

A sound theory on a band's approach to the music market

Bachelor Thesis



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Introduction:

On September 30th 2007, Radiohead released their new album 'Rainbows' with a PYOP strategy; Pick Your Own Price. Fans could buy the album for any price they liked (Harvard Faculty Research Working Paper Series, 2014). On September 9th, 2014 U2 surprise-released their latest album 'Songs of Innocence' for free to all iTunes users (The Guardian, 2014). All iTunes users found the new album in their digital library. Despite the first album becoming a major success (increasing sales of all other albums too and generating higher sales revenue overall) and the second album being somewhat of a failure (U2's new album was considered by many to be modern junkmail), both stunts can be described as remarkable marketing stunts. With U2 being represented by Live Nation, the biggest concert promotion company in the world (The Telegraph, 14th of November 2013), it is rather safe to assume that their management had a hand in their deal with iTunes. On the other hand, Radiohead's 'Rainbow' album was the first independent album release they made. With no record company, but with the experience from 6 album releases with a record company, Radiohead was free to do business the way they wanted. There is not much information available about the thought behind these stunts. However, these experimental strategies are probably not blind leaps of faith but are in a way the result of market oriented thinking, by management or by the band itself.

Bands like U2, Coldplay, The Rolling Stones and Queen all have a management team representing them and they all have access to marketing expertise. But how can starting bands become successful without in-house business expertise and without the financial means to invest in mass marketing? Even though there are plenty of good artists and bands in the world, only a few of them manage to be successful. Only a handful of artists turn their hobby into an actual career, and only a small percentage of those make a good profit in the end. So, what makes a band profitable? Is it that they have superb music compared to other bands, or are there more factors in play, as there are many good bands and artists in this world who do not make a profit. This thesis will investigate to what degree starting bands engage in systematic marketing planning. Kotler and Keller define marketing planning as follows: "the marketing planning process consists of analyzing marketing opportunities, selecting target markets, designing marketing strategies, developing marketing programs, and managing the marketing effort (Kotler & Keller, 2009)". The Oxford Dictionary of English defines systematic as "Done or acting according to a fixed plan or system; methodical" (Stevenson, 2010).

Problem statement:

When comparing bands to other Small/Medium Enterprises (SME's) or even large companies, the most striking difference would be professionalism. Large companies often have complete departments in fields like marketing and business economics. SME's and bands often have limited marketing expertise within the company in carrying out decisions and activities due to their size and limited funds (Carson, 1999).

A study found that SME's who spend time on marketing (with brand management being the biggest contributor) are significantly more successful compared to those who do not (Reijonen., Laukkanen, Komppula & Tuominen, 2012). Next to brand management, customer orientation has also been proven to be a big significant contributor to SME success (Appiah-Adu & Singh., 1998). Even though it is no secret that small companies benefit from marketing

activity, eight out of ten Dutch SME's reserve close to zero budget for marketing (Intermediar, 2015).

The problem for bands in general, is a lack of engagement in marketing. The aim of this thesis is to investigate which marketing-related activities are applied by bands and what hinders them to expand this further.

Research questions

Based on the problem statement, several research questions have been formulated. The main research question is formulated as "To what degree do starting bands engage in systematic marketing planning?". In order to further investigate this, several subquestions have been formulated: "What are typical characteristics of an SME?"; "What does marketing planning look like, according to existing literature?"; "What are typical music industry characteristics?"; "What are typical characteristics of an entrepreneur?"; "What are typical characteristics of a music entrepreneur?" and "What are typical characteristics of a band?".

When these questions have been answered, a conclusion will be drawn, forming the theoretical framework of this thesis. Using the information from the previously formulated subquestions, a last research question is then defined in the theoretical framework, namely "How do these characteristics influence marketing planning?". This last question provides the connection between the characteristics found in the subquestions and marketing planning.

Literature review

This chapter will provide an in-depth view of what marketing planning for an SME looks like and what the characteristics of a typical SME, entrepreneur and band are. These topics will answer the subquestions formulated in the previous chapter. First, SME characteristics will be discussed by reviewing existing literature on the topic. Then marketing planning will be discussed; typical music industry characteristics; entrepreneurial characteristics and finally, band characteristics. The answers to these questions will form the foundation for further comparison and recommendations. The literature review will close off with further inspection of how these characteristics influence marketing planning and will then proceed to the next chapter, the theoretical framework.

Typical characteristics of an SME

SME's are often classified based on three different aspects: the number of employees, the net book worth (or: intrinsic value) and the turnover. In the Netherlands, SME's are responsible for 85% of jobs created in the past ten years and account for two thirds of the gross domestic product (MKB in beeld, mei 2014). The European definition for SME's will be used. This definition states that SME's have a maximum amount of 250 employees, a financial turnover less than 50 million euro's and a net book worth below 43 million euro's. Of all Dutch companies, 99.8% fall into this category, which together have a collective financial turnover of 508 billion euro's. With 66,9% of the population being employed within an SME, SME's together are the largest employer in the Netherlands (MKB in beeld, mei 2014). Three distinctions are made within the SME category: micro (<10 employees and <2 million turnover), small (10-50 employees, 2-10 million turnover) and medium (50-250 employees and 10-50 million turnover). The most noticeable is that micro SME's are by far the largest category in the EU. On average, 92.1% of all SME's in the EU are considered micro SME's. In the Netherlands, this percentage is 92.4%.

Four characteristics have been formulated by Carson (1990) in order to define small firms. A firm that possesses at least two of these characteristics can be defined as a small firm: 1. Management of the firm is independent. Usually the managers are also the owners; 2. Capital is supplied and the ownership is held by an individual or a small group; 3. The area of operations is mainly local, with the workers and owners living in one home community. However, the market need not be local and 4. The relative size of the firm within its industry must be small when compared with the biggest units in the field. This measure can be in terms of sales volume, number of employees or other significant comparisons.

Carson (1990) does not distinguish between small and micro SME's. Instead he talks about small firms. Because 92.1% of SME's are micro SME's, it is rather safe to assume that Carson does not specifically talk about a small enterprise (with 10-50 employees and 2-10 million turnover) according to the MKB in Beeld classification. Carson also does not distinguish between firms and enterprises, as firms can also have one owner in his article.

A typical characteristic of an SME, is that they have limited financial resources. Due to this financial limitation, a lot of other limitations arise. Carson states that "financial constraints tend to dominate decision making" (Carson, 1999). Other common (and similar) limitations of SME's are: limited resources; lack of specialist expertise; and limited impact in the market place (Gilmore et al., 2001). Carson also mentions human resource limitations due to financial limitations. Due to these limitations, SME's do not have specialist experts but are mostly dependent on the manager, who fulfils multiple functions at once. Because of this

divergence of attention, certain functions within a company may suffer, due to lack of focus (Carson, 1999). The combination of limited financial resources, and a lack of expertise, make that marketing ability and activity in SME's is severely constrained (Carson, 1995). Next to being severely constrained, marketing ability has limited impact in the market due to the relative small size of an SME to its market (Carson, 1999). On top of that, SME's are very dependent on the *ownermanager* because of the nature of an SME's structure. As management only consists of one person who doesn't necessarily have business expertise and who can make decisions on his/her own, decisions are often chaotic. They are too much according to personal priorities and business priorities at any given point in time. (Scase and Goffee, 1980).

Furthermore, SME's mostly make use of bank loans to finance activities (Commisie Hoek, 2013) and especially micro SME's often receive credit from family and friends. Twenty two percent of micro SME's receive credit from family and friends. The larger the SME, the more banks are used for credit, which is a pretty logical phenomenon as banks have way more credit at their disposal. Having little in-house marketing expertise and little budget for marketing is also common for Dutch SME's. Eight out of ten Dutch SME's have close to zero budget for marketing (Intermediar, 2015)

Marketing planning in SME's

According to Kotler & Keller (2014), insightful and creative strategies and plans are key ingredients of the marketing management process. Before a marketing plan can be written, it is important to define the business unit's strategic plan. But does the theory apply to SME's in the same way, as the theory applies to the business units discussed by Kotler and Keller (2014)?

Theoretical concepts can be applied to SME's as much as in any other domain, but in practice, the marketing must be refined towards an SME's unique and individualistic character. This means that in practice, not every marketing theory is a valid contribution to an SME's marketing process. Most SME's will intuitively be pragmatic in their marketing activities and all theory which does not meet the condition of practicality will be academically theoretical and of little value. Adaptation of marketing theory will occur in order to make it relevant and pragmatic to the way a SME does business (Carson, 1999).

Because decision making in SME's is often simplistic, haphazard and unstructured, there exists an incompatibility between the textbook concepts and the way decision making is actually performed in practice. SME's are small relative to their market and must therefore be very flexible and reactive to changes in market circumstances. When strictly following a theoretical approach, this flexibility would be inhibited, resulting in less performance (Carson, 1999). SME's marketing planning will therefore always be situation specific, although it can adhere to existing theory while being situation specific. The following model illustrates how an SME's marketing is influenced by general theory, all the way down to the specific situation.

