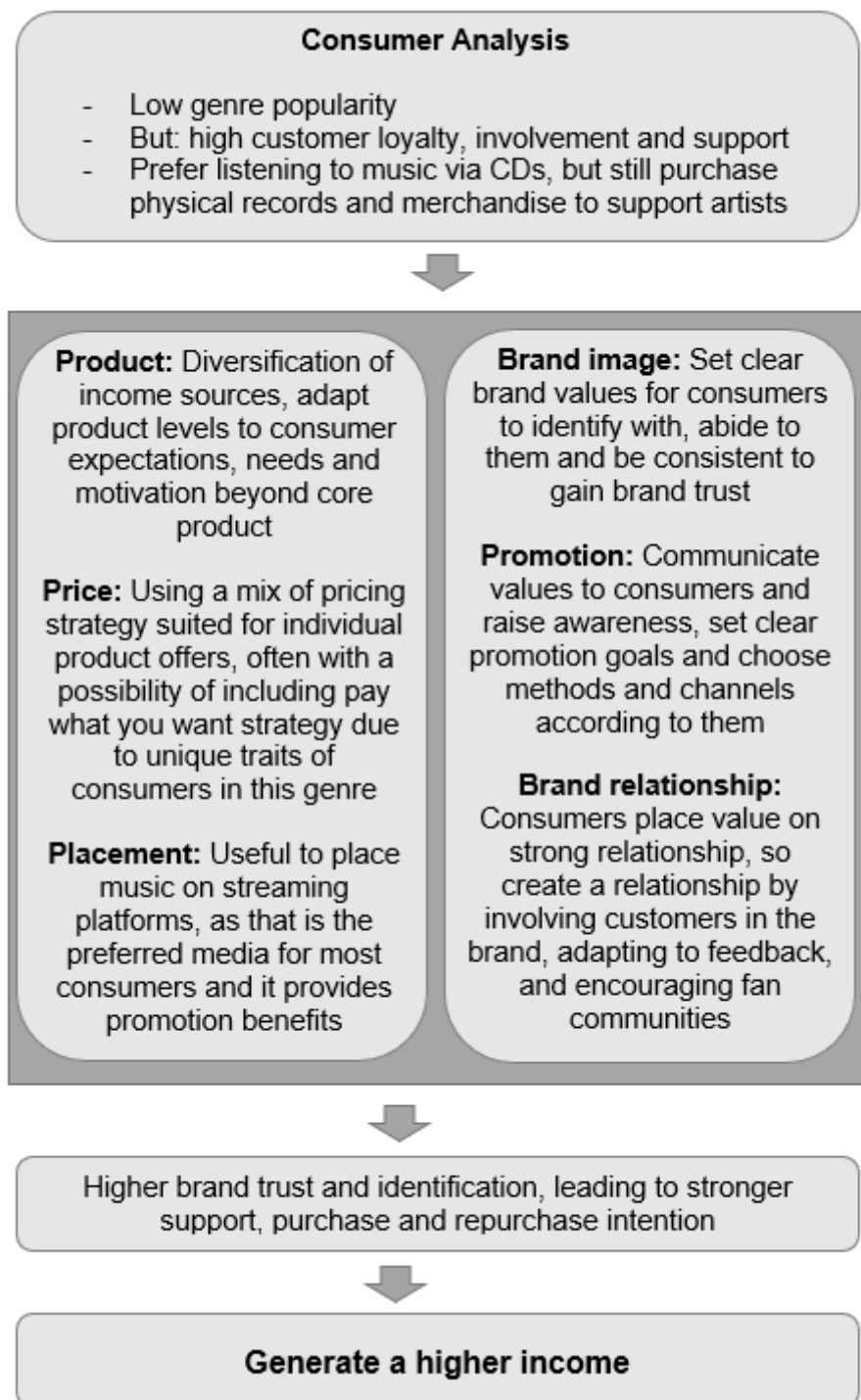
8   Summary flow chart

Consumer Analysis

- Low genre popularity
- But: high customer loyalty, involvement and support
- Prefer listening to music via CDs, but still purchase physical records and merchandise to support artists

Product: Diversification of income sources, adapt product levels to consumer expectations, needs and motivation beyond core product

Price: Using a mix of pricing strategy suited for individual product offers, often with a possibility of including pay what you want strategy due to unique traits of consumers in this genre

Placement: Useful to place music on streaming platforms, as that is the preferred media for most consumers and it provides promotion benefits

Brand image: Set clear brand values for consumers to identify with, abide to them and be consistent to gain brand trust

Promotion: Communicate values to consumers and raise awareness, set clear promotion goals and choose methods and channels according to them

Brand relationship: Consumers place value on strong relationship, so create a relationship by involving customers in the brand, adapting to feedback, and encouraging fan communities

Higher brand trust and identification, leading to stronger support, purchase and repurchase intention

Generate a higher income

Figure 2. Summary of the strategy results

Figures

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Appendix 1: Results of the consumer survey

The consumer survey was conducted to gain insights on the buying behaviour of the target group of small musicians in the genre of rock and metal. The constructs that were researched within this topic include the consumer's purchasing frequency of different products and services, their motivations for making those purchases, their product and channel preferences as well as their response to different promotion efforts and brand traits.

To ensure the validity of this research, it was attempted to restrict the sample frame to consumers who fit the target group of small musicians. All participants in the survey were people with an already existing interest in rock and metal music. The sampling frame consisted of visitors of the Open Air Audigast music festival and users of online forums about the genres of metal and rock music. Only forums about the genres in general were chosen, not forums that discuss a particular artist's work. The sampling size was 100 consumers. This sample was taken with the convenience sampling method. The reason for choosing this method was that the participants in the survey were not approached and asked to participate, but they were able to see the survey at the festival and in the forum, and chose to participate themselves.

A problem with convenience sampling is that it has the risk of the sample being an inaccurate representation of the target group. It was attempted to mitigate this risk by adding voluntary questions about the age and gender of the participants to the survey. The results of those two questions were then compared with secondary data about the demographic of people interested in rock and metal music.

The survey was presented to the participants in the shape of an anonymous, self-administered online survey. It was offered to the participants in the English and German language. Participants who found the survey on a forum were able to use a link and to fill in the survey on a device of their choice. Participants found at the festival were given the option to either have the link sent to them to fill it in later or to fill it in immediately on a tablet that was given to them to fill in the survey.

Except for the participants who chose to complete the survey immediately, it was not possible to verbally clarify the meaning of the questions, in case the participant did not understand what is meant. To ensure that no misunderstandings would lead to inaccurate answers, every survey question of the survey included examples.

The survey consisted mainly of multiple-choice questions, as such questions are fast and convenient to answer for participants. Most questions also included an "other" option, were participants were able to add different options, if it is not already listed. One other type of question was a comparative weight question, where participants ranked multiple options according to their preferences. This question type was included because it was assumed that participants would use most of the different options, and the goal was to find out to what degree they use them.

1 Personal questions

Both personal questions were voluntary and could therefore be skipped without answering by the person taking the survey. The total number of participants in this survey was 100.
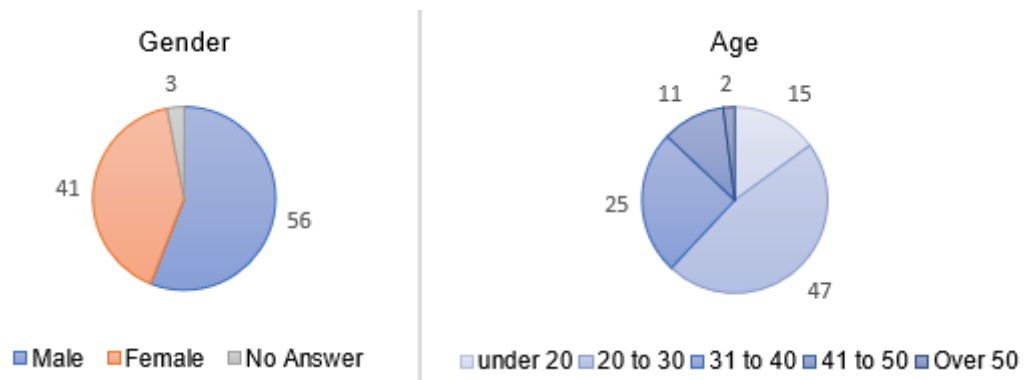

2 Purchase of music and music related products

Examples were included in the question for every type of product, to ensure that the participants know what was meant. In the charts, these examples were excluded.

Each question had an "other…" option where the participant could type their own answer. The typed answers are shown below the graphics. German answers were translated into English.
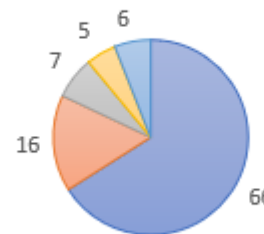
How many physical music records have you purchased in the last 12 months?

2
15
13
42
28
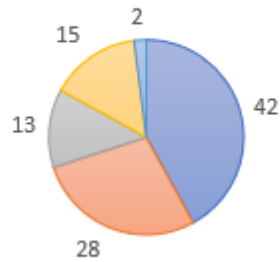
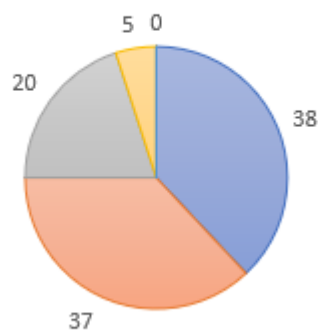□None □1 to 5 □6 to 10 □11 to 20 □Other

Other: 2 times "Over 20"

How many mp3 downloads have you purchased in the last 12 months?