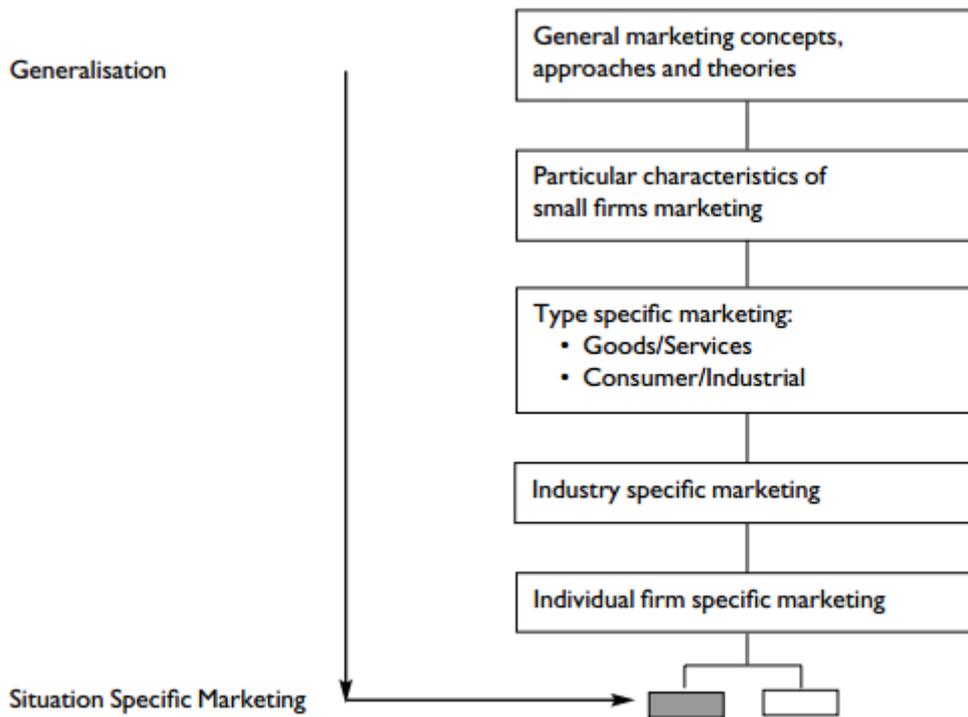


Figure 1: Marketing planning for SME's (Carson, 1999)

In conclusion, SME's can use the theory as a framework, but should still adapt it to their specific situations. The marketing planning process is therefore still viable, but should be 'tailor' made to an SME in practice. It can still serve as a great starting point. In SME's a shorter or less formal marketing plan may be sufficient, whereas highly structured documents are generally required in corporations (Kotler & Keller, 2009).

Kotler and Keller (2009) first lay out the strategic planning process, before continuing to the next step, the marketing planning process.

The strategic planning process starts with defining the business mission, or answering the question: what business are we in? The Abell model is often used to answer this question. The model splits the mission statement into three separate components: Customers groups (who are our customers?); customer's needs (how can we meet customer needs?) and technologies (what technique(s) do we use to meet customer needs?). (Abell & Hammond, 1979) The result is a 3-dimensional graph which illustrates the business scope, thus answering the question "what business are we in?".

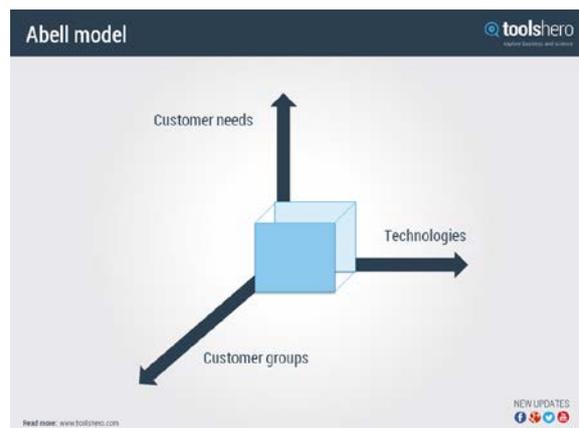


Figure 2: Abell model (Toolshero.com, 2017)

After defining mission, the plan moves into the SWOT analysis, which defines the business' strengths and weaknesses (internal), opportunities and threats (external). Once the SWOT analysis has been conducted, goals can be formulated for the upcoming period. These goals can include objectives like higher brand awareness, or achieving a higher market share. They are always focussed on the long term, as strategic planning concerns the long term, meaning a timespan of more than one year (Verhage & Cunningham, 1984). When the goals

have been formulated, strategy can be formulated. The strategy formulation lays out what strategy will be used to achieve the formulated goals. Marketing Management (Kotler & Keller, 2014) gives three generic strategies (who were first coined in the book Competitive Strategy (Porter, 1980) that can be used: cost leadership, differentiation and focus. All three strategies have different approaches: Cost leadership strategy aims to achieve a competitive advantage through having the lowest operating costs; differentiation strategy aims to achieve competitive an advantage through creating a unique product, and focus strategy aims to achieve a competitive advantage by focussing on a niche with a tailored marketing mix. Program formulation will then fill in what this strategy will look like in practice. The specifics of the previously defined strategy will be formulated. During implementation, the strategic plan will be used in practice. During feedback and control, the plan will be updated according to the changing environment, possibly returning to previous steps when needed. For a more thorough explanation on the business unit strategic planning process, one should look up Marketing Management by Kotler and Keller, pages 47 to 54.

The business unit strategic planning process is a good guideline for large companies with a portfolio of multiple strategic business units. "Corporate headquarters is responsible for designing a corporate strategic plan to guide the whole enterprise; it makes decisions on the amount of resources to allocate to each division, as well as on which businesses to start or eliminate. Each division establishes a plan covering the allocation of funds to each business unit within the division. Each business unit develops a strategic plan to carry that business unit into a profitable future." (Kotler & Keller, 2014). These types of large companies and their large structures of strategic planning are beyond the scope of this research and will therefore not be addressed. Most SME's are individual businesses and are not part of a larger holding structure. Because of this characteristic, the business unit strategic planning process changes. The individual business formulates a mission and conducts a SWOT analysis, but not on a corporate strategic level, or division strategic level. In terms of timespan, three types of planning can be distinguished: strategic planning, focussing on long term planning (multiple years); tactical planning, focussing on goals in the medium term (up to 1 year) and operational planning, focussing on day-to-day practice (Verhage & Cunningham, 1984). This distinction is less obvious for SME's than large corporations. SME's are more focussed on the short term than the long term, and are often more concerned with internal affairs than external affairs (Ates et al., 2013). Thus, there is often a mix of strategic, tactical and operational planning, with the average SME paying less attention to strategic planning. Appropriate, balanced use of strategic and operational practices and the use of relevant measures are the main challenges for making performance management practice more effective. Recommended areas for improvement include managerial activities such as vision, mission and value development (Ates et al., 2013). It can be said that there are laid out strategy structures for SME's, but that in reality, SME's aren't as concerned with the environment and the long term as they would be in the standard business unit strategic planning process by Kotler and Keller (2009).

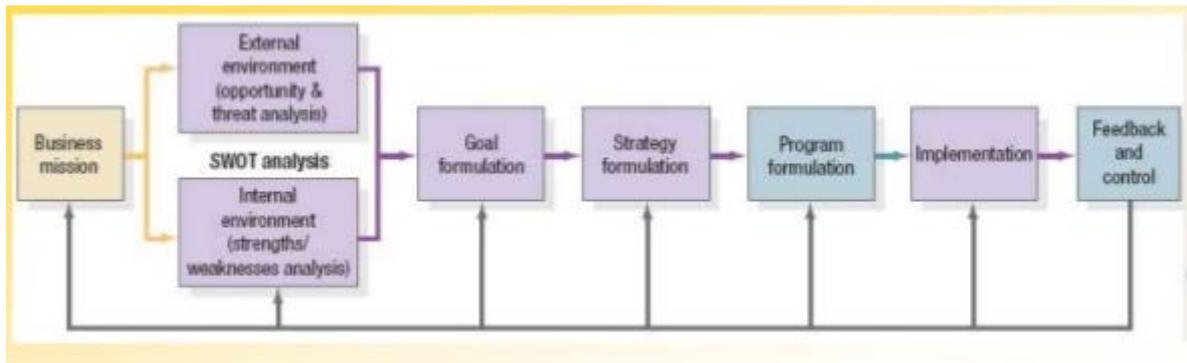


Figure 3: The business unit strategic planning process by Kotler and Keller

When the strategic process has been written out, marketing planning can be conducted. A marketing plan, as written by Kotler and Keller (2009), can be divided into four chapters plus a summary. When an SME follows this structure, the plan will contain a situation analysis, a marketing strategy, financial projections and implementation controls. These four chapters are subdivided into different paragraphs:

1. Situation analysis

1.1 Market summary

A market summary will cover the SME's target markets, the market demographics, needs, trends and growth figures (Kotler & Keller, 2014). The summary functions as a description of what the market looks like. Which markets does the company serve, what do market demographics look like, what need does the company fulfil with their products or services, and how has the marketing been performing in general, and is expected to perform.