5 6
7
16
66

□None □1 to 5 □6 to 10 □11 to 20 □Other
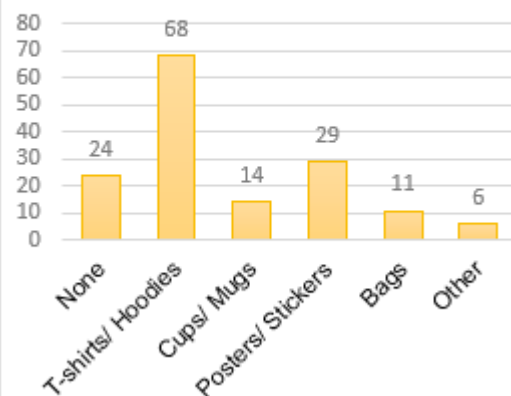
Other: "30", "40", "7 Albums", "300+", "over 100", "100s"

How many band merchandise products have you purchased in the last 12 months?

5 0
20
38
37

□None □1 to 5 □6 to 10 □11 to 20 □Other

**Which band merchandise products do you like to buy the most? (multiple options possible)**

Other: 2 times "Patches", "Keychains", "Panties", "Pins and Patches", "Jewellery and Patches"

3 Consumption of music

All of the six options below were presented to the participant. The participant was then asked to change their order from the most used one to the least used one.
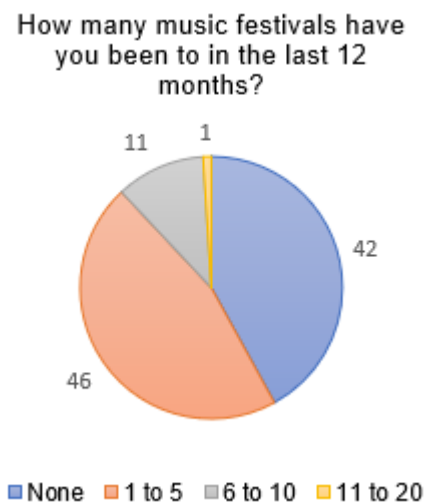
To present the results, an average weighting was assigned to each option. This was done with a point system. When an option is placed as the most important

one it will receive 6 points, the second most important one receives 5 points and so on. The average points of each option are presented in the chart below. All averages were rounded to one decimal place.

Which media do you use to listen to music?
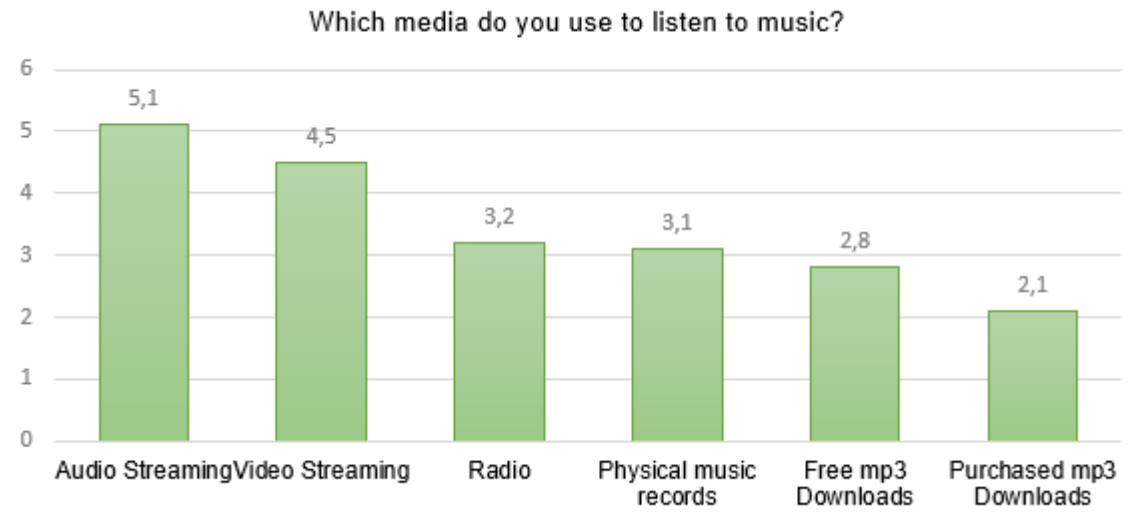
4 Frequency of visiting live music events

Again, each question had an "other…" option where the participant could type their own answer. This answer was not chosen in any of the questions about the frequency of visiting live music events. Therefore, it will be left out from each graphics legend.
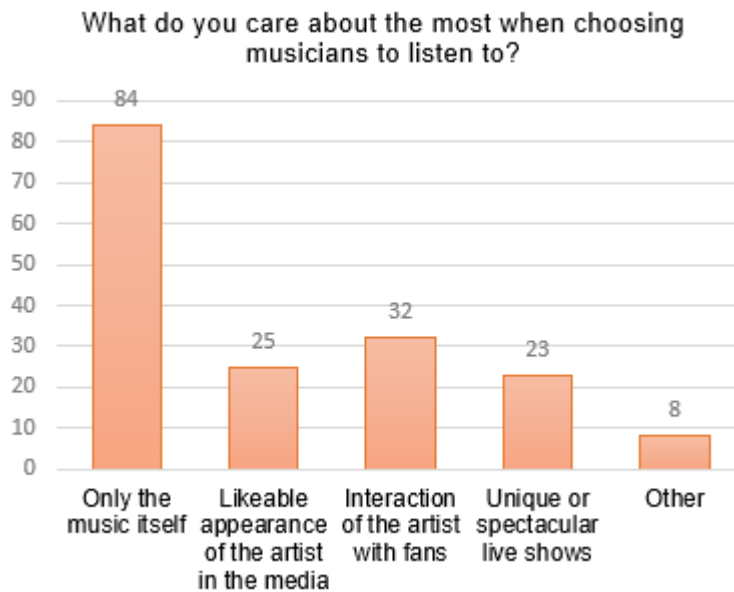

How many concerts have you been to in the last 12 months?

How many music festivals have you been to in the last 12 months?

How many live music events in bars or clubs have you been to in the last 12 months?

16
31
18
35

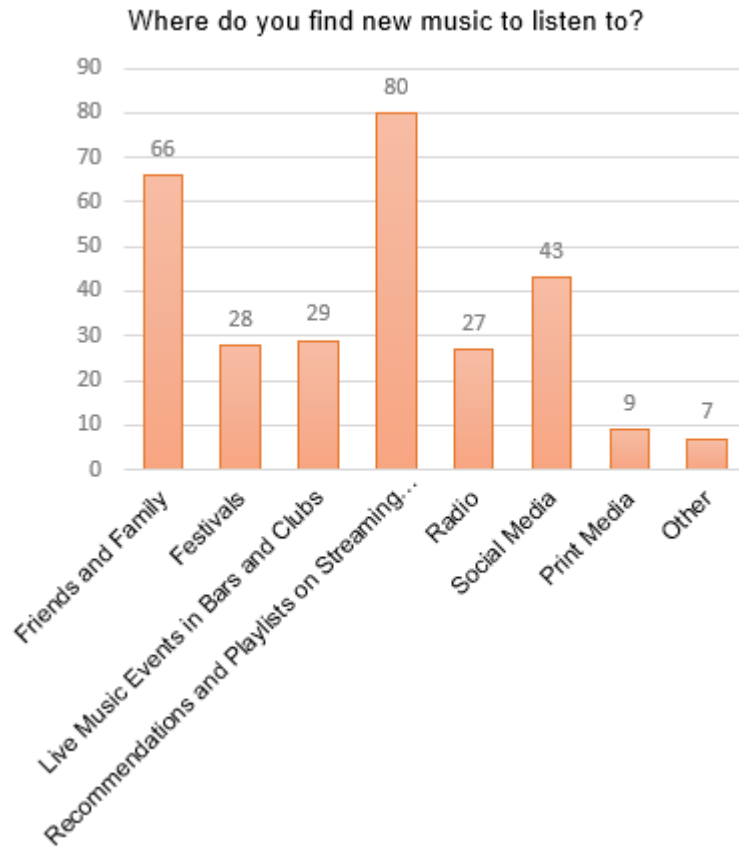■ None ■ 1 to 5 ■ 6 to 10 ■ 11 to 20
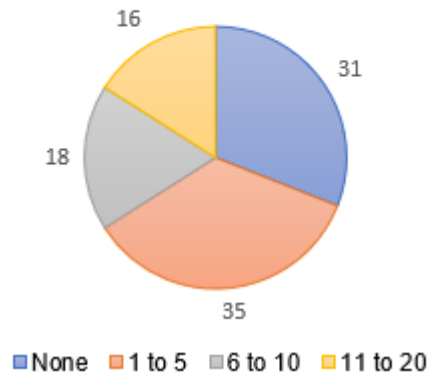
5 Questions related to marketing communication

In all of these questions, the participant was able to choose multiple options from a given list. The list also included a field titled "Other…", where participants were able to type their own answer. German answers were translated into English.

What do you care about the most when choosing musicians to listen to?