Target markets will be further explained at point 3.4, and mostly concerns which segments the company serves. In the market summary, as described by Kotler & Keller (2009), these segments will be discussed.

Market demographics in the market summary includes a description of the market using one or more variables. Geographical factors, demographic factors and behavioural factors are examples of variables which can be used to describe income. The process answers the question: "What does a typical customer look like?"

The market needs discussed in the market summary aid in describing the market. The market needs are closely related to the market definitions of a business. Instead of defining a business in terms of products, the market definition describes the business as a customer satisfying process (Kotler & Keller, 2014). It defines the business in the form of a need. An example would be transportation; a car or a ship are products, but the transportation itself is a need. A company producing cars could also describe themselves as being in the business of transport, instead of being in the business of cars.

Market trends and market growth are derived (or can be derived) from a political, economic, socio-cultural, technological, environmental and legal (PESTEL)-analysis, which is the analysis laying the groundwork for the SWOT's external environment analysis. PESTEL analysis provides a general idea about the situation and the macro environmental condition of a company (Yüksel 2012). There are also models using other abbreviations, like DESTEP,

which stands for demographic, economic, social, technological, ecological and political trends (Verhage & Cunningham, 1984). These models have in common that they all try to sketch the recent trends that concern the market. The market summary discusses some of these trends, painting a picture of the market. Market growth is technically also a trend, albeit an economic trend.

1.2 Swot analysis

A marketing plan should contain a SWOT analysis since every company is confronted with internal and external forces which can comprise of potential stimulants or potential dangers (Houben, Lenie & VanHoof, 1999). Identifying these forces should be the first step in developing a strategic planning system if the company wants to be able to reach its full potential (Houben, Lenie & VanHoof, 1999).

A swot analysis maps the external and internal environment for a company. SWOT identifies - and is an acronym for - (internal) **S**trengths and **W**eaknesses, and (external) **O**pportunities and **T**hreats. A SWOT analysis lies at the basis of strategy, business proposition and positioning (Fine, 2009). It is important that a company keeps track of significant macro- and microenvironmental factors that could have an influence on profits. Tracking trends, important developments, opportunities and threats should be part of a company's marketing intelligence system (Kotler & Keller, 2014). "Good marketing is the art of finding, developing, and profiting from these opportunities." (Costa, 2010). Simply identifying opportunities and threats is one thing. In order to take advantage of these opportunities, and to defend against threats, a company should know its strengths and weaknesses (Kotler & Keller, 2014).

1.3 Competition

Always seeking new ways to satisfy customers and to beat competition is what defines a good marketer (Fine, 2009). From a company's point of view, competition can be considered to be all alternative options a buyer might consider (Kotler & Keller, 2009). Porter (1980) describes competition as being dependent on five different forces: The threat of new entrants; the bargaining power of customers; the bargaining power of suppliers; the threat of substitute products or services and the intensity of the rivalry among existing competitors.

1.4 Product offering

A marketing plan contains the SME's product offering. The product offering simply contains the different products and services a company makes and sells (Kotler & Keller, 2009). The assortment can vary a lot between SME's obviously. A marketing plan should contain the company's product offering. The offering should make clear which target market each product targets and what need each product fulfils.

1.5 Keys to success

A marketing plan contains the SME's keys to success. In this part of the marketing plan prerequisites for success must be determined. Kotler and Kellers (2014) 'keys to success' are also known as 'critical success factors' (CSF's). Bullen & Rockart (1981) define CSF's as "The few key areas of activity in which favorable results are absolutely necessary for a particular manager to reach his goals", while Grunert and Ellegaard (1992) are a bit more thorough, defining critical success factors as "skills and resources with high leverage on customer perceived value and relative costs of a business". CSF's can be very different between companies. Some companies may need to excel in quality and customer satisfaction, while others need to be the cheapest in their market (Kotler & Keller, 2009). There can be distinguished between five different sources of CSF's (Bullen & Rockart, 1981): the industry; competitive strategy and industry position; environmental factors; temporal

factors and managerial position. Kotler and Keller (2009) state that the keys to success are what makes the company able to meet the market's demand.

1.6 Critical issues

Critical issues are issues that need to be pursued for an SME to attain their keys to success. For example, having excelling customer satisfaction needs constant monitoring. Constant monitoring would then be the critical issue.

2. Marketing strategy

2.1 Mission

An SME's marketing plan should contain a clear mission statement that leads to a shared sense of purpose, direction and opportunity (Kotler & Keller, 2009). Every organisation has a certain goal, which may go beyond just the products. A car manufacturer may consider his mission 'to provide affordable transport for all people', instead of just selling as much cars as possible. An SME can define its mission by answering the classic questions: What is our business? Who is the customer? What is of value to the customer? What will our business be? What Should our business be? (Drucker, 1973).

A mission statement is more of a philosophy, and can be shared internally, as a motivator and guideline for employees and manager, but also externally, for customers. It should contribute to an organization identity larger than the limits placed on the company by individuals. An effective mission statement should fulfil the needs of the employees, such as the need to produce something worthwhile, gain recognition, to help others, to beat opponents and to earn respect. Priorities, strategies and plans should be able to be derived from the mission statement. It serves as a foundation. (Pearce & David, 1987)

The mission statement should meet the following requirements: 1. They focus on a limited number of goals; 2. They stress the company's major policies and values; 3. They narrow the range of individual discretion so employees act consistently on important issues; 4. They define the major competitive spheres within which the company will operate; 5. They take a long-term view; 6. They are as short, memorable, and meaningful as possible (Kotler & Keller, 2009).

2.2 Marketing objectives

A marketing plan should contain the SME's marketing objectives. Marketing objectives can be defined as guidelines for employees and companies. The marketing objective enables the individual and company to evaluate and control progress (Day, 1981, 1984). Marketing objectives should be derived from the situation of the SME. The objectives can revolve around things as brand awareness but can also be focussed on market share and lowering customer acquisition costs. It is important however to have a broad scope when setting objectives, as setting only growth-oriented marketing objectives may lead to unethical and socially irresponsible behaviour (Cespedes, 1993; Ortmeryer 1993, Preston and Richard, 1986).

2.3 Financial objectives

Financial objectives often concern subjects like profit margins and target sales. Improving production processes and therefore increasing margin by 1% could be an example of a financial objective.

2.4 Target markets & positioning

The different target markets will be explained in this part of the plan. Some companies serve multiple markets with multiple products, while others serve multiple markets with only one product or serve only one market with one product. Which markets, and how the SME positions itself towards those markets is an important part of marketing planning, as is confirmed by the research of Aaker & Shansby (1982).

Target markets are the outcome of the market segmentation process. Segmentation is the process of dividing the markets into segments with similar characteristics, such as needs and wants. The characteristics do not matter, in the sense that segmenting can be done using any kind of variable, be it demographic or geographic or another classification. (Brooksberg, 1994). According to Brooksberg (1994), four key requirements for effective segmentation should be satisfied: 1. Homogeneity within segments. Customers within segments have similar needs and wants/responsiveness to marketing offerings; 2. Heterogeneity between segments. Customers between segments have significantly different needs and wants/responsiveness to marketing offerings; 3. Targetability via marketing mix. Segments can be easily reached and served; 4. Viability in commercial terms. Segments are large/profitable enough to justify being targeted.

The segmenting and targeting process are vital to an organisations success. Successful companies are those who correctly mapped the needs of the customer and have well-defined markets (Cavanagh and Clifford, 1986; Chaganti and Chaganti, 1983). Even though segmentation and targeting are very important, SME's often find themselves not sticking to their chosen segments. Due to the opportunistic nature of the entrepreneur, the SME starts working outside the segment to an extent that they become meaningless (Carson, 1999). SME's should try and stay focussed on their targets, only changing them when the need for change is present. When the segment has been identified, it is important to determine how the SME wants to position itself and then stick with that. Aaker and Shansby (1982) define positioning as "a product or organization has many associations which combine to form a total impression". The positioning decision often means selecting those associations which are to be built upon and emphasized and those associations which are to be removed or de-emphasized. The term "position" differs from the older term "image" in that it implies a frame of reference, the reference point usually being the competition" (Aaker & Shansby, 1982). An SME thus wants to emphasize certain aspects of the impression they make. Aaker & Shansby (1982) argue that positioning can be done through six different strategies and involves going through six different steps. Positioning can be done by: attribute; price-quality; use or applications; product-user; the product-class and competitor. The positioning strategy process is comprised of: competitor identification; determining how the competitors are perceived and evaluated; determining competitor positions; analysing customers; selecting the position and monitoring the position. Carson (1999) states that entrepreneurs find it hard to stick with their targeted markets. This is in line with the findings of Aaker & Shansby (1982). They state that positioning requires commitment and discipline, because turning down buyers is not easy. This confirms the opportunistic nature of the entrepreneur as described by Carson (1999).

2.5 Strategies

The strategy defined here will serve as a support for the strategy defined in the business unit strategic planning process. A company striving for operational excellence would here determine how to market this operational excellence to the customers.

2.6 Marketing program

What pricing, distribution, customer service, advertising and promotion look like should all be treated in this step.