90
84
80
70
60
50
40
32
30
25
23
20
10
8
0

Only the music itself | Likeable appearance of the artist in the media | Interaction of the artist with fans | Unique or spectacular live shows | Other

Other

- "The media the songs appear in (like games and movies)"
- "Whether or not the artist is a terrible person."
- "World view, social and political engagement"
- "No bad world view (for example right-wing)"
- "being with friends"
- "Political opinion"
- "Creativity/ something new"
- "Not always the same"

Where do you find new music to listen to?

Other:

- "The rest of the internet aside from social media"
- "Subreddits dedicated to genres I like"
- "Music Forms/Websites"
- "Music blogs, music sharing sites"
- "Last.fm"
- "New games and movies I watch"
- "Movies"

How do you hear about the music events that you visit?
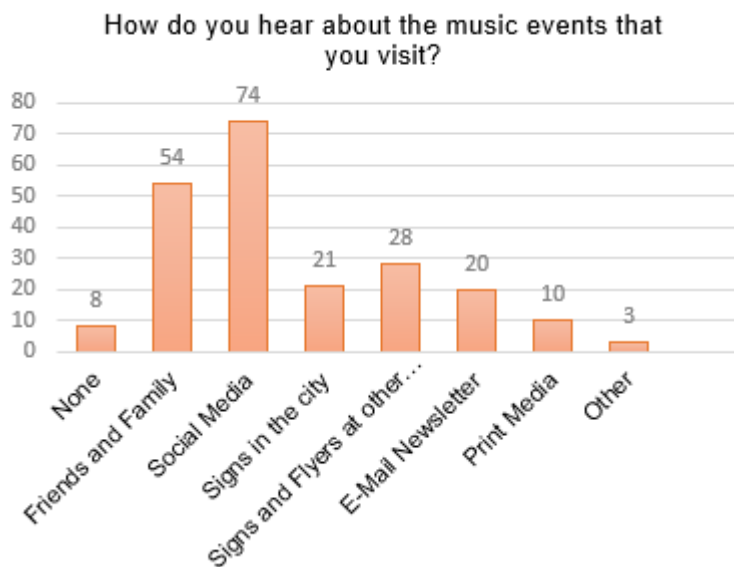
Other:

- "I get notifications on ents24 when musicians i like add a show in my country, if a bunch all add the same festival then i check out the festival"
- "Other online sources"
- "Seriously, there's stuff on the internet that isn't Facebook"

6 Consumer motivations

In all of these questions, the participant was able to choose multiple options from a given list. The list also included a field titled "Other…", where participants were able to type their own answer. German answers were translated into English.

Why do you purchase physical music records?

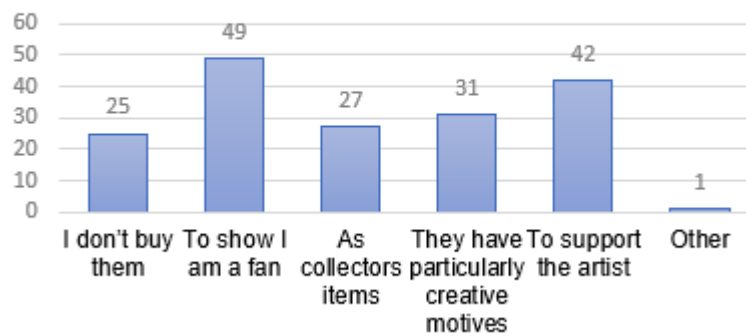| Category	Value
I don't buy them	39
I prefer to listen to music on physical records	8
As collectors items	49
To receive bonus material	21
To support the artist	41
Other	3
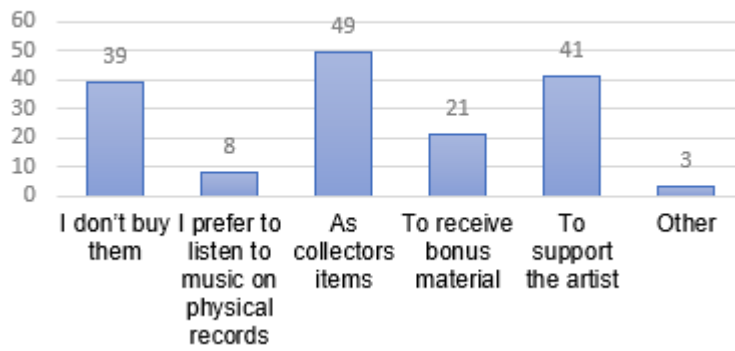
Other

- "The security of knowing I own a physical manifestation of the music that is free of DRM and cannot be lost or taken away if a platform goes under"
- "Just to have a physical version of the music"
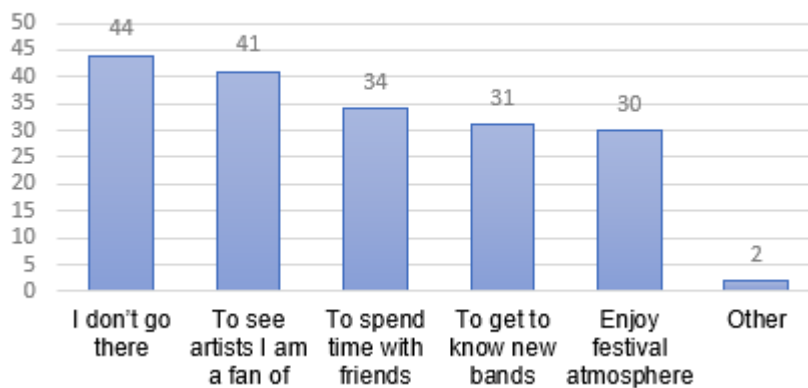- "Sometimes I like the charm of Vinyls"

Why do you purchase band merchandise products?

Category	Value
I don't buy them	25
To show I am a fan	49
As collectors items	27
They have particularly creative motives	31
To support the artist	42
Other	1

Other

- "A mementos/ memories of shows I've been to"

Why do you go to music festivals?

Category	Value
I don't go there	44
To see artists I am a fan of	41
To spend time with friends	34
To get to know new bands	31
Enjoy festival atmosphere	30
Other	2

Other

- "If a bunch of artists that i like re all playing then it's an efficient way to see them all, plus the bonus chance of bumping into them walking around"
- "beer. lets face it ^^"

Why do you go to concerts?

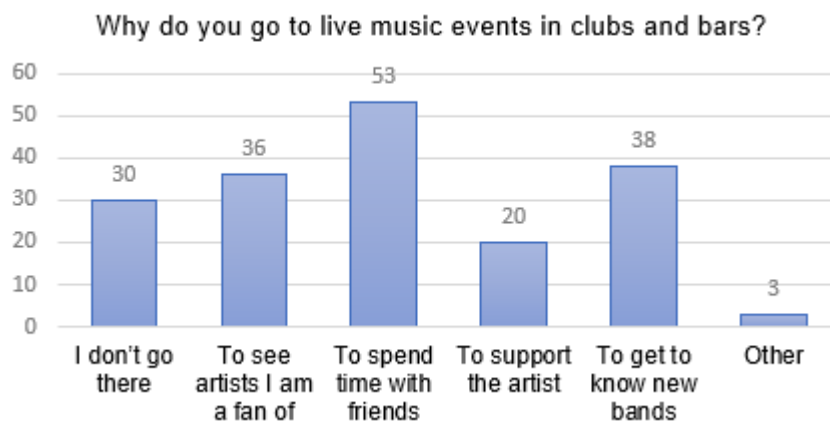| Category	Value
I don't go there	26
To see artists I am a fan of	70
To spend time with friends	32
To support the artist	30
To see spectacular/ unique live shows	34
Other	1

Other

- "also beer."

Why do you go to live music events in clubs and bars?

Category	Value
I don't go there	30
To see artists I am a fan of	36
To spend time with friends	53
To support the artist	20
To get to know new bands	38
Other	3

Other

- "Because they're there"
- "i mean, beer."
- "Because I enjoy being in the bar"

8

Appendix 2: Interviews

Two interviews were conducted to gain insights into the music industries from different perspectives. The first interview was held with René Fischer, the owner of Fisher music. This company organizes tours for musicians and the owner also organizes a music festival every year. Due to his experience, René Fischer is able to provide insights on the choice of musicians for a festival, the compensation for musicians at a festival as well as the promotion for such events, for example. He may particularly fit the topic of this thesis due to the size of his company and festival and the music genre he works with. The musicians whose tours are organized by his company are primarily active in rock and metal music and fit the thesis' definition of small artists. His festival also primarily hires artists that fit this definition.

The interview took place in person at René Fischer's home and was conducted in the German language. It was audio recorded. The translation of the entire interview is included in this appendix. Most of the questions that were asked in the interview were prepared beforehand. A few questions also resulted from the conversation. It was, therefore, mainly a structured interview.

The interview with Laurie Wright took place in person, shortly before his band The Lodgers played their show. It was conducted in the English language and it was audio recorded. The transcript of the interview is included in this appendix. Similarly to the previous interview, most of the questions were planned before the interview and only a few additional questions resulted from the conversation.

Laurie Wright was interviewed to gain insights on the music industry from a small artist's perspective. The band The Lodgers fits the topic of the thesis well, as it is a small artist, but at the same time a band that sees itself as a business and actively tries to grow their listener base and income possibilities. Furthermore, The Lodgers' main target audience are people who are interested in rock music and who live in Germany. This also makes them a suitable source of information for this thesis.