2.7 Marketing research

A marketing plan should include a paragraph on marketing research. However, marketing research and SME's do not necessarily match. Because of the beforementioned limitations of an SME, marketing research done in the way the theory suggest, is very incompatible with SME's. Textbook marketing research requires funds and expertise, and SME's lack in both. A more casual and natural approach to marketing research is more common. Marketing research will be more about 'gathering information' than about systematic marketing research (Carson, 1999).

3. Financial projection

3.1 Break-even analysis and financial forecasts

A marketing plan will contain a break-even analysis and financial forecasts. A break-even analysis will determine what level of sales must be reached in order for the company to break even (the point at which a company will start making a profit). Expected sales and expenses will also be laid out here, summarizing all financial information that is known, or, as Kotler and Keller (2009) put it:

According to Kotler and Keller (2009), financial projects in a marketing plan will include a sales and expense forecast, and a break-even analysis. Forecasted sales volume is predicted per month and product category and forecasted expenses include the expected costs of marketing, broken down into finer categories. The break-even analysis estimates monthly required sales that need to be reached in order to offset the monthly fixed costs and average per unit variable costs.

4. Implementation controls

4.1 Implementation

The desired goals are written down in this part of the plan so they can be used to monitor performance. According to Kotler and Keller (2009), this section of the marketing plan will outline the controls for monitoring and adjusting implementation of the plan. In order to enable management to evaluate progress, it spells out the goals and budget for each period. This makes corrective action possible when needed.

Music industry characteristics

In order to define the typical characteristics of a band, it is critical to first define what characterises the music industry as a whole. It is important to understand the industry's characteristics and how they differ from normal industries, and how this influences the functioning of a musical entrepreneur. In his book 'The Music Industry: Music in the Cloud' (Wikström, 2013), Patrick Wikström defines several characteristics. The most important of these are the following three, which are now defined as main characteristics.

1. Because of the nature of products, the music industry is a copyright industry:

When the Copyright Act was introduced in 1909, it changed the music industry as a whole and shaped it into what it is now. When a consumer buys a record, it does not make that consumer the owner of the music. The musician will keep the rights to the music. The consumer gets a license to play the music and a copy of its own. This is important to keep in mind as it changes the way of doing business. Closely related to this is the product's 'option value' (Shapiro & Varian, 1993) which refers to the degree of freedom in which a consumer may use the recording. Why this option value is so important when doing business will be discussed later. The nature of music industry products can be summarized in three points: 1. Products are nonmaterial goods which serve an aesthetic or expressive, rather than utilitarian function (Hirsch, 1969); 2. Products are often categorized as information goods because they are intangible and 'can be digitized'. (Shapiro & Varian, 1999); 3. Products are 'experience products' because only when experienced can a consumer determine if the product is of quality. These product characteristics have consequences for the music industry's way of business, which leads us to the second characteristic of the industry.

2. Time and option value rule the industry:

The option value refers to the degree of freedom in which a consumer may use a recording. In practice the option value of a product is used to stimulate demand. To be more precise, in traditional promotion of music, low option value versions of a product are used to create demand for the product version with the higher option value. When a song gets airtime on a radio channel (low option value) the real purpose of the play is to create demand for the product with the higher option value, the CD or a paid download. The option value leaves out the revenue from concerts, but the concept still applies in another way. Consumers who have heard the music on the radio and have a positive attitude towards the production will be more likely to visit concerts which will in turn lead to higher merchandise sales. What can be concluded is that exposure to a low option value version of the product is necessary for creating the demand for the high option value product. Exposure is the key here, which brings up a new bottleneck: time.

Because of the nature of the music industry's products (these being experience products) the consumer cannot make a good evaluation of every product. As every product consumes time in order to be experienced, and it needs to be experienced (individually) for proper evaluation, consumers are simply not able to evaluate every product. Because there are many more products available than can be evaluated, the consumer is unable to make good comparisons and make a rational choice. When this logic is reversed, what can be concluded is that exposure of product consumes the consumer's attention, and that there is not enough attention to go around. This leads to exposure of the product to the consumer being the most important thing in the industry. The nature of products being experience products and the fact that every product is different, has impact on how the industry looks. This individuality of products leads to the industry's third characteristic.

3. The music industry is highly uncertain and volatile.

As a product needs to be experienced before they can be evaluated and because the products are in its essence very different from each other, the music industry is a highly uncertain market. Every product that comes onto the market must be seen as a new product launch, which is always an activity that comes with its risks. In the case of copyright products, there is no such thing as an established product category. If a consumer likes an artist/genre it doesn't necessarily mean that an album from the same artist or within the same genre will be liked as much as the previous one, if liked at all. As there is no established product category and the products needs to be experienced first before making an evaluation, marketing research is basically out of the question. Pre-release marketing research is difficult, as a creative product like music cannot be assessed when it is only halfway in its production.

'Fashionable performers or styles, even if heavily marketed, can suddenly come to be perceived as outmoded, and other texts can become unexpectedly successful (Hesmondhalgh, 2002). This statement characterises the unpredictable music industry and its high volatility. There is simply no way of knowing what music is going to be a ground-breaking new hit. Some artists seem very promising and create high expectations and eventually end up nowhere, while other artists pop up out of nowhere, landing a #1 hit.

Next to these general characteristics, there are some other characteristics that are worth mentioning and should be taken into account from an artist's perspective. Rona Ormont (2005) identifies five in her book 'Career Solutions for Creative People: 1. Competition is fierce; 2. Salaries are low; 3. There are no objective standards for evaluating competence; 4. Success is difficult to sustain.

Ormont's (2005) fourth aspect corresponds directly with Wikströms (2013) third characteristic, whilst the other three are closely related or the consequence of the other two characteristics. Copyright products being experience products and the consumer having too little time to evaluate these are the fundament for the fierce competition and low salaries in the music industry. Copyright products being experience products also account for point three, as everyone experiences the product in another way, making objective evaluation standards impossible.

Now that the main characteristics of the industry have been defined, the main characteristics of an entrepreneur can be defined.

Characteristics of an entrepreneur

As a band is made up of several artists collaborating, this paragraph will first define the individual entrepreneur and its characteristics. Starting up as an artist can in many ways be compared to the start-up of a new company. Artists should therefore be categorized as entrepreneurs.

Entrepreneurs are perceived to be risk takers, opportunistic and visionary; innovative and creative; adaptive and change oriented. (Timmons, 1978; Meredith et al., 1982; Hofer and Bygrave, 1992). According to Smith (1998), successful entrepreneurs make realistic appraisals of their abilities, do not exaggerate strengths and opportunities, nor do they underestimate threats and weaknesses.

Characteristics of a successful entrepreneur are the ability to take risks, innovativeness, knowledge of how the market functions, manufacturing know-how, marketing skills, business management skills, and the ability to co-operate (Carson, 1995). Caird (1988) mentions a good nose for business, the desire to take risks, the ability to identify business opportunities, the ability to correct errors effectively, and the ability to grasp profitable opportunities as characteristics of an entrepreneur.

Every venture capitalist concurs that successful entrepreneurs must be honest, intelligent, skillful, and well educated in their chosen fields (not necessarily as a result of a formal education) (Hines, 2004). Hines (2004) identifies nine other entrepreneurial characteristics: energy level; ego; courage; enthusiasm; the desire to make money; creativity; resourcefulness; tenacity and leadership.

Reid and Smith (2000) state that entrepreneur performance is highly dependent on two factors: the pursuit of pecuniary goals (rather than lifestyle goals) and long-range planning (rather than plan formalism).

A precursor of entrepreneurship seems to be family characteristics (Djankov et al., 2008), and people who were anxious for acceptance as children, are less likely to become entrepreneurs at a later age (Blanchflower & Oswald, 1998), confirming the relation between entrepreneurship and innovation, risk taking, leadership and so on. Entrepreneurs do not follow the herd. Successful entrepreneurship however, is primarily determined by the individual's smartness and higher education in the family and overconfidence is not beneficial to business success. Entrepreneurs are not more self-confident than non-entrepreneurs (Djankov et al., 2008). It can be concluded that entrepreneurs are well aware of what they are capable of, are good at what they do, but are realistic about their capabilities, as was also stated by Smith (1998).

Even though the list may be a lot longer than mentioned here, it is certainly noticeable that certain characteristics are considered by multiple experts to be of high value. Being innovative; resourceful; creative and risk-taking are all among characteristics that seem to be typical for an entrepreneur.

Characteristics of a musical entrepreneur

When reviewing the characteristics of a musical entrepreneur, there are some strong similarities when comparing them to 'normal' entrepreneurs. "Successful artists often work for themselves and have strong initiative and self-motivation." (Ross & Stewart, 2009). This initiative and self-motivation is very common among entrepreneurs in general. While there is a large skill set and a large list of characteristics that define an entrepreneur, a music entrepreneur can be recognized by mainly one thing: their passion to share their music. A music entrepreneur is mostly characterized by its independence-motivated entrepreneurial drive, which is a prime entrepreneurial motive for creativity (Rossiter et al., 2011). The important difference is that independence for the artist is the base for his/her creativity which makes the need for independence different from that of a 'normal' entrepreneur. The need for creativity is an intrinsic motivation for the artists, while creativity can also just be a means to an end for a normal entrepreneur.