Both of the people who were interviewed were aware of the main subjects of the interview as well as the subject of the thesis before the interview began.

1 René Fischer of Fischer Music

How do you decide which bands you book for your festival?

I just have to go with my feelings there if I think they'd fit in. There are many great bands, but sometimes you just have to say "That's cool, but I don't know what to do with that". There are also singers and solo projects like Sarah Lesch. She's good. But we had two artists like that in the same year, her and Stoppok. And that was just one too many for the festival. Only Sarah Lesch or only Stoppok would have been fine. In that way it was just too much singer-songwriter. There needs to be a healthy mix.

Where do you look for bands?

Sometimes you just get to know them when you visit a different festival or concert. Or maybe a more unknown band that plays as an opening act. Other bands like "Kirsche" have been there every year and so you can't really leave them out. So a few bands just belong to this.. family. For the 800-1000 people coming to our festival those bands are known and expected. Steinschneider, I got to know on tour on his big concert and decided to book his smaller solo project.

How do you attract visitors to your festival?

Flyers are the most effective method. Lately, Facebook as well. Earlier MySpace, that stuff keeps changing. Besides that, it's been a tradition for over 28 years. That makes it easier to have awareness. It's almost like a big family.

The highest costs for advertising in one year were almost 5000 euros. By now we have advertising expenses of about 2.500 per year. The most expensive things are signs in Leipzig. To rent those for just 14 days is immensely expensive. 100 signs for 14 days in Leipzig cost about 2500 euros. It also depends on the time, but that's what they cost a month before the festival, in May and June. That time is particularly expensive because there are so many events in that time. And the problem is you don't even get feedback about how many people actually come because of the signs. The person selling tickets at the entry often asks new visitors how they got to know about the festival. Most people know about it from their friends and family and from flyers. So we don't know if the signs are actually worth what we pay for them. It's immensely expensive and maybe not as effective

as Facebook and the flyer. Those flyers, I leave at similar festivals or at places like pubs and clubs where our bands also play. So the people there like the music and are likely to be interested in the festival. With the signs, thousands of people will drive past them and see them. But out of 5000 there may just be one person actually interested in the music. We'd need about 200 more visitors. That would be ideal.

How do you decide on event prices?

I decide the prices on my own. The good thing about organizing it alone is being able to decide expenses and prices. I just calculate all the costs together and then take into consideration the worst factor, the weather. Three days of constant rain for example. Also, the minimum of people I'm going to need. And then there's also the income from drink sales. Then I will get a total that I divide by the number of expected visitors. Subtract taxes and all that. After that I might realize that I might have to make the tickets 2-3 euros more expensive that year. This is always a not so good thing. But when I do that, I think I have to keep the ticket price for 2-3 years. You can't raise the ticket prices every year. You have to make a price that you can live with for 3 more years.

What is your role in the organisation of a musician's tour?

To Final Stap, for example, I came because of Tobias. The advantage for them is that I have a big bus that can fit all 8 people. I will drive the bands to the venues and to their hotels and stuff like that. It's not mainly to earn money. It is a chance to make connections.

Are there any other income sources for an event, apart from ticket sales?

I think it would not work just with the ticket sales. The drinks, which we make and sell ourselves are also an important source of income. We are not that well visited. At least for the size of the festival, we would need more people working there. But we don't have them because of our budget. Sponsors are also important. The Sparkasse has been supporting us for 5 years. But that is just because of Tobias. If a small organization like us goes to Sparkasse asking for sponsorship, they'll get about 50-100 euros. And we got a much bigger amount, only because of Tobias, being a big, well-known artist. He has better connections.

Which income sources are the most important?

Tickets, then drinks, then sponsors.

How does musicians' compensation for such events work?

I request the band and ask them if they can play during the time of the festival. Then they will calculate their costs. Do they need to stay the night at a hotel? How long do they play? Mostly that's 90 minutes or at least 70. Then they will receive a compensation that lies between 1000 and 5000 euros. If it's too expensive for me, I'll suggest a lower price. In the end it depends whether I am willing to pay the price. The Lodgers, for example, may have a long way to go, coming from London. Yet they're willing to play for just the costs they have with it, which is 800 euros. That is incredibly low for a band of 5 people that has to come here from London. Then again, this year they were on tour. Bands on tour are always a bit cheaper. It also depends on the ability to negotiate and connections you have. It also depends of course, on how well known the band is. The more popular they are, the more people they'll attract.

Who do you consider as your event's target group?

I always call them the league of beer-drinkers. Our music specifically targets an older audience. They are simply more able to spend money. We used to play more punk music. This would bring in a lot of young people. They, however, are barely able to afford the tickets so they won't spend a lot of money for things like drinks at the event. That's why we went away from all the punk and hardcore music. We went back to the roots with classic rock and blues rock. That alone will attract an older audience. People that are around 50 years old. Obviously, those are in a better financial position than a 25-year-old who just bought their first car.

2 Laurie Wright of The Lodgers

For how long have you been making music?

13 years, on my own, since I was 14. I picked up the guitar after I heard the Liberties and decided that's what I wanted to do. And then I heard Arctic Monkeys and I realized it wasn't just what I wanted to do but I could do it. I

could do it too, because the Arctic Monkeys had a really young sound. They were only a few years older. So 13 years.

Do you feel there have been any significant changes in the music industry since you started making music?

Yes, absolutely. I mean, we grew up with Oasis and Blur and this kind of ideology that you could just make money out of it and it's just completely different these days. In England, we're not big at all, which is a different kettle of fish. Like, in Germany everyone loves us here and we make good money and all that kind of stuff. But yeah, in England it's difficult. But anyway, the rise of the internet changed everything. Everything's free. What can you do about that? You have to move with the times. You can't be bitter about it. It's just more difficult, I think.

And do you feel that the change from CDs to streaming services is especially affecting bands or is it other things make the change?

Well, obviously, yeah. I mean, financially, the change from CDs to streaming has made it very difficult, because now record companies don't even listen to your songs. They look at your followers. They look at how many followers you've got and then make their decision. They don't even listen to the songs. They don't care.

Are you signed with a record label?

We are not, no. We have a publishing deal with Tobias Künzel from Die Prinzen from Leipzig. So he signed us in November and we did a couple of demos with his producer Hans Martin at Abbey Road in London and then at Tobias' house in Leipzig.

Would you say in general that changes made it more easy or more difficult to be successful?

More difficult for us, because we're not social media gurus. We've got all the hard stuff right. The music is good, the on-stage performance is good, we don't look like shit. Do you know what I mean? But we are not very good at the social

media thing, which is very important. Now there's people I know, who have done it the other way around who are doing better than us. Because social media is so important. It's the most important thing and that's so sad. It's so heart breaking for us because we got the hard bit right, the bit that really matters. In 50 years time, people aren't going to care how many followers we had on Instagram. They're going to care how our music was. So yeah, that was my answer.

You and your band, do you see yourself as a business in any way or just as an artist?

I'm glad you asked me that and not Jack. Jack is my song-writing partner. Jack is very frightened whenever we talk about it as a business. Unrightly so, going back to my previous point. However, it is a business, you know. We've got our T-shirts, CDs, posters all done for this, for our tour. We've been to 4 different places. Mainz, Stadthagen, Hannover, Eschwege, Leipzig, then Audigast, then we're going back to Leipzig tomorrow. So, we've got all the merch for that. So it is a business. We got the stuff, we're selling the stuff. You can't deny that it's a business.

Seeing that the band is also a business, how involved are you in the business aspects of your band? Is it you and the band doing all of it on your own?

What, me? No! No no no no no. I write the songs. And Jack, Jack writes the songs. Me and him go 50/50 on the songs. And Kieran is in charge of the merchandise. He plays the harmonica and the keyboard. So no, we are not in charge of the business. I feel like this band, for me, is a perfect kind if juxtaposition between the organization and chaos. Me being the chaos, and Jack. And writing the songs. And then the organization being Kieran and Kane. And Will is just the perfect mediator, because we argue and then Will, the bass player, mediates and keeps us all sweet.

Ok. But everything is done by the band itself? You don't have any managers or accountants or anything like that?

No. We want to get a manager. Get us a manager!

But do you actively promote your music in any way? Obviously, on social media, but any other way?

Yeah, busking. We play on the streets. So yesterday for instance, I went out in Leipzig, I went busking in Leipzig. Will was being side manager. So I went busking while they were setting up. That's what else we do. So yeah, busking. That's how we promote the music.

And do you actively try to have a connection with fans? Like to talk to the people who listen to your music?

Well clearly. Yes. Big time! That's usually me. So I'll come off stage and talk to everyone and go for drinks and it kind of gets a bit mental when we all do that, but yes. I feel like doing that. Absolutely. I just love people. Meeting people.

You've already recorded an EP. You need to finance that somehow. How do you do that? Does the money come from sales of music or from the tour?

No, not from sales of music. From this tour, yes. But Kieran's in charge. We've earned a few grand of this tour. That makes us capable, through merch and through playing in places like this, of making a self-perpetuating machine, I guess.

So you would say that the tours are the biggest source of income for a band?

Yes, 100 percent.

Anything else? Like merchandise, music sales, …?

Merch, yeah! Merch, tour, the same thing.