The passion for sharing music and the resulting creativity are important aspects of the musical entrepreneur. There are four ingredients that classify the work of artists (Wilson & Stokes, 2005) and four artist characteristics that can be derived from these factors. These are:

1. *The combination of individualistic values with collaborative working; an artist needs to have collaborative skills*

An artist will have strong views on how music must sound but will always have limitations to what they can and can't do and are therefore dependent on collaborating with other artists. These conflicting interests within an artist make work difficult. An artist will need to have strong collaborative skills to succeed.

2. *A blurring of the demarcation line between consumption and production; an artist is passionate as a musician.*

Music artists never solely produce music. They have influences which have created their musical style and continue listening to music for the rest of their life. "Creativity is usually an incremental development that "modifies and adapts what has gone before" (Leadbeater & Oakley, 1999). Music builds on previous music. An artist is therefore consumer, as well as producer of the market's products.

3. *Being members of a wider creative community; an artist needs to have networking skills*

Even though bands and artists are all each other's competitors, there is not necessarily always rivalry between them. Smaller artists are somewhat dependent on bigger artists for their success. Examples of this are playing support for bigger artists at their concerts, or doing entire tours together. Even artists who are at the same level (and even genre) often collaborate to make sure they get full venues. Next to that there are often people that need to be friended to open certain doors for artists. Artists therefore need good networking skills to succeed.

4. A blurring of the demarcation line between work and non-work; an artist is never finished working

As artists have turned their passion into work, the boundary between work and non-work is slightly blurred. Creative ideas or flows can come when not in a working environment and the consuming mostly starts when the producing stops. Artists have no traditional 9 to 5 working hours, but work until their product is finished. This means working hours are always different. An artist's work is never finished.

In conclusion, there are some specific characteristics that are especially essential in the music industry, compared to many other industries, and define the musical entrepreneur. These characteristics are: creativity; collaborating skills; passion; networking capabilities and a never-ending work drive.

Typical characteristics of a band

A music band is a collaboration of three or more musicians, making music together. When comparing a band to a regular SME, there are some similarities as well as differences. The differences between a band and a regular SME is what characterizes a band as a company.

Many characteristics that need to be present in a successful entrepreneur need to be present in a music entrepreneur as well. On top of that, a music entrepreneur needs to have a certain skill set to be competitive in the music industry. Passion and creativity were mentioned in the previous paragraph. These are two skills that lie at the basis of a band and are thus vital for its existence. These characteristics can be present in an SME, but are not a prerequisite. Also, creativity and passion for a band are very different than that of an SME. The creativity is the business model itself, and not a tool. On top of that, bands need strong (internal) collaborating skills. These two main characteristics will be covered in the next two paragraphs.

Collaborating skills and interdependence

Whereas an SME is mostly managed by a single owner manager, a band has three or more (mostly) equally important associates and therefore the need for strong collaborating skills internally is much higher. There will always be a strong contrast between individual creativity, resulting in a big need for concessions to achieve the best product. There is an atmosphere of high interdependence in a band because of a strong division of specialized labor. A bass player will often not be able to play drums or guitar as well as the drummer or guitar player. Individual opinions often need to be tempered because of this.

Creativity

Normal entrepreneurs need to have creative skills to be innovative and competitive in their markets. This is not different for musical entrepreneurs. However, the expression of creativity is different for both groups. Where most normal entrepreneurs need to be creative in their strategy or perhaps in a single new product, a band's creativity goes beyond that. The product of a band is the direct result of creativity, as opposed to normal SME's where creativity is more a means to an end. Music is an ongoing process of implementation and evaluation and is never done until the product reaches the recording process in the studio. A band uses and sells their creativity, which is not often the case for other SME's. Every product launch for a band must go through an intense (and possibly long) process of product development and all products are made within the own organization. This is what makes a band differ from a normal SME

Passion and never-ending work drive

Even though both normal entrepreneurs and music entrepreneurs need strong motivation to persevere in their dreams, the never-ending work drive of a musician is worth mentioning when defining a band. A musician is never done with music when office hours stop and this should also be a characteristic of the band. Even though it is very much comparable to a strongly motivated entrepreneur, musicians often take this one step further. Musicians often struggle for years, living on a very low income and with no certainty of what the future will bring them. The passion to share their music and to eventually make it in the music industry is what separates the musicians from the normal entrepreneur. A rational entrepreneur will eventually take his losses when business is bad and forecasts are bad. A musician knows the road will be hard and long. There are often huge investments in terms of time and money with little certainty of return on investment. Being motivated to succeed nonetheless is what characterizes a band. The musician's and band's passion for sharing music exceeds the need to make a profit, which is the vital difference between a normal SME and a band.

Theoretical framework

How do these characteristics influence marketing planning?

When reviewing marketing planning for bands, the music industry characteristics, music entrepreneur characteristics and band characteristics must be taken into account. These characteristics and their differences from normal SME's have largely been determined and should now be reviewed in the light of marketing planning. In this paragraph, the marketing planning process will be addressed

Musicians are creative people, often working in a non-structured environment. This is a very important characteristic when looking at marketing planning, as there is a big chance that musicians do not engage in marketing planning at all. Creative people are often known for their chaotic minds and musicians aren't especially known for their organized thinking. Before reviewing Kotler and Keller's (2009) marketing planning process this assumption has to be taken into account. This paragraph will review what can be expected (taking the previous information from sub questions into account) from bands when they engage in marketing planning, formal or informal.

When looking at the variables that influence marketing planning, the distinction can be made between internal and external variables. SME characteristics, entrepreneur characteristics, musician characteristics and band characteristics can all be classified as internal variables that influence the dependent variable: marketing planning. Industry characteristics can be classified as an external variable influencing marketing planning. A band will only be able to directly influence their direct variables and must settle for the external variables and think of ways to work with them. With these internal and external variables, hypotheses can be formulated.

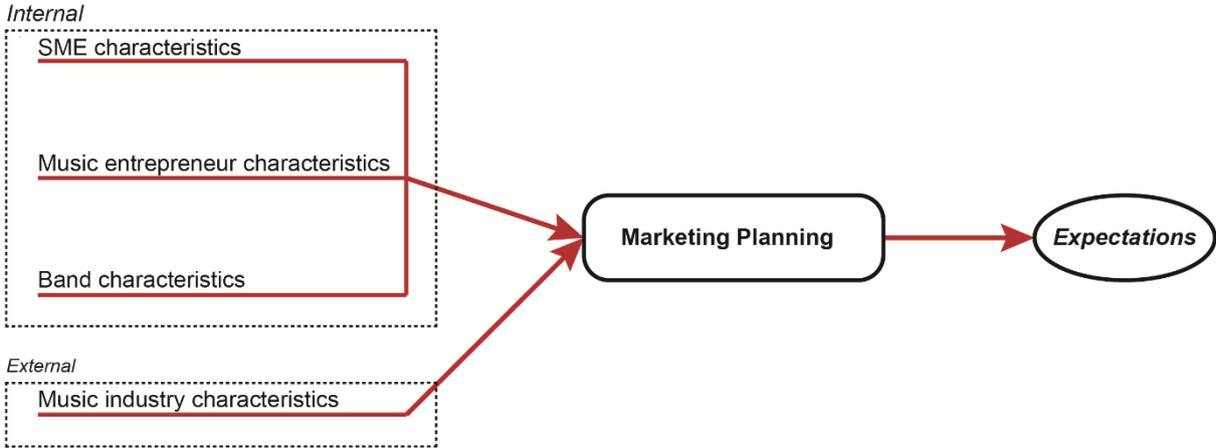


Figure 4: Factors influencing marketing planning for bands

From this model, propositions can be drawn about what can be expected from a band by replacing the header 'marketing planning' with the different marketing planning step.

The following example model depicts how the characteristics (internal and external) influence the expectations about step X in the marketing plan. The model can be summarized in a single sentence: "When looking at the literature, it is not expected that a band engages in... [Step X]". In the example model, the expectation about a band's engagement in a SWOT analysis is depicted. This leads to the proposition "A band does not have a concrete SWOT analysis on paper" (proposition 2).

Example:

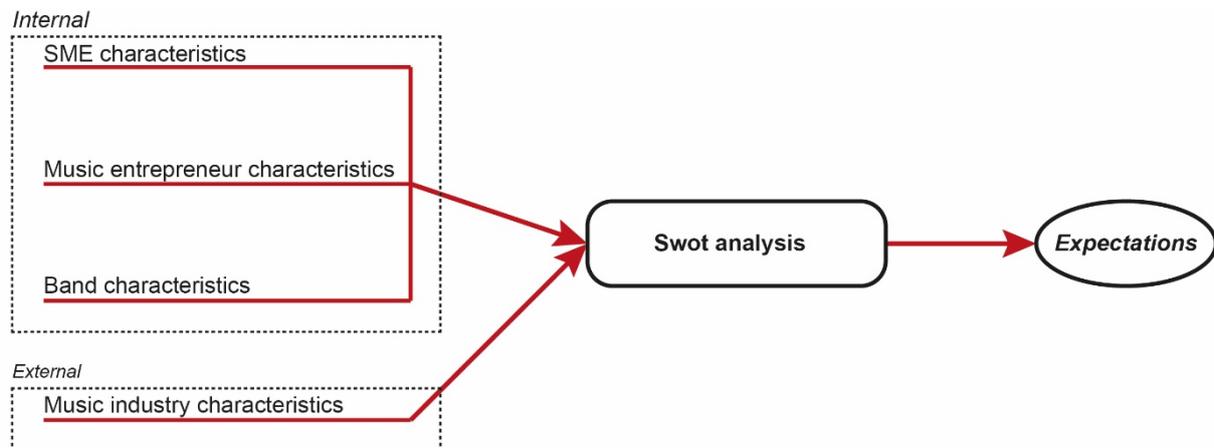


Figure 5: Drawing expectations per subject

When looking at all variables and how they influence marketing planning, the general expectation can be drawn that bands are not strongly involved in marketing planning. It is not expected that bands have formally written out a marketing plan and are using this as a guideline for strategy.

General expectation: Bands do not have a concrete marketing plan on paper.

Proposition 1: A band does not have a concrete market summary on paper.

Because bands often lack in-house expertise it is not expected that a band has the knowledge to make a structured market summary. On top of that, the industry is very uncertain and volatile, which makes it hard to make a market summary. This doesn't necessarily mean that a band knows nothing about its market.

Proposition 2: A band does not have a concrete SWOT analysis on paper.

Much the same as with the market summary, a band is probably somewhat aware of their strengths, weaknesses, opportunities and threats. However, a band probably has not been doing a formal SWOT analysis on paper, due to a lack of expertise. Also, making a SWOT analysis in general is expected to be hard for a band. Due to the large supply of music it is hard to distinguish what a band excels at compared to its competitors and vice versa as there are so many competitors with strong and weak points.

Proposition 3: A band does not have a concrete competition analysis on paper.

Due to their networking capabilities and their continuous involvement in music, bands are probably very aware of who their competitors are. Bands are often involved in their local music scene, so they know local competitors. Also, as musicians, bands listen to a lot of (popular) music themselves; they are both producer and consumer. In this way, they would be expected to know who the big players in the market are. Due to a lack of in-house expertise, bands probably do not actively draw up a competition analysis.

Proposition 4: A band does not have their keys to success concretely on paper.

Bands are probably not aware of what the determinants of their success are, seeing that there are so many bands out there who are not successful. Musicians are very passionate

about their music and their work, and while this is certainly important in succeeding in the music industry, it is not the only thing that is important. Musicians often focus on their music and their music alone, leaving the business side of music for what it is. On top of that, bands often lack the expertise needed to successfully assess their keys to success. Therefore, it is not expected for bands to actively work with keys to success.

Proposition 5: A band does not have a concrete mission on paper.

Due to a lack of expertise, it is unlikely that a band has formally drawn up a mission. However, a band will probably have some sort of general vision of where they want to be in the future.

Proposition 6: A band does not have a concrete segmentation and targeting strategy on paper.

Due to a lack of in-house expertise, it is very unlikely that a band will have gone through the segmentation process and defined different target markets. What can be expected is that bands know that they have different customers when playing different venues or performing different shows. Also, because a band is both producer and consumer, it can be expected that musicians somewhat know what type of person their consumers are.

Proposition 7: A band does not have a concrete positioning strategy on paper.

Due to a lack of expertise, bands are not expected to actively engage in a positioning strategy. The fierce competition in the industry is also expected to make positioning harder for bands, as the supply of music is so big. This makes it difficult to distinguish the band from other bands. On the other hand, bands are known for their creativity, a skill which could lead to them having a strong positioning. A formal positioning strategy however, is not expected.

Proposition 8: A band does not have a concrete marketing research strategy on paper.

Bands often do not have the expertise within the band to actively engage in marketing research. As starting bands often have no budget due to the fierce competition and low salaries in the industry, it is unlikely that they will have professional marketing research to their disposal. It can however be expected that bands are active on social media, opening a window for marketing research via those media.

Method

Sample

This research will use the Dutch band Cobra Chain as case study. The band's composition is as follows:

- Guitar and lead vocals: Jasper van Baalen
- Bass: Sara Pakvis
- Drums: Jasper Remmerswaal (author)

These persons will be referred to according to their instrument. The band consists of three members, including the author. Two of the band members, the bass player and the drummer, attend university. The drummer attends business school, while the bass player studies mechanical engineering. The guitarist has a full-time job as a commercial technician. All members are from the same region in the Netherlands (Regio Westland). The band has been chosen as subject for this case study because of the author's involvement in the band.

Data collection

Data for the research will be collected by means of individual interviews with the band members, including the author. The interviews will test the propositions as presented below. To test the propositions, the interviewer will address the steps of the Kotler and Keller (2009) marketing plan corresponding with the propositions, checking whether the band engages in any of these steps and how. Steps will be explained by the interviewer when the respondent does not understand them.

Because there are quite a bit of variables involved in this investigation, the choice has been made to formulate propositions on the subjects in the marketing plan that are expected to be the most relevant for bands. This means that not every step in the standard format of the marketing planning process will be addressed. Propositions will be tested by means of a score as explained in the theoretical framework.

Data analysis

After formulating the propositions in the theoretical framework, the need arises to evaluate the band's performance on these propositions. The following ordinal scale can be used to evaluate bands in relation to marketing planning:

Level	
0	The band is not familiar with the concept.
1	The band is familiar with the concept but does not use it.
2	The band is familiar with the concept and has used it at some point
3	The band is familiar with the concept and uses it in systematic marketing planning

Table 1: Performance categories

The interview will be structured according to the different levels presented in table 1. This means that a band 'starts' at level 3 ("The band is familiar with the concept and uses it in systematic marketing planning"). When a band confirms questions, and can explain their behaviour, they get the level corresponding with that question. The first question will be used as an example:

Proposition 1: A band does not have a concrete market summary on paper.

1. Does your band have a market summary? (Level 3 question)
 - a. When answered "yes": Can you tell me more about this? (Determine whether band can be categorized as level 3)
 - b. When answered "no": Did you or your band ever analyse your market? (Level 2 question)
 - i. When answered "yes": Can you tell me more about this? (Determine whether band can be categorized as level 2)
 - ii. When answered "no": Are you familiar with the concept of a market summary? (level 1-0 question).
 1. When answered "yes": Can you explain this concept to me? (Determine whether band can be categorized as level 1 or whether question B needs to be reviewed)
 2. When answered "no": Next question. Band can be categorized as level 0.

Results

To rate the performance of a band, the interviews were set up in such a way that the respondent could be assigned a score for each subject. To make the score universal, the three respondents were given the exact same questions.

Summed score

In the table below the results of the interview are summarized.

Proposition	Score respondent 1 (Bass player)	Score respondent 2 (Guitarist)	Score respondent 3 (Drummer)
Proposition 1	0	1	1
Proposition 2	0	0	1
Proposition 3	0	1	1
Proposition 4	1	1	1
Proposition 5	0	0	1
Proposition 6	0	0	1
Proposition 7	0	0	1
Proposition 8	0	0	1
Total	1/32	3/32	8/32

Table 2: Interview results summarised.

Interview results per proposition

Proposition 1: A band does not have a concrete market summary on paper.

Respondent 1:

The respondent stated to have no previous experience with the making of a market summary for the band. The respondent did recently engage in some light Facebook analytics and stated that that had made her think about how that would relate to her own band. The respondent associated a market summary with writing down potential clients and the “market” (without being able to specify this any further). The respondent is not familiar with the concept of a market summary. The respondent is therefore assigned the score “0”.

“I thought about it a bit, but not really extensively.”

Respondent 2:

The respondent stated to have no previous experience with the making of a market summary for the band. The respondent did have some experience with the concept because of workshops that the band had taken. In these workshops, they had discussed their market. When asked if the respondent was familiar with the concept, the respondent stated that he would know a thing or two about making one if it concerned the branch of his fulltime job, but that he wouldn’t know how to do it for the music business. The respondent is familiar with the concept of a market summary (in general) and has given the process some thought through workshops. The respondent is therefore assigned the score “1”.

“I would know a thing or two about if it concerned the hydraulics market”

Respondent 3:

The respondent stated to have no previous experience with the making of a market summary for the band. The respondent stated that the band had not engaged in analysing the market but that he himself was in fact familiar with the concept of a market summary. The respondent could also explain the concept to the interviewer. The respondent is therefore assigned the score "1".

"I am familiar with the concept of a market summary but we haven't used it in practice"

Proposition 2: A band does not have a concrete SWOT analysis on paper.

Respondent 1:

The respondent stated to have no previous experience with making a SWOT analysis for the band. The respondent did think about what made her band better than the competition, stating that the music they played was not very common. There was no indication that the respondent had actively thought about strengths, weaknesses, opportunities or threats. When asked if the respondent was familiar with the concept at all, the respondent stated that she had once heard about it and that she knew the letters stood for something, but that she had long forgotten what it was. The respondent is not familiar with the concept of a SWOT analysis. The respondent is therefore assigned the score "0".

"We thought about what separates us from the rest, but not much more than that. I think that we make music that is not that common."

Respondent 2:

The respondent stated to have no previous experience with making a SWOT analysis for the band. The respondent stated that he and the band did think about what made them better than the competition and could name a few strengths as well as a weakness. When asked if the respondent was familiar with the concept, he stated that he had never heard of the term. The respondent is not familiar with the concept of a Swot analysis. The respondent is therefore assigned the score "0".

"We thought about what makes us different from other bands."

Respondent 3:

The respondent stated to have no previous experience with making a SWOT analysis for the band. The respondent did think about what makes the band better than others bands, and states that this has also been topic of discussion. The respondent is familiar with the concept of a SWOT analysis and is also able to explain the concept to the interviewer. The respondent is therefore assigned the score "1".

"We did talk about what makes us better than other bands, but not in the framework of a SWOT".

Proposition 3: A band does not have a concrete competition analysis on paper.

Respondent 1:

The respondent stated to have no previous experience with making a competition analysis for the band. The respondent stated that she and the band had thought about it, but that they had never put anything on paper. The respondent could not recall what they had talked about exactly. The respondent was not familiar with the concept of a competition analysis. The respondent is therefore assigned the score "0".

"We thought about it but we never wrote anything down."

Respondent 2:

The respondent stated to have no previous experience with making a competition analysis for the band. The respondent stated that he and the band had thought about it, but never went through an analytical process. The respondent did actually engage in analysis, as he went on to tell that he would visit shows of other bands and think about how his own band would relate to the band playing. The respondent did not make a clear distinction between variables though and would only rank the bands on his perceived quality of the music. The respondent was not technically familiar with the concept of a competition analysis, but could reasonably imagine what it would be and was also able to explain this to the interviewer. The respondent is therefore assigned the score "1".

"We didn't write anything down on paper, but we did discuss it sometimes."

Respondent 3:

The respondent stated to have no previous experience with making a competition analysis for the band. The respondent also stated that nor he, nor the band had engaged in competition analysis. The respondent was familiar with the concept and could also explain this concept to the interviewer. The respondent is therefore assigned the score "1".

"I don't think we have been at a point where we have taken the music seriously as a business and felt the need to do a competitor analysis."

Proposition 4: A band does not have their keys to success concretely on paper.

Respondent 1:

The respondent stated to have no experience with writing the keys to success down on paper, but that the band did somewhat think about what they needed to be successful, even developing a small strategy on how to achieve this. When asked if the respondent was familiar with the concept, she stated that she could somewhat guess what it was, but that she had no experience with it. When asked about it again the respondent stated "What needs to be done to achieve success, which actions should be taken." The respondent grasps the concept and has given it some thought. The respondent is therefore assigned the score "1".

"What needs to be done to achieve success, which actions should be taken."

Respondent 2:

The respondent stated that as a band they had some experience with writing the keys to success down on paper for the band. This was mostly related to making a list of potential venues to play and a cost specification of the recording and distributing a record. However, there had been some thought about how to sell records in an alternative way in order to still sell in a saturated market where people are not keen to paying for music. When asked if the

respondent was familiar with the concept, he stated that he knew nothing about the subject as a theoretical concept. However, the respondent naturally thinks about what is essential for the band to sell products, because of the disappointing sales through traditional channels. The respondent is therefore assigned the score "1".

"We did look for alternative ways to selling records once, because we believe it is essential that you do something different if you want to sell something. There are already so many bands doing the same thing."

Respondent 3:

The respondent stated to have no previous experience with writing the keys of success down on paper. The respondent did say that he had discussed the topic with the guitar player on occasion and that they had concluded in these discussions what their keys to success were. The respondent was familiar with the concept and was also able to explain this to the interviewer. The respondent is therefore assigned the score of "1".

"Keys to success are the requirements to be successful."

Proposition 5: A band does not have a concrete mission on paper.

Respondent 1:

The respondent stated to have no previous experience with writing a mission statement for the band. When asked if the band had ever thought about where they would like to be in ten years, the respondent replied that ten years was too big of a timespan to plan ahead. Furthermore, the respondent is not familiar with the concept. The respondent is therefore assigned the score of "0".

"Ten years is too long to plan ahead."

Respondent 2:

The respondent stated to have no previous experience with writing a mission statement for the band. The respondent answered a short "no" to the question if they, as a band or individual, had ever asked themselves where they would like to be in ten years. When asked if the respondent was familiar with the concept of a mission, the respondent again answered with a short "no". The respondent is therefore assigned a score of "0".

"No."

Respondent 3:

The respondent stated to have no previous experience with writing a mission statement for the band. When asked if the band had ever thought about where they would like to be in ten years, the respondent replied that the band does not plan ahead for more than a few months and that they do not really think about the distant future. The respondent was familiar with the concept and was also able to explain the concept to the interviewer. The respondent is therefore assigned a score of "1".

"We don't plan ahead for more than a few months at a time anymore."

Proposition 6: A band does not have a concrete segmentation and targeting strategy on paper.

Respondent 1:

The respondent stated to have no previous experience with writing a segmentation and targeting strategy for the band. When asked if the respondent or the band had ever analysed or thought about their typical consumer, the respondent replied that they did think about the kind of people that would be in the venue when they played a show. The respondent is not familiar with the concept (or only very slightly). The respondent is therefore assigned the score of "0".

"We think about what kind of people come to the venues when we play."

Respondent 2:

The respondent stated to have no previous experience with writing a segmentation and targeting strategy for the band. The respondent answered a short "no" to the question if they, as a band or individual, had ever analysed their consumers, or whether they had a clue about what would be the typical characteristics of their consumers. When asked if the respondent was familiar with the concept of a segmentation and targeting strategy, the respondent again answered with a short "no". The respondent is therefore assigned a score of "0".

"No."

Respondent 3:

The respondent stated to have no previous experience with writing a segmentation and target strategy for the band. The respondent also stated that they had not tried to analyse what their typical consumers looks like. When asked if the respondent was familiar with the concept, the respondent knew what the concept was, and could explain it to the interviewer. The respondent is therefore assigned the score "1".

"No, we haven't done that."

Proposition 7: A band does not have a concrete positioning strategy on paper.

Respondent 1:

The respondent stated to have no previous experience with writing a positioning strategy for the band. When asked, what made their band differ from the competition, the respondent could come up with some answer, but she did not relate it to positioning. The respondent is not familiar with the concept. The respondent is therefore assigned the score of "0".

"Never heard of it."

Respondent 2:

The respondent stated to have no previous experience with writing a positioning strategy for the band. When asked, what made their band differ from the competition, the respondent could come up with some answers, but he did not relate it to positioning. The respondent is not familiar with the concept. The respondent is therefore assigned the score of "0".

"The image I have is that you give yourself a place in the imaginary ranking list of how good the bands are."

Respondent 3:

The respondent stated to have no previous experience with writing a positioning strategy for the band. When asked, what made the band differ from the competition, the respondent could give arguments. The respondent is familiar with the concept and can explain it to the interviewer. The respondent is therefore assigned the score "1".

"We distinguish ourselves from the competition with more than just the music."

Proposition 8: A band does not have a concrete marketing research strategy on paper.

Respondent 1:

The respondent stated to have no previous experience with writing a marketing research strategy for the band. The respondent did state that she thought that other people in the band had done some kind of marketing research. When the respondent was then asked if she was familiar with the concept of marketing research, she could not give a concrete answer. The respondent is not familiar with the concept. The respondent is therefore assigned the score of "0".

"I don't think we have ever done it. Maybe the others in the band did, but I don't think so"

Respondent 2:

The respondent stated to have no previous experience with writing a marketing research strategy for the band. The respondent did state that the band had done some research on venues. This included selecting the right venues to play for the right "target group". It is odd that the respondent does have an image of his typical consumer in his head, while he previously stated that he had not. When the respondent was then asked if he was familiar with the concept of marketing research, he could give a reasonably good answer. The respondent is familiar with the subject, and has engaged somewhat in marketing research. The respondent is therefore assigned the score of "2".

"I am familiar with it. You investigate who your clients are, where they are and who have the most sales potential".

Respondent 3:

The respondent stated to have no previous experience with writing a marketing research strategy for the band. The respondent stated that the most that they had done was map out all possible (paying) venues. The respondent is familiar with the concept of marketing research and could explain it to the interviewer. The respondent is therefore assigned the score of "2".

"We did do some marketing research on playable venues."

Conclusion

To what degree do starting bands engage in marketing planning? This thesis has aimed to answer this question by first looking at the factors that influence marketing planning, drawing expectations about marketing planning for bands in practice, and then conducting interviews as to see whether these expectations are correct.

When looking at the formulated expectations that came out of the model, we can conclude that all the propositions can be confirmed. It was expected that a band did not engage in marketing planning. The interviews confirmed that this was the case. There is no documented marketing planning. Propositions 1,4, and 8 scored highest, but were still very low.

General conclusion:

Starting bands do not engage in systematic marketing planning.

Being engaged in marketing is not an all-or-nothing case, but should be viewed on a continuum. To extrapolate from the conclusions above and stating that a band does not engage in marketing planning completely would be false. This nuance is expressed in the assigned score that the band has. A high score indicating a higher engagement in marketing planning (and a tendency towards systematic marketing planning) and a lower score indicating a low engagement (and a more 'loose' style of marketing).

It can be concluded that the band does not engage in systematic marketing planning, but that they do think about and discuss marketing (planning) topics.

Discussion

Interpreting the score

The score can be viewed from two different perspectives: the band's total score, or the highest individual score. When interpreting the score, one should first look at the highest individual score (so the band member with the highest score) and then look at the band's total score. It is a realistic scenario that one person in the band is responsible for all marketing planning. In that case, one of the respondents would have scored a 4 on each of the propositions. While the highest individual score would indicate that the band fully engages in marketing planning, the total score (32/96, in this case) would indicate only a small engagement in marketing planning. In a band with 3 members, this means that it is possible that with one third of total points, a band does in fact fully engage in marketing planning. In the case of 4 members, this would be a quarter of the total points. It could also be the case that all members are familiar with the concepts and that they understand them. In practice this could lead to a 50% score when looking only at the total score. The before mentioned case with only one marketer would lead to a 33% percent score in the case of a band with 3 members. This score is obviously lower than 50%, but the marketing planning engagement is higher. Extremes make the scale less valid. Therefore, it is critical to look at the individual score first, before looking at the total score. However, one can imagine that 3 people scoring 60/96 together (in the case of three members) is not the same as looking at only one individual with a score of 20/32. Both scores should be evaluated.

Critical reflection

The author's involvement in the band could have influenced the research in multiple ways. There is a risk of possible bias in this research. A standard interview was constructed to solve this problem. During the interviews, it became a priority not to influence the respondents and to stay strictly with the interview structure. The same can be said for the respondents. Because of the presence of the author the respondents might have been tempted to give socially desirable answers. The vast structure of the interview has tried to correct for this, but it will always be a guess whether the respondents gave desirable answers or not. The author could also have influenced the marketing engagement of the band up front. The author's background in business study could be considered a confound, responsible for the degree of engagement in marketing planning. It is more likely that a band is engaged in marketing planning when the people playing in that band are business students. The opposite could also be the case. Because of the author's background in business studies, it is possible that the other members feel less inclined to think about marketing. The author scored significantly higher than the other two members. Study background would be an obvious explanation, but it could also very well be the case that the other members left the marketing to the perceived expert. Another factor which could have had a negative influence on this thesis is the large gap in time. Due to circumstances the research had to be paused for eight months. In those eight months, a lot could have changed which could have influenced the results of the interview. Eight months of experience can make a lot of difference for a starting band. Because the interviews were done in the last phase of the research, this problem has been solved for the most part.

Managerial implications

It appears from the research that bands are not likely to engage in marketing planning. The reasons for this are that bands are simply not familiar with marketing concepts and do not realize that implementing these concepts would be beneficial to them. The passion of a musical entrepreneur is first and foremost to share his/her music, not to be a successful business entrepreneur. Bands often do not have the in-house expertise and ambition to be a marketing professional, next to being a musician. Musicians are in it for the music, and not for the business side of the industry. This has led to a distorted industry, with record companies having way too much power. Because bands have too little knowledge about the business side of the industry, other companies can profit by filling this gap. TV shows like *The Voice*, *Popstars* and *Idols* perfectly illustrate this. The contracts provided to an artist are a form of modern slavery, but artists insist on applying for these shows because of their passion. Bands should devote some of that passion and energy to the business side of music, instead of focussing solely on the music. By simply doing this they will already have a positioning strategy as it appears from the research that bands hardly engage in marketing planning at all. With a structured approach a band can greatly improve its chances without much effort, simply because the competition does not have a structured approach. Going through the marketing planning process one step at a time is likely to have large consequences for a band in the long run.

Relevance for literature

This research can add to the already existing literature on marketing and how SME's may implement marketing, as there are many similarities between band and SME characteristics. The never-ending work drive, the need for independence, the need for networking skills: there is some common ground between the normal entrepreneur and the musical entrepreneur. A band can be seen as an SME with an extreme lack of business knowledge, and therefore the same basic theories apply to a band. The SME characteristics that were found in the literature have enormous overlap with the literature on musical entrepreneurs and bands. Bands can therefore learn a lot by studying this literature. The basic concepts of a marketing plan apply to a band, and a band would be wise to explore this side of being an entrepreneur. This research confirmed that there are similarities between SME's and bands, and that the chance that a band engages in marketing is even lower compared to general SME's. Still it would be interesting to see if there are other differences between SME's and bands except for the in-house expertise. This research has done a little of the groundwork by establishing that bands do not actively engage in marketing in general.

Recommendations for further research

To correctly assess whether bands engage in marketing planning, the research should be repeated to enlarge the pool of case studies. Results would then be more reliable and possible differences between bands could be identified. Selecting and researching bands who have already established themselves would also greatly contribute to the research. What are the differences between bands who are successful and bands who are not? How big is the correlation between marketing engagement and success? This could even be researched in a field experimental environment. Although very susceptible to confounding factors, it would still be very interesting to see how two bands differ when one gets all the professional marketing tools and education handed to them while the other one does not actively engage in marketing.

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Appendix

Interview:

Proposition 1: A band does not have a concrete market summary on paper.

1. Does your band have a concrete market summary on paper?
 - a. When answered "yes": Can you tell me more about this?
 - b. When answered "no": Did you or your band ever analyse your market?
 - i. When answered "yes": Can you tell me more about this?
 - ii. When answered "no": Are you familiar with the concept of a market summary?
 1. When answered "yes": Can you explain this concept to me?
 2. When answered "no": Next question.

Proposition 2: A band does not have a concrete Swot analysis on paper.

2. Does your band have a concrete Swot analysis on paper?
 - a. When answered "yes": Can you tell me more about this?
 - b. When answered "no": Did you or your band ever analyse your strong and weak points? What makes you better than other bands? And did you ever analyse possible threats and opportunities that come from your environment?
 - i. When answered "yes": Can you tell me more about this?
 - ii. When answered "no": Are you familiar with the concept of a Swot analysis?
 1. When answered "yes": Can you explain this concept to me?
 2. When answered "no": Next question.

Proposition 3: A band does not have a concrete competition analysis on paper.

3. Does your band have a concrete competition analysis on paper?
 - a. When answered "yes": Can you tell me more about this?
 - b. When answered "no": Did you or your band ever analyse your competition?
 - i. When answered "yes": Can you tell me more about this?
 - ii. When answered "no": Are you familiar with the concept of a competition analysis?
 1. When answered "yes": Can you explain this concept to me?
 2. When answered "no": Next question.

Proposition 4: A band does not have their keys to success concretely on paper.

4. Does your band have your keys to success concretely on paper?
 - a. When answered "yes": Can you tell me more about this?
 - b. When answered "no": Did you or your band ever analyse your keys to success?
 - i. When answered "yes": Can you tell me more about this?
 - ii. When answered "no": Are you familiar with the concept of keys to success?
 1. When answered "yes": Can you explain this concept to me?
 2. When answered "no": Next question.

Proposition 5: A band does not have a concrete mission on paper.

5. Does your band have a concrete mission on paper?
 - a. When answered "yes": Can you tell me more about this?
 - b. When answered "no": Did you or your band ever think about where you want to be in ten years?
 - i. When answered "yes": Can you tell me more about this?
 - ii. When answered "no": Are you familiar with the concept of a mission?
 1. When answered "yes": Can you explain this concept to me?
 2. When answered "no": Next question.

Proposition 6: A band does not have a concrete segmentation and targeting strategy on paper.

6. Does your band have a concrete segmentation and targeting strategy on paper?
 - a. When answered "yes": Can you tell me more about this?
 - b. When answered "no": Did you or your band ever analyse what characterizes your typical consumer?
 - i. When answered "yes": Can you tell me more about this?
 - ii. When answered "no": Are you familiar with the concept of a segmenting and targeting?
 1. When answered "yes": Can you explain this concept to me?
 2. When answered "no": Next question.

Proposition 7: A band does not have a concrete positioning strategy on paper.

7. Does your band have a concrete positioning strategy on paper?
 - a. When answered "yes": Can you tell me more about this?
 - b. When answered "no": Did you or your band ever analyse what makes your band different from other bands?
 - i. When answered "yes": Can you tell me more about this?
 - ii. When answered "no": Are you familiar with the concept of positioning?
 1. When answered "yes": Can you explain this concept to me?
 2. When answered "no": Next question.

Proposition 8: A band does not have a concrete marketing research strategy on paper.

8. Does your band have a concrete marketing research strategy on paper?
 - a. When answered "yes": Can you tell me more about this?
 - b. When answered "no": Did you or your band ever do research on your clients and markets?
 - i. When answered "yes": Can you tell me more about this?
 - ii. When answered "no": Are you familiar with the concept of marketing research?
 1. When answered "yes": Can you explain this concept to me?
 2. When answered "no": Wrap up interview